

CROSS-COMPANY GRIEVANCE MECHANISMS IN PRACTICE

Findings and Learnings from the Evaluation of the
Mecanismo de Reclamación de Derechos Humanos
(MRDH)

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October 2025

This study was commissioned by the *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH* on behalf of the German *Federal Ministry of Labour and Social Affairs (BMAS)*.

Foreword

The protection of human rights is primarily a state duty. At the same time, all companies must respect human rights in their own operations and business activities. This shared responsibility is anchored in the *UN Guiding Principles on Business and Human Rights* and mirrored in Germany's corresponding *National Action Plan*. Where harms occur, those affected have the right to access remedy. To facilitate redress and compensation of negative impacts, companies need to provide grievance mechanisms. But how can such mechanisms be effective and accessible even for people further along the supply chain?

The *Sector Dialogue Automotive Industry*, hosted by *The Federal Ministry of Labour and Social Affairs*, decided to address this obligation collectively and pioneer a common complaint channel for the supply chains of its members. After an internal planning phase, three companies committed to ambitiously pilot the concept in Mexico, a region central to German car manufacturing. Together with civil society organisations, trade unions, national human rights institutions, and government institutions from both countries the "*Mecanismo de Reclamación de Derechos Humanos*" (MRDH) was set up. The initial roll-out was co-funded by *The Federal Ministry for Economic Cooperation and Development* and supported by GIZ.

During the pilot essential structures for a robust complaint mechanism were established. Multi-stakeholder project management allowed for direct exchange between companies and civil society – a rare format, especially in Mexico. Through an active awareness campaign over 100,000 people in 15 Mexican states were informed about their fundamental rights at work. 17 complaints were accepted and grouped into ten cases, seven of which were brought to a conclusion. The concept of a cross-company grievance mechanism had proven effective in practice. Yet as public support came to an end, the stakeholders could not agree on a common way forward. Without additional corporate members, both the funding of the mechanism, as well as its leverage and coverage would remain limited. As sustainability regulations had come under scrutiny in Germany and the EU, it proved impossible to convince further companies to join such an ambitious initiative. At the same time the MRDH had already left its mark: Both the *National Supply Chain Act* in Germany (LkSG) as well as the *EU Corporate Sustainability Due Diligence Directive* (CSDDD) mention the possibility to participate in collaborative complaint procedures. The experiences from the MRDH pilot therefore serve as valuable insights for any future endeavour. I am firmly convinced that the



"I am firmly convinced that the legacy of the MRDH should not be underestimated and that it will extend far beyond the flagship project."

**Dr Carsten Stender,
Federal Minister of
Labour and Social Affairs**

legacy of the MRDH should not be underestimated and that it will extend far beyond the flagship project.

In the name of *The Federal Ministry of Labour and Social Affairs* I would like to thank all partners in Germany and Mexico for their high level of commitment, perseverance, courage, pioneering spirit, and constructive cooperation. The MRDH has shown innovative ways to strengthen human rights in global supply chains. The evaluation study at hand analyses the strengths and weaknesses of the pilot and captures essential learnings and recommendations for effective grievance mechanisms.

Dr Carsten Stender

Head of Directorate-General VI “European and International Employment and Social Policy”,
Federal Ministry of Labour and Social Affairs

Preliminary remarks by the Chairperson of the MRDH's Multi-Stakeholder Board

Rightsholders who are affected by negative impacts of business activities should have access to effective remedy. According to the *United Nations Guiding Principles on Business and Human Rights*, ensuring such access is both part of the state's duty to protect people against business-related human rights abuses and part of companies' responsibility to respect human rights.

The cross-company grievance mechanism "*Mecanismo de Reclamación de Derechos Humanos*" (MRDH) in Mexico was established and piloted by a multi-stakeholder group within Germany's *Sector Dialogue Automotive Industry*. Three German companies participated in the pilot project and contributed financially to its implementation. A comprehensive planning phase was supported by *The Federal Ministry of Labour and Social Affairs*, while the initial part of the piloting phase was supported by *The Federal Ministry for Economic Cooperation and Development*. Thus, the German government, business enterprises, civil society and trade unions, as well as the *German Institute for Human Rights*, worked together to improve Mexican rightsholders' access to remedy in the automotive industry.

The MRDH was the first mechanism of its kind in the automotive sector. It was developed through a multi-stakeholder approach, and every stakeholder's vote had the same weight in the governance bodies. Decisions were taken unanimously, which testifies to the high level of trust and cooperation among the different stakeholders. Accordingly, the present study identifies the multi-stakeholder approach as a key factor for the quality and success of the MRDH, though it also identifies it as a challenge. Initially, all MRDH members were firmly committed to the purpose of the mechanism – the early identification of risks and, on that basis, the prevention of human rights abuses, as well as the provision of remedy to those whose rights have been harmed.

As chairperson of the main governance and decision-making body, the MRDH's *Multi-Stakeholder Board*, I saw at close hand how challenges arising in the implementation phase impaired the efforts to achieve this common goal. Stakeholders from the two countries and the various groups worked together in a spirit of cooperation for a long time – both in the planning phase and in the first months of the piloting phase. Each stakeholder or group was willing and able to set aside their individual interests for the sake of the joint project and goal. In this manner, a comprehensive concept document detailing the design of the MRDH was drawn up and unanimously approved. With the start of the pilot phase, even closer cooperation among all stakeholders, and particularly the companies, became necessary, as all stakeholders needed to contribute to the success of the MRDH and its complaint procedures.

I facilitated many meetings of the *Multi-Stakeholder Board*, upholding the joint purpose and appealing to the members to work together rather than form opposing blocs that would

render decision-making impossible. As more and more complaints came in, more cooperation was needed to enable the MRDH to serve as an effective complaint mechanism for rights holders. The governance structure of the MRDH did not have the agility this challenge demanded, and the mechanism was subject to enormous time pressure throughout its implementation phase. Key decisions regarding the continuation of the pilot had not been taken by November 2025, despite the many proposals and draft resolutions that had been circulated among all stakeholders at several board meetings. Thus, with the end of the pilot phase approaching, a responsible phase-out of the project was initiated, and the pilot had ended by 31 December 2025.

In my view, the actual implementation phase was too short. The MRDH was fully operational for only a little more than a year: delays in setting up the complaint platform meant that it did not go online until the autumn of 2024 and it was taken down – due to the pilot’s discontinuation – in November 2025. In the four years leading up to the implementation phase, we reached several milestones and drew up the key documents. The short period of actual implementation involved intensive outreach activities in Mexico, which raised awareness of as well as trust in and hopes for the MRDH on the part of rights holders.

Two questions now need to be examined: In how far did rightsholders benefit from the considerable effort invested in the long and intensive planning phase and then by comparison, a strikingly short pilot phase? And how can cross-company grievance mechanisms be set up and operated in a more sustainable way? Here both needs to be considered; the long-term operation of a mechanism and also the time pressures and other burdens that the participating stakeholders in it must bear. With the pilot having been discontinued, it is now all the more important to derive lessons learned, with a focus on the perspective of rights holders on the MRDH’s successes and failures, a task to which the present study aims to contribute.

Lissa Bettzieche

Senior Researcher and Policy Advisor with the *German Institute for Human Rights*, Chairperson of the MRDH’s *Multi-Stakeholder Board*, 2023–2025.

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Executive Summary

The *Mecanismo de Reclamación de Derechos Humanos* (MRDH) is a cross-company grievance mechanism in Mexico conceptualised by the *Sector Dialogue Automotive Industry* under Germany's *National Action Plan for Business and Human Rights* (NAP). With three participating companies and strong involvement of Mexican and German civil society, as well as trade unions, the MRDH was in operation during a pilot phase from May 2024 until December 2025. The pilot phase was supported by the German *Federal Ministry of Labour and Social Affairs* (BMAS) and the German *Federal Ministry for Economic Cooperation and Development* (BMZ). From April to October 2025, this evaluation assessed the MRDH's implementation, its role as a due diligence tool, and its potential relevance for other sectors and contexts.

The MRDH is widely recognised as a pioneering initiative with global learning potential. Despite its short operational timeframe, it has built trust with workers and community members. It has handled several cases and has established itself internationally as an emerging good practice model for cross-company grievance mechanisms. The evaluation identified strengths and certain remaining challenges, particularly regarding accessibility, anti-retaliation, corporate engagement, and the active involvement of Mexican supplier companies. Adjustments to the operational structure were recommended to increase effectiveness, particularly by strengthening the division of responsibilities between a centralised project management and regional/local outreach organisations.

As the governmental support, and with this the role of GIZ, would come to an end after the pilot phase, the MRDH faced a crucial decision point at the time of the evaluation. Therefore, one goal of this evaluation was to provide specific findings and recommendations to support the decision on the mechanism's effectiveness and long-term continuation. Another important goal was to derive overarching learnings for other non-judicial, cross-company grievance mechanisms in the field of Business, Human Rights and the Environment.

A. Introduction

This evaluation study was commissioned to assess the implementation of the *Mecanismo de Reclamación de Derechos Humanos* (MRDH), a pioneering cross-company grievance mechanism established by the *Sector Dialogue Automotive Industry* under Germany's *National Action Plan for Business and Human Rights* (NAP). The study examines how the MRDH has been designed and implemented, with particular attention to its outreach and accessibility, case handling, ownership and governance, and transferrable success factors and learnings.

The pilot phase of the MRDH ran from May 2024 until December 2025. The evaluation research was conducted from April to August 2025. The data was consolidated until October 2025. One important goal of the evaluation was to provide insights to inform decision-making about the mechanism's continuation and further optimisation beyond this initial period. Another task was to derive broader learnings for cross-company grievance mechanisms in other sectors and contexts from the MRDH pilot experience.

This report firstly describes the MRDH's background and inception, as well as the context of implementation (B.). Then, the evaluation study with the chosen research approach and the conducted research activities are introduced (C.). The main section of the report contains the findings and recommendations regarding the MRDH (D.). Transferrable learnings for other grievance mechanisms are summarised in Section E. Additional information is available in the annex.

B. MRDH – Development, Description, and Context of Implementation

As part of the implementation of the *National Action Plan for Business and Human Rights* (NAP), the German *Federal Ministry of Labour and Social Affairs* (BMAS) initiates *Sector Dialogues* to provide support to companies in sectors with particular human rights challenges to adequately implement the NAP requirements on human rights due diligence.

The *Sector Dialogue of the Automotive Industry* (subsequently: *Sector Dialogue*) was launched in 2020. Its multi-stakeholder set-up involves, inter alia, companies, business associations, trade unions, NGOs, the *German Institute for Human Rights* and the German Federal Government represented by *The Federal Ministry of Labour and Social Affairs* (BMAS). The *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ) GmbH (subsequently: GIZ) served as secretariat and facilitator of the *Sector Dialogue*.

In September 2020, the *Sector Dialogue* decided to develop a concept for a cross-company grievance mechanism as a pilot project. Mexico was selected as the pilot country due to its outstanding importance for the German automotive industry and the human rights risks identified at all stages of the value chain. The following image shows the prevalence and distribution of car manufacturing in Mexico.

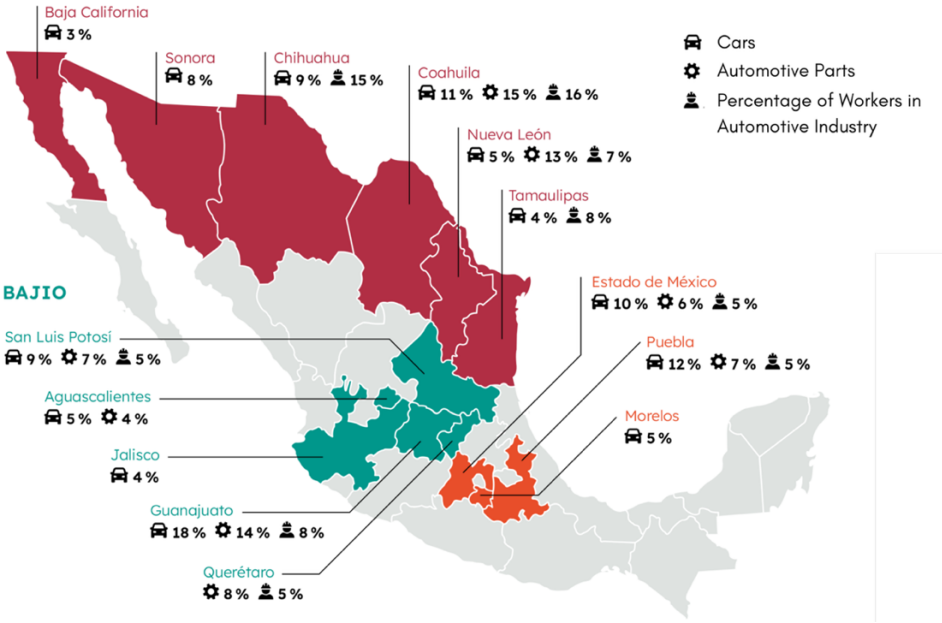


Image 1: Automotive Industry in Mexico (map provided by World Economy, Ecology & Development (WEED))¹

¹ For more information, see also <https://weed-online.org/de/publikationen-detailansicht/wirtschaft-versus-menschenrechte-deutsche-automobilindustrie-in-mexiko-in-der-verantwortung>.

The grievance mechanism was first called “*Unternehmensübergreifender Beschwerdemechanismus (UBM)*” (English: cross-company grievance mechanism) and later named “*Mecanismo de Reclamación de Derechos Humanos (MRDH)*” (English: Human Rights Complaint Mechanism). Its concept was adopted by the *Sector Dialogue* members in June 2022; it aimed to establish an effective grievance mechanism for all people affected by human rights violations in the supply chains of the *Sector Dialogue’s* member companies, reaching down also to the indirect suppliers (tier n).

The concept outlined the following objectives:²

- The MRDH serves as an early warning system for companies to identify and address indications of (potential) negative human rights impacts at an early stage. The companies are empowered to identify systemic problems and adjust their practices accordingly to address identified grievances and redress adverse impacts early and immediately.
- Adverse human rights and environmental impacts caused by the member companies in Mexico are remediated.
- The MRDH uses its leverage to contribute to remediation of adverse human rights and environmental impacts in Mexico (where there is a direct link to the member companies).
- The MRDH develops opportunities for leverage and supports remedial action where member companies are linked to adverse human rights impact in Mexico.

For the pilot phase, three companies committed to join the MRDH: *BMW AG*, *Mercedes-Benz Group*, and *ZF Friedrichshafen AG*. The MRDH has been steered by a multi-stakeholder governance structure from the beginning. The concept of the MRDH was operationalised and adapted to the local context with the participation of Mexican civil society. The mechanism was implemented in a pilot phase from May 2024 until December 2025 with the support of the *German Federal Ministry for Economic Cooperation and Development (BMZ)* and the *German Federal Ministry of Labour and Social Affairs (BMAS)*.

The MRDH is situated within a pertinent legal and policy framework that includes grievance mechanisms as one key pillar of corporate due diligence, as defined in the *United Nations Guiding Principles on Business and Human Rights (UNGPs)*, the *OECD Guidelines for Multinational Enterprises*, the *German National Action Plan on the Implementation of the UN Guiding Principles on Business and Human Rights (NAP)*, the *German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG)*, and the forthcoming *EU Corporate*

² Source: Terms of Reference, Evaluation of the cross-company grievance mechanism pilot project in Mexico.

Sustainability Due Diligence Directive (CSDDD), which still needs to be transposed into national (German) law.

The UNGPs ask companies to establish or participate in effective operational-level grievance mechanisms that enable individuals or communities affected by corporate activities to raise concerns and seek remedy. According to the effectiveness criteria of UNGP 31, such mechanisms shall be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue. These criteria set the global benchmark for what constitutes an effective grievance mechanism from a rights-holder perspective. The German NAP translates these expectations into national policy, emphasising that grievance mechanisms are an essential component of human rights due diligence.³

Section 8 LkSG requires companies to establish an appropriate internal complaints procedure that enables individuals to report human rights or environmental risks or violations linked to the company's own operations or those of its direct suppliers. Companies may alternatively participate in an external grievance mechanism if it meets the standards of section 8 LkSG. According to Section 9 para. 1 LkSG, all types of grievance mechanisms also have to be open for grievances that refer to the conduct of indirect suppliers of all tiers.

Section 8 LkSG contains additional requirements that apply to all grievance mechanisms: The mechanism must acknowledge receipt of complaints, engage in dialogue with complainants, and may offer dialogue-based dispute resolution. The grievance mechanism must adopt publicly accessible rules of procedure (para. 2). Individuals responsible for handling complaints must act impartially and independently, remain free from instructions, and maintain confidentiality (para. 3). The procedure must be clearly explained, accessible to all potential users, ensure confidentiality, and provide protection against retaliation (para. 4). The effectiveness of a mechanism must be reviewed at least annually or when risk factors and conditions change significantly; adjustments must be made as necessary (para. 5).

Similarly, under Article 14 of the CSDDD, companies are required to establish or participate in effective notification and grievance mechanisms that allow individuals and communities to raise substantiated concerns regarding adverse human rights or environmental impacts. These mechanisms must be accessible, transparent, and ensure impartial handling of complaints. Even though the CSDDD will most likely be amended by the *Omnibus I* proposal of the European Commission, as of October 2025, the concrete requirements regarding grievance mechanisms are likely to remain unchanged.

The MRDH as a cross-company, independent grievance mechanism was developed jointly by companies and civil society actors. The MRDH serves as a pioneering model for collaborative

³ For more information, see <https://www.auswaertiges-amt.de/resource/blob/610714/fb740510e8c2fa83dc507afad0b2d7ad/nap-wirtschaft-menschenrechte-engl-data.pdf>.

multi-stakeholder grievance mechanisms that align with international standards such as the UNGPs and the OECD *Guidelines for Multinational Enterprises*. It also supports participating companies in fulfilling their due diligence obligations under LkSG and, in future, the CSDDD. Due to its regional focus on Mexico, the MRDH cannot fully replace the member companies' internal grievance mechanisms. However, the MRDH enhances accessibility and credibility through its multi-stakeholder structure, which includes coordination units in Germany and Mexico and actively involves local organisations.

To ensure its effectiveness from its inception, the design, implementation and continuous development of the MRDH were oriented towards the effectiveness criteria of UNGP 31, which go beyond the legal requirements of the LkSG and CSDDD. The focus of the MRDH is on the members' upstream value chains (including indirect business partners up to tier n), i.e. on all suppliers and all other upstream tiers of intermediate products and raw materials in Mexico. The MRDH is open to all rights-holding individuals and groups, their representing or supporting organisations, and other persons who suspect a potential or actual violation of rights or adverse effects within the scope of the MRDH.

The MRDH provides an online platform where complaints can be submitted. Complaints can also be submitted by phone, letter, email or messaging apps. Complainants are explicitly asked whether they wish to remain anonymous during the procedure. After a complaint has been declared admissible, a panel of experts conducts an initial investigation of the complaint. This initial investigation also attempts to clarify the connection between a complaint and a MRDH member company (if such a link seemed plausible in the admissibility check but could not be definitively identified). In addition, the initial investigation determines the MRDH procedure is the best possible avenue to address the complaint. The result of the initial investigation can be the resolution of the complaint (by agreement of the parties involved). Otherwise, the claimants can choose to initiate mediation-based dispute resolution or the MRDH can request a compliance review; both of these options involve the support by external experts.

The **governance structure** of the MRDH encompasses different bodies:

The **Multi-Stakeholder Board** serves as the central governance body of the MRDH, bringing together representatives from all stakeholder groups, as well as Mexican partner organisations. Its key responsibilities include appointing organisations for the *German* and *Mexican Coordination Units* and approving or proposing revisions to the MRDH's core documents. The Board also oversees quality and effectiveness measures and may request cross-cutting analyses of complaint trends. In addition, it ensures ongoing communication and coordination with the *Sector Dialogue* and other relevant national and international initiatives.

Stakeholder Group	Members
Public Sector	<i>Secretaría del Trabajo de México</i> <i>Secretaría de Economía de México</i> <i>Secretaría de Relaciones Exteriores de México</i> <i>GIZ – Initiative Global Solidarity on behalf of the German Federal Ministry for Economic Cooperation and Development</i>
Companies	<i>BMW Group</i> <i>Mercedes-Benz Group</i> <i>ZF Friedrichshafen AG</i>
Unions	<i>IG Metall</i> <i>Sindicato Independiente Mexicano (FESI/AAAN)</i> <i>Confederación de Trabajadores (CTM)</i>
Civil Society	<i>Fundación Avina</i> <i>Centro de Información sobre Empresas y Derechos Humanos (BHRRC)</i> <i>Proyecto de Derechos Económicos, Sociales y Culturales (ProDESC)</i> <i>Germanwatch</i> <i>Inkota</i> <i>World Economy, Ecology & Development (WEED)</i>
NHRIs	<i>German Institute for Human Rights (DIMR)</i> <i>Comisión Nacional de los Derechos Humanos de México (CNDH)</i>

Image 2: Members of the MRDH Multi-Stakeholder Board

The **Executive Committee** is responsible for operational decisions. Its members are representatives of the *Multi-Stakeholder Board*.⁴ The responsibilities include approving budgets, regularly reviewing reports and selecting the members of the expert panel.

The **Mexican Coordination Unit** is responsible for managing the MRDH’s operations at the national level. *El Centro de Reflexión y Acción Laboral A.C. (CEREAL)* was selected as *Mexican Coordination Unit* for the MRDH. CEREAL is a civil society organisation based in Guadalajara, Mexico, that focuses on labour rights and directly engages workers and community members as part of their programming. The *Mexican Coordination Unit’s* core tasks include receiving and assessing complaints, advising complainants, and coordinating case handling with the *German Coordination Unit*. It supports the expert panel in investigations, maintains the case database, and contributes to reporting and analysis. The unit also leads stakeholder engagement and outreach in Mexico, including public communication, collaboration with civil society, and capacity-building activities for rightsholders and other stakeholders. Additionally, it monitors relevant national and international regulatory developments to ensure the mechanism remains effective and up to date.

⁴ Source: Concept of the *Mecanismo de Reclamación de Derechos Humanos (MRDH)*.

The **German Coordination Unit** oversees the MRDH’s overall management and coordination functions, including stakeholder management and a secretariat function. Organisations selected for this role were GIZ and the *German Institute for Human Rights* (DIMR). Their responsibilities include supporting complaint intake and admissibility checks, coordinating case handling decisions jointly with the *Mexican Coordination Unit*, and facilitating the work of the expert panel. It manages the MRDH database, prepares reports for the *Multi-Stakeholder Board*, and oversees budget and quality control measures. It proposes updates to MRDH core documents and procedures. In addition, it maintains communication with the *Multi-Stakeholder Board*, the *Sector Dialogue*, and other relevant initiatives, while monitoring national and international regulatory developments to ensure the mechanism’s continuous compliance and improvement.



Image 3: MRDH Governance

The launch and implementation of the MRDH comes at a time where the legal and political environment for human rights due diligence is rapidly changing, creating uncertainty for all stakeholders involved in the MRDH. In addition, the overall economic situation in Germany and many other countries has become increasingly difficult. These recent political and economic developments in Germany and Europe have resulted in a more hesitant approach towards human rights due diligence legislation and enforcement, evidenced by e.g. the *Omnibus I* proposal by the *European Commission* to weaken the CSDDD and a deliberate non-enforcement of the reporting duties of corporations under the German *Supply Chain Due Diligence Act* (LkSG). Further upcoming changes to the LkSG increase the uncertainty

regarding the future regulatory environment surrounding grievance mechanisms in the context of due diligence obligations.⁵

In Mexico, the 2024 elections led to a disruption of political continuity for the MRDH implementation, since most of the staff in the relevant ministries were replaced after the election. The research team was informed that there were internal delays in the implementation of the MRDH, so that the targeted outreach activities to potential claimants only started in October 2024. Since grievance mechanisms require a significant amount of lead time for local awareness-raising and trust-building, the MRDH had only been in full operation for approximately eight months when the empirical part of the evaluation research started in May 2025. Therefore, only limited case material was available to review for the research team. At the same time, it has to be highlighted that the caseload of the MRDH is satisfactory given the short overall run-time of the mechanism. This can be regarded as a clear indicator that the MRDH has been well designed and capable to grow into a more widely known and used route to remedy for rightsholders in Mexico.

This evaluation study intends to support the decision-making process regarding the MRDH's future by offering findings and learnings from the implementation of the MRDH, as well as recommendations for the mechanism's continuing sustainable operation and further development. In addition, it draws conclusions and important learnings for other cross-company mechanisms in other sectors – and possibly also other countries. Thus, it shall contribute to making grievance mechanisms in the field of Business, Human Rights and the Environment more effective.

⁵ See Kabinettsbeschluss '*Gesetz zur Änderung des Lieferkettensorgfaltspflichtengesetzes*', dated 03/09/2025.

C. Concept of the Evaluation

This study was commissioned by *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ) on behalf of the German *Federal Ministry of Labour and Social Affairs* (BMAS) to evaluate the implementation of the pilot phase of the cross-company grievance mechanism MRDH in Mexico. Additionally, the evaluation was to reflect on the MRDH as a tool for corporate due diligence and to draw recommendations for cross-company grievance mechanisms in other sectors and contexts. The research team’s concept for the requested study was designed to comprehensively evaluate the MRDH pilot by employing a structured and methodologically sound approach that incorporates qualitative empirical research methods with a strong focus on stakeholder collaboration, organisational learning, and the development of actionable recommendations for all stakeholders involved in the MRDH and beyond.

The research team chose a **four-phase research approach**.

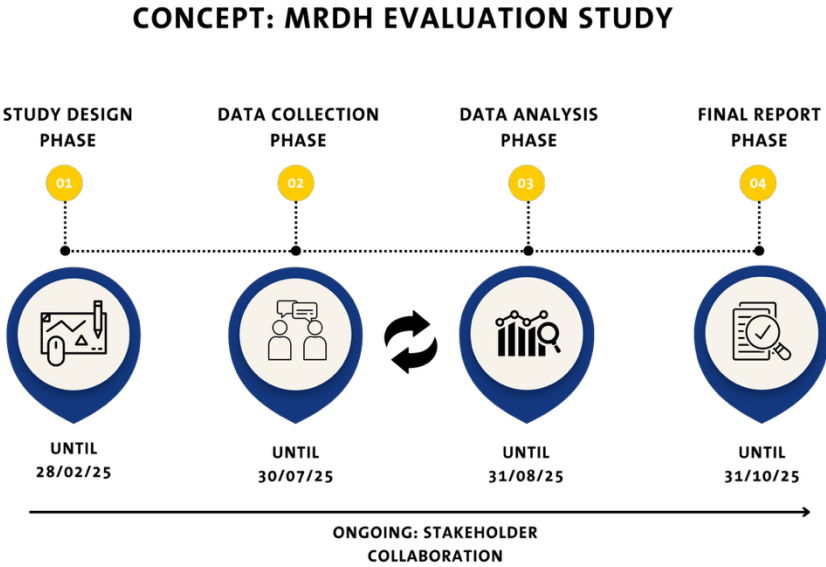


Image 4: Research Concept

The **Study Design Phase** was critical to setting a strong structural and methodical foundation for the MRDH pilot evaluation, ensuring that the collected data provides actionable insights into the overall effectiveness and scalability of the MRDH grievance mechanism. The **Data Collection Phase** was designed to gather a comprehensive set of data to evaluate the MRDH pilot’s actual performance, effectiveness, and areas for improvement. This phase included a 2-week research trip to Mexico, which allowed for direct engagement with the *Mexican Coordination Unit*, rightsholders, and other local stakeholders.

Four **key areas of inquiry** were identified through initial stakeholder interviews to guide the Data Collection Phase:

- **Outreach and Accessibility,**
- **Case Handling,**
- **Engagement, Ownership and Communication,** and
- **Success Factors and Learnings** (with consolidated insights concerning, inter alia, recommendations for an adjusted operational model for the MRDH).

Whilst most online interviews with stakeholders were recorded after consent was given by the participants, the research team predominantly relied on hand-written notes of in-person conversations during the research trip. During the **Data Analysis Phase**, the research team consolidated the data gathered during the Data Collection Phase to achieve an in-depth assessment of the MRDH pilot's structures, processes, effectiveness, impact on rightsholders and corporate due diligence practices. All data recorded by the research team was summarised under the four key research areas, grouping concurring or diverging findings under topical sub-headings and developing findings, conclusions and recommendations from the amalgamated data. In the **Final Report Phase**, the findings and recommendations were gathered in an internal **preliminary short report** for the members of the MRDH's executive committee (dated July 2025) and this **final report** (provided as an internal and an external version). Feedback of MRDH stakeholders regarding the draft internal versions of these reports was considered when finalising this external report.

To ensure a comprehensive and balanced evaluation of the MRDH, the research team applied a mixed-methods approach. Whilst our research and analysis are grounded in our continuous reflection of the pertinent academic literature, this evaluation report references only direct source materials of the MRDH (see Annex 2) due to the scope outlined in the ToRs. The empirical data was collected by the evaluation team. While semi-structured interviews and a short online survey provided in-depth information about the MRDH's governance, stakeholder- and expert-workshops and field visits enabled first-hand observations and richer contextual understanding. This combination ensured that the evaluation not only captured corporate and institutional viewpoints but also integrated the experiences of rightsholders and local communities. The following methods were utilised (detailed overview and timeline in Annex 1):

- **Stakeholder Interviews**
Semi-structured interviews were conducted in person or online via *Zoom* with key stakeholders before and during the research trip (including representatives of German companies, civil society, and government). These interviews explored the design, governance, and practical implementation of the MRDH, as well as perceptions of its effectiveness and legitimacy.

- **Research Trip with Field Visit**

A research trip to Mexico included visits to Mexico City and Guadalajara. The research team met with local stakeholders, attended outreach events, and observed how the MRDH is introduced to communities. Furthermore, the research team visited one of the sites related to an on-going case handled by the MRDH. The research trip allowed the team to gain direct, first-hand impressions of the mechanism's local visibility and outreach activities – and to assess contextual positive impact and challenges that cannot be fully captured through desk research alone.

- **Rightsholder Interviews**

During the research trip, interviews with rightsholders and community members, conducted in Spanish, provided insights into how the MRDH is perceived and accessed by workers and community members. These conversations placed particular emphasis on accessibility, trust, and protection from retaliation. The inclusion of rightsholders' voices was critical to understanding the lived realities that influence the mechanism's use. However, it also became clear to the research team that many rightsholders hesitated to participate in the interviews as they feared retaliation due to the mere fact of speaking to the research team.⁶

- **Short Survey**

A targeted online survey was conducted during an online meeting with selected stakeholders (Executive Committee) using the digital tool *Mentimeter*. This survey provided a structured way to collect comparable perceptions and perspectives on the MRDH.

- **Workshops**

Collaborative workshops were held with the organisation CEREAL, the *Mexican Coordination Unit* of the MRDH. These sessions allowed for the exchange and discussion of perspectives, validation of preliminary findings, and co-creation of recommendations. They also helped to identify areas where outreach strategies, case handling, or communication could be improved. Furthermore, after the research trip the research team conducted an internal workshop with selected short-term experts specifically on corporate engagement and recruitment of new member companies, since this was identified as a key issue for the future operation of the MRDH.

The research team was comprised of five experts (profiles can be found in Annex 1).

Team Leader: Prof. Dr. Dr. h.c. Ulla Gläßer, LL.M. (UC Berkeley)

Short Term Experts: Mareike Standow, LL.M. (Maastricht University), Fernando Navarro Sánchez, LL.M. (Pepperdine University), Mariana Rezende Oliveira, LL.M. (UFMG), Dominik Schmitz, B.A. Political Science (University Freiburg).

⁶ See also Section D. II. 1. a. on threats of retaliation.

D. Evaluation Study: Findings and Recommendations

The MRDH is a pioneering grievance mechanism that is widely regarded as a highly visible, good practice example with global impact potential. Across all MRDH stakeholder groups, there is consensus that the mechanism needs more time to grow beyond the pilot phase. However, at the time of the evaluation, the stakeholders have not come to an agreement on how to continue the project in practice.

The MRDH has been designed with prodigious care and attention to detail. Its organisational structure, foundational documents and operational set-up can serve as a very valuable learning resource for other multi-stakeholder grievance mechanisms across different sectors and countries.

In fact, the research team found that the MRDH already serves this front-runner function. Several initiatives have been referring to the MRDH as an important good practice example for multi-stakeholder grievance mechanisms, including initiatives in the Mexican mining sector. Given the relatively short implementation timeframe, the MRDH has already managed to build a widespread international/cross-sector recognition as well as local/regional rapport and trust amongst the rightsholders, which lead to the submission of 49 grievance cases until August 2025.

The following four sections give a detailed overview of the study's findings and recommendations in the key evaluation areas: Outreach (I.) and Accessibility (II.), Case Handling (III.), Engagement, Ownership and Communication (IV.), and Success Factors and Learnings (V.).

I. Outreach

1. Outreach - Findings

Outreach refers to activities which intend to create awareness of the MRDH's existence and motivate potential claimants to submit grievances via the mechanism. According to the MRDH *Communication and Outreach Strategy*, "the MRDH outreach and communication activities shall rely on a multitude of channels to make sure that the different target groups and as many individuals as possible are reached in an appropriate manner". This includes local outreach via the *Mexican Coordination Unit* and outreach via the member companies' internal channels.⁷

a. Local Outreach Strategy

The outreach strategy has been implemented by *El Centro de Reflexión y Acción Laboral A.C.* (CEREAL) as the *Mexican Coordination Unit* of the MRDH. CEREAL is a civil society organisation based in Guadalajara, Mexico, that focuses on labour rights and directly engages workers and community members as part of their programming. Reportedly, the outreach strategy employed by CEREAL underwent several adjustments because of the severe challenges experienced with regard to reaching workers (see next section: Accessibility) and thus followed an iterative approach.

Firstly, CEREAL identified key multipliers, including schools, universities, business chambers, and municipal or government representatives. This initial phase concluded with agreements with the relevant multipliers that allow the CEREAL team to deliver targeted outreach through brief presentations introducing the MRDH mechanism to various relevant stakeholder and community groups. Each CEREAL team member engages with different types of stakeholders based on their area of expertise (e.g. corporations, workers, government). CEREAL is also planning to expand communication about the MRDH to larger forums, e.g. conferences and industry events.

CEREAL's outreach strategy focused heavily on visibility, resulting in over 8.3 million impressions through various media channels, including billboards in industrial zones, print journalism, social media, and a local television appearance.⁸ These efforts were strategically timed with relevant public discussions — e.g. about tariffs — to boost public interest.

CEREAL often introduces themselves as a labour rights organisation and later presents the MRDH as one of their tools for supporting workers.

Reportedly, CEREAL took the lead in creating branding, visuals, and messaging for local outreach concerning the MRDH. This included custom colours, layouts, and designs for various printed materials. These resources also include notebooks mimicking the design of the MRDH webpage, flyers tailored to specific stakeholders (e.g. companies, governments, NGOs, unions), and a newsletter titled "*Freno de Mano*" — a metaphor referencing a car's

⁷ Source: *Mecanismo de Reclamación de Derechos Humanos (MRDH) Communication and Outreach Strategy*.

⁸ Source: documents and presentations shared by CEREAL about MRDH outreach.

parking brake, suggesting a moment to pause, reflect, and engage with the mechanism. Additional materials used in outreach include posters and banners (such as in public transport), informational handouts, and step-by-step printed guides that explain how to navigate the MRDH process, often supplemented with examples of potential rights violations. CEREAL also developed videos to introduce both the mechanism and their broader organisational mission.



Image 5: MRDH Outreach Materials

Outreach efforts have paid close attention to marginalised individuals, such as women, migrants, LGBTQ+ individuals, minors, older adults, and people with disabilities. Specific efforts were made to reach these populations – in particular, a mapping of vulnerable sub-groups and attempts to adapt the outreach strategy to the particular needs of these groups. However, it remains challenging to identify appropriate and effective ways to communicate with each relevant group; therefore, ongoing efforts should be made in the next implementation phase of the MRDH.

In their interactions with workers, CEREAL combines information about the MRDH with rights-based education, particularly on labour rights. This approach differs when engaging supplier companies, where the message is adapted to emphasise conflict resolution and prevention of conflict escalation. While CEREAL initially proposed to include dedicated labour rights workshops as part of their MRDH outreach activities, this component was not approved by the Executive Committee — reportedly due to funding limitations and a perceived misalignment with the MRDH's emphasis on broader human rights and environmental issues.

CEREAL reports having reached at least 905 individuals through one-on-one conversations, meetings, and presentations. This number is likely higher, as informal engagements like phone calls were not systematically tracked.

CEREAL has employed a diverse mix of outreach methods, including

- distributing flyers directly to workers at various locations, including during work commutes via bus;
- hiring distribution companies for door-to-door brochure delivery (tested in Jalisco and expanded to other regions);
- collaborating with municipalities, churches (endorsed by the Bishop of Guadalajara), community centres, food stands, parks near suppliers, and technical high schools;
- attempting supplier engagement via email;⁹
- leaving materials with security guards of supplier companies and government buildings;
- posting materials in high-traffic locations such as bus stops.

As of June 2025, CEREAL had completed 98 structured outreach activities, including 35 mapping brigades (teams that explore specific localities relevant to the MRDH) to identify key areas of outreach, 33 direct outreach sessions with key individuals or organisations, and 26 presentations.¹⁰

Their outreach had achieved

- 56,921 indirect contacts,
- 56,674 printed materials distributed,
- engagement across 10 Mexican states,
- significant reach in Jalisco (52 activities) and San Luis Potosí (19 activities), with nearly 50,000 people reached in Jalisco alone.¹¹

The outreach event observed by the research team was held at a local community centre. It was well-attended and professionally organised by CEREAL. The session included a presentation that clearly emphasised the importance of confidentiality of the MRDH and printed materials which were distributed to guide participants on how to access and use the MRDH's online platform. The outreach team demonstrated gender balance, with an equal number of men and women facilitating the session. Among the attendees, however, the majority were women.¹² To promote a better understanding of the MRDH, the facilitators presented hypothetical grievance cases using simple, relatable language to explain human

⁹ Unfortunately, the suppliers did not respond comprehensively to this engagement.

¹⁰ Source: documents and presentations shared by CEREAL about MRDH outreach.

¹¹ Source: documents and presentations shared by CEREAL about MRDH outreach.

¹² The research team could not clarify whether this was due to the timing of the event overlapping with working hours or if the venue was generally more frequented by women.

and labour rights, as well as how the MRDH could be used in practice. The setup of the meeting’s infrastructure was professional, featuring microphones and a screen. One noted area for improvement was the limited discussion of what the grievance process entails in detail and what outcomes complainants might realistically expect.



Image 6: MRDH Outreach Event

Several challenges regarding outreach were also reported: Initially, a lack of transparency regarding the member companies’ suppliers made it difficult for CEREAL to identify the local/geographical areas where outreach would be most effective and targeted. This has since been resolved, as confidential information regarding the suppliers was shared with CEREAL. Due to a high turnover in the workforce covered by the MRDH, comprehensive information roll-out and follow-ups are generally difficult to achieve. Occasionally, there are also safety concerns about conducting outreach activities in certain locations (e.g. areas with high presence of organised crime). A general lack of trust amongst workers vis-à-vis initiatives like the MRDH and amongst supplier companies vis-à-vis labour rights organisations like CEREAL also limits engagement. It was reported that CEREAL’s reputation in the region of Jalisco, whilst generally positive amongst workers and communities, can be perceived as “threatening”¹³ to unions and/or staff of supplier companies, which significantly limits the possibilities of collaboration with unions and the management of the production sites for the purpose of outreach. Outreach experiences show that there remains persistent confusion on the side of workers and community

¹³ Source: stakeholder interview.

members about what the MRDH is and what it does. Some people mistakenly associated it with the labour courts, unions, or assumed it is only relevant for companies other than the member companies (e.g. VW). Therefore, the character and scope of the MRDH needs to be clarified continuously to workers.

Overall, CEREAL has built various partnerships to create awareness of the MRDH with labour law experts, NGOs, and local allies; it also participated in NGO networking events and trade fairs. As of June 2025, upcoming outreach plans included hosting forums in San Luis Potosí, León, and Aguascalientes, and expanding outreach efforts to northern Mexico. Collaboration with other NGOs in different cities has helped expand awareness of the mechanism, especially among harder-to-reach communities. However, some stakeholders reported that the engagement with other Mexican NGOs was sometimes challenging.

It was reported that the mechanism has not achieved significant outreach beyond the state of Jalisco, where CEREAL has a strong regional presence. Different stakeholders remarked that this significantly influences the MRDH's impact and the number of grievance cases, since the mechanism has not been communicated widely across all production sites and adjacent communities in Mexico. There seemed to be a perceived misalignment between the outreach strategy that was initially planned (nation-wide) and the actual outreach activities that CEREAL has been able to deliver so far (strong regional focus mainly on Jalisco). Since the MRDH's *Outreach and Communication Strategy* states that "*the initial outreach campaign will focus on two priority geographical areas at the beginning and will be upscaled to further areas at a later stage*",¹⁴ it remains unclear to the research team if the (first stage of the) pilot phase was nevertheless actually intended to cover all of Mexico right away (as was stated by several stakeholders) or to cover only two priority areas as mentioned in the *Outreach and Communication Strategy*. If the goal was to cover all of Mexico, it could be debated whether the expectation that an outreach campaign can equally cover all of Mexico ad hoc within the first 6 to 9 months of the MRDH's run-time were at all realistic. Looking at the resources and the timeframe available to the MRDH, it seems like a pragmatic approach to focus on establishing a well-founded and comprehensive outreach strategy in a limited target region as a first phase, before scaling the outreach strategy on the basis of the collected experiences to other regions.

Since July 2025, when the main data intake phase for this evaluation ended, CEREAL has reportedly expanded the outreach significantly into the Mexican northern states of Coahuila, Chihuahua, Nuevo León, and Baja California. Despite these recent developments where CEREAL is expanding outreach to other areas, scepticism remained amongst some stakeholders whether CEREAL had the organisational capacities and standing to substantially cover nation-wide outreach for the MRDH.

¹⁴ Source: *Mecanismo de Reclamación de Derechos Humanos (MRDH) Communication and Outreach Strategy*.

b. Outreach Strategy (Member and Supplier Companies)

The *Communication and Outreach Strategy* of the MRDH states that “while the main focus of the initial strategy is on providing rightsholders with the necessary knowledge and tools to access the MRDH, it also aims to see to it that businesses — especially those in the deeper stages of the supply chain — understand its benefits and implications and are better positioned to implement remedies”.¹⁵ Furthermore, it is outlined that outreach will start with “an accessible approach by using the internal channels of the MRDH member companies. As a first step, there will be coordination with member companies to reach workers and send information to their first line of suppliers”.¹⁶

Such engagement of local suppliers is of vital importance to the MRDH – both for successful outreach campaigns and for providing effective remedy. Given that grievances might originate in the conduct from supplier companies, their involvement needs to go beyond information campaigns, since their collaboration will be required not just for outreach to workers, but also for the investigation and mediation phase, as well as outcome enforcement. Sufficient involvement of suppliers needs to be initiated, supported and incentivised by the buyer companies, i.e. the MRDH member companies.

The research team was informed, however, that the member companies’ attempts to involve their suppliers remained very limited to letters shared by the German member companies, which have reportedly shown no effect of outreach to the workers driven by the supplier companies. Thus, at the time of the evaluation, there were no MRDH posters, flyers, or other outreach materials present in the production sites.

Outreach activities regarding the MRDH had stopped at the factory gates since CEREAL is not perceived as a trusted actor by some unions and/or the supplier companies and therefore has not been granted access to the production sites. Many stakeholders perceive this as a significant obstacle that clearly and negatively affects the MRDH’s visibility and effectiveness. Circulation of information on the MRDH inside the production sites via the member companies’ internal channels was deemed as critical to increase the MRDH’s caseload and build trust with both supplier companies and workers. In line with the MRDH’s own *Communication and Outreach Strategy*, stakeholders other than the corporate members saw the companies as primarily responsible to conduct such outreach activities about the MRDH inside the production sites in collaboration with their suppliers. However, at the time of the evaluation, no perceivable training of management and workers or outreach activities to workers had taken place inside the production sites.

¹⁵ Source: *Mecanismo de Reclamación de Derechos Humanos (MRDH) Communication and Outreach Strategy*.

¹⁶ Source: *Mecanismo de Reclamación de Derechos Humanos (MRDH) Communication and Outreach Strategy*.

2. Outreach - Conclusions and Recommendations

- **Maintain presence in Jalisco via CEREAL to ensure continuity, build on the finished work and collected experiences, and thus establish solid good practice examples of community outreach.**
 - Without continued outreach activities in Jalisco and a positive track record of outreach and successful cases, the MRDH risks losing credibility and trust, especially with workers who will perceive the MRDH as just another short-lived initiative without any realistic capabilities to address their grievances. CEREAL has made first-hand experiences of which outreach strategy and activities are most or least effective; this is a valuable resource for expanding the outreach to other locations in Mexico.
 - Human and labour rights education could be included in outreach activities, since many workers lack understanding of what types of grievances constitute a claim under the MRDH. (However, it needs to be noted that this might lead to further conflict with certain unions.)
- **Systematically capture and share the positive experiences and effects generated through the MRDH.**
 - Highlighting success stories can be used to motivate claimants as well as supplier companies – and as a tool for broader learning. Documenting and disseminating these stories across member corporations and their suppliers can help build confidence in the mechanism, demonstrate its practical value, and encourage greater engagement at all levels of the supply chain. Carefully selected and anonymised examples of grievance cases could also be shared externally, serving as a powerful resource for recruiting additional companies and showcasing the MRDH as a pioneering good practice cross-company/MSI-driven grievance mechanism.
- **Work with community organisations in other locations to implement similar outreach activities.**
 - Organisations similar to CEREAL should be selected to coordinate local/regional outreach for the MRDH across all of Mexico. The priority should be that these organisations are already well-established, experienced with the local/regional conditions and perceived by the workers as trustworthy actors that prioritise workers' rights and concerns.
 - CEREAL could share their existing outreach approaches and materials to streamline the outreach process and train new organisations on how best to circulate the MRDH.
 - Outreach could also be expanded by collaborating with state institutions, such as the *Public Defenders Offices* provided by the courts or the *Human Rights Officers* that are appointed by the government to work in different communities all over Mexico.

- **Develop and implement a systematic and effective strategy for outreach involving the supplier companies, primarily via the member companies.**
 - Outreach concerning the MRDH should be implemented inside the production sites. Given the fact that CEREAL is not perceived as a trusted actor by all suppliers and companies, the participating member companies need to develop an independent outreach strategy for their suppliers (beyond tier 1).
 - The suppliers (primarily tier 1) and potentially local unions¹⁷ should be actively engaged already in the early planning stages of this outreach strategy. They could also be involved even more prominently as part of a supplier membership model.
 - The outreach strategy should include a joint effort by the member companies to develop trainings for management/HR, information materials and communication strategies, as well as clear outreach KPIs with a milestone plan to implement specific outreach activities.
 - Outreach activities should also include workshops for workers implemented in collaboration with suppliers, and posters and flyers about the MRDH that are circulated within the production sites.
 - Outreach activities should be conducted regularly and frequently to circulate the MRDH as a constant and sustainable complaint mechanism.
 - The *Mexican Coordination Unit* and regional/local organisations should continue to be provided with a directory of suppliers of the corporate members (beyond tier 1) so that outreach activities can be organised in relevant workers communities. This directory can contain aggregated information and must not necessarily reveal the individual company or companies associated with the suppliers.
- **Establish outreach activities as KPIs for the MRDH's success.**
 - Outreach activities themselves should be regarded as immediate key performance (and effectiveness) indicators of the MRDH as they can be directly influenced and controlled. Thus, tracking data on outreach (including qualitative feedback and regular evaluations of successful tools and narratives) can provide important insights into and success stories about the MRDH's reception, impact and effectiveness.

¹⁷ This will depend on the regional situation regarding unions, especially if there is existing conflict between different unions and/or the supplier companies.

II. Accessibility

1. Accessibility - Findings

Accessibility refers to the extent to which rightsholders and affected communities are enabled to know about, understand, and make use of the MRDH in practice. It goes beyond physical or technical access as it also includes issues of awareness, language, literacy, cultural relevance, trust, and protection from retaliation. A mechanism is only truly accessible if potential users know and understand the procedures and possible outcomes, feel safe to approach it, and can engage with the mechanism without facing undue barriers or risks.

The first step towards accessibility is always awareness of the mechanism – which is closely tied to outreach activities. Furthermore, the mechanism needs to be trusted by potential claimants, including trust that no retaliation will occur and that the mechanism is actually capable of addressing the claimant’s concerns. Thus, the perceived benefits of using the mechanism need to outweigh the costs and (perceived) risks of submitting a complaint. This general cost-/risk-benefit-assessment will be factored in the claim-specific individual risk analysis conducted by the claimant, in which the severity of the specific grievance and the probability of remedy is usually weighed against the specific burdens and any perceived risk to the claimant and other people, such as co-workers or family members in connection with using the mechanism in the specific cases.

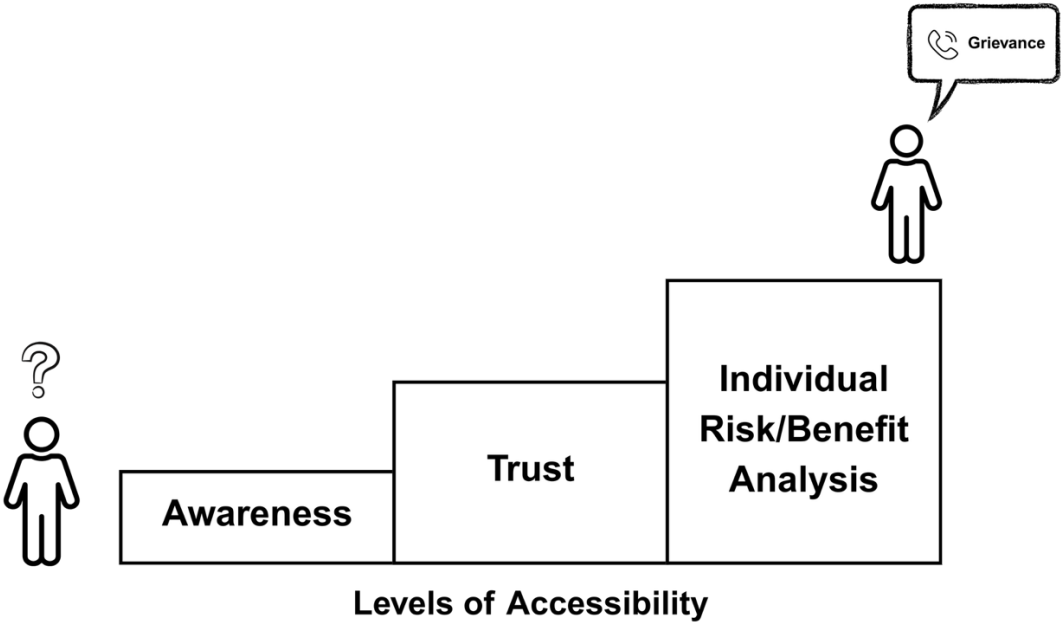


Image 7: Levels of Accessibility

a. Anti-Retaliation Measures and Protection from Reprisals – Policy and Practice

The MRDH has a strong written policy regarding anti-retaliation and protecting workers from reprisals.¹⁸ The *Anti-Retaliation Policy* was designed to “prevent retaliation against rightsholders who report complaints or engage in the complaints process regarding the activities of MRDH members and their supply chains in Mexico, directly to MRDH or indirectly via individual grievance mechanism (IGM) referrals of MRDH members”.¹⁹ It outlines the procedural responsibilities of the different stakeholders to prevent, identify and mitigate retaliation. Furthermore, it was outlined that anti-retaliation should be a key factor in outreach activities about the MRDH to reassure potential claimants about their protective status.²⁰

In practice, it was apparent to the research team that workers experience significant fear of retaliation and/or reprisals regarding the MRDH. This was attributed mostly to external, local factors, for example previous negative experiences with unions. In addition to these fears of reprisal, many people in Mexico reportedly have had negative, rather frustrating experiences with the judicial system and therefore are generally sceptical that (a) their concerns will be taken seriously, (b) handled in an effective, non-biased manner and (c) that any remedy mechanism would produce a satisfactory outcome for them. Furthermore, it appears to be difficult to build trust with workers if the mechanism is strongly associated with corporate stakeholders, since corporate integrity is generally questioned by many rightsholders. This mindset makes it especially difficult to implement a mechanism like the MRDH, since workers and community members do not feel safe to share information with an unknown third party. Workers fear reprisals for making their complaints known and ‘accusing’ corporate representatives of wrongdoing.

Retaliation is reportedly feared from different sources:

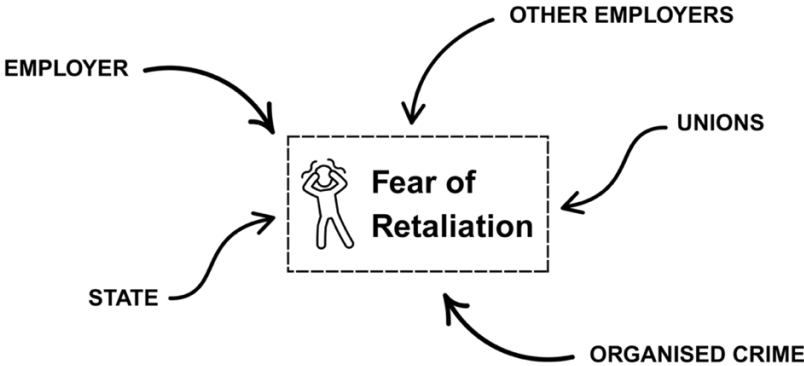


Image 8: Potential Sources of Retaliation

¹⁸ See especially *Anti-Retaliation Policy* and *Definition of Protection Measures* as part of the *Immediate Protection Mechanism* of the MRDH.

¹⁹ Source: *Anti-Retaliation Policy*.

²⁰ Source: *Anti-Retaliation Policy*.

Employer: Workers are afraid that their submission of a complaint might result in retaliation directly from their employer. This could involve, as an extreme form, termination of contract, but could also relate to the creation of additional hardships within a work relationship (e.g. a rearrangement of shifts, allocation of different work(loads), etc.). If the management of the production sites are not perceived as (pro)actively in support of the MRDH, many workers might consider the risk too high to submit a complaint, especially since their employment can be directly tied to their housing (provided sometimes by the production sites) and livelihood (the potential claimant might be the only financial provider for an extended family).

Unions: Both established national unions and independent unions are perceived by workers as potential sources of retaliation. For example, unions might consider the MRDH as competition or as a threat to their own operations. The political and factual situation around freedom of association is immensely complex across Mexico, with stark differences between states. Whilst certain unions are primarily concerned with representing workers' interests, unions can also be opaque, power-driven or even unethical actors that collaborate with factory management to the detriment of workers to further their own organisational goals. In this environment, workers sometimes fear retaliation from unions even if their complaints do not directly relate to a union.

Other employers: Workers might also be afraid that their 'reputation' as a troublemaker will be recorded by their current employer and shared with other potential employers if they try to find alternative employment.

State: In areas with high levels of corruption, a potential claimant might be scared that submitting a grievance will result in negative consequences from local government actors, e.g. regarding the provision of public services or a potential future utilisation of the judicial system.

Organised Crime: Workers and community members might be living in areas where organised crime holds significant sway over their community, or where it might even be entangled with the management of certain production sites. Submitting a complaint might thus expose them and their families to significant, sometimes existential risks even outside the workplace.

Even though the MRDH's existing anti-retaliation policies are comprehensive and designed to protect workers, realistically, the MRDH alone will not be able to overcome or even significantly counteract these perceptions and lived realities of workers and communities in Mexico. However, many stakeholders remarked that the communication of the MRDH anti-retaliation policies to workers and their translation into practice can still be improved.

Especially regarding protection for workers beyond tier 1, there was the concern that the MRDH might struggle to actually enforce the anti-retaliation policies, since there is limited

leverage of the member companies to influence the actual conduct of the suppliers on a day-to-day basis. Many stakeholders highlighted that ultimately, only a successful track record of cases submitted and resolved without incidents of retaliation will serve as a sufficient basis and motivation for workers to trust the MRDH.

b. Online Platform

The MRDH uses an online platform via the provider *Ulula*. On this platform, rightsholders can submit complaints in Spanish and English language via a webform or a *WhatsApp* chat.

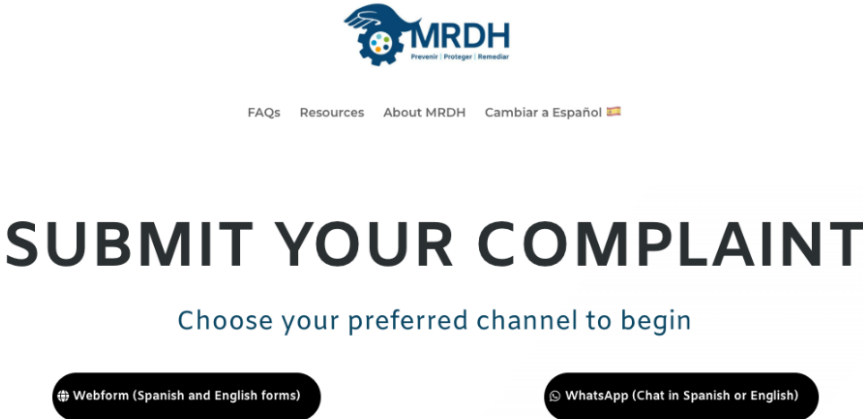


Image 9: Landing Page of the MRDH Online Platform

The backend of the platform provides the *Mexican Coordination Unit* with a case overview and allows to track cases and centralise data. There are two different views available on the platform regarding cases: an anonymous case overview and one that includes confidential data of the claimant. This allows for easy and confidential information sharing with other stakeholders, e.g. members of the *Executive Committee*. The *Mexican Coordination Unit* can contact claimants via the online platform when additional information is necessary.

Overall, the platform is functional and suited to the MRDH’s objectives. Some concerns were expressed about the MRDH’s visibility on the platform:²¹ Key information about the MRDH, e.g. the anti-retaliation policy, is only placed at the bottom of the page, which might result in visitors to the page not being aware that this information is available.

²¹ It was reported to the research team that for a while the web address of the platform prominently named the provider (*Ulula*) rather than the MRDH itself (<https://ulula.com/mrdh-en/>). This might have confused potential claimants, who most likely were not aware of *Ulula* and might have reconsidered handing in a complaint if they were not certain about the platform’s authenticity. Meanwhile, this issue has been addressed; the website now redirects claimants to a domain name that references only the MRDH (www.mrdh.org). However, the previous state of the platform might have had an impact on the earlier stages of usage/case number development of the MRDH.

A significant challenge and operational problem is that the *Mexican Coordination Unit* is not provided with direct contact details of claimants for claims submitted via the website. This has two effects:

- Many complaints are dropped – and it is not possible to follow up with claimants since they do not respond to further communication attempts via the platform.
- Additional workload is created especially for the *Mexican Coordination Unit*, which needs to spend time trying to contact the claimant outside of the platform-based communication and gathering further information about details of the claim.

Several stakeholders reported that it is difficult to resolve this issue due to data protection laws (both Mexican and German) that need to be considered.²²

After submitting a complaint, claimants initially received text messages from a US mobile number asking them to approve data-sharing. This was not perceived as a trustworthy source by claimants – and thus, many claims were not pursued further. However, the research team was informed that this was changed before the evaluation took place, meaning that claimants received a notification from the platform via a Mexican phone number at the time of the evaluation.

This shows that the online platform has undergone continued adjustments in the past few months before and during the evaluation, indicating that learnings were applied to increase accessibility of the platform. However, it was also reported that changes which were marked as urgently necessary in feedback to the platform provider took considerable time to be implemented, thus making the MRDH less agile and responsive.

c. Local Presence and Accessible Outreach Materials

It was frequently highlighted that the accessibility of the MRDH is directly tied to a sustained local presence of trusted contact persons who allow potential claimants to receive the necessary reassurance and explanations. Claimants associated the MRDH with local staff members and repeatedly mentioned the support and information received from them. Whilst the online platform (see below) with its centralised management system for case handling is crucial to enable anonymous complaints, the MRDH needs consistent local and personal engagement and outreach to encourage usage of the mechanism, aid sustainable trust building and thus increase accessibility in the long run.

Furthermore, if the submission of complaints is facilitated by local contact persons, the data entered into the platform is generally of higher quality, making the investigation phase and case handling smoother and less resource intensive.

²² With pertinent legal expertise, these concerns could probably be addressed effectively.

According to multiple stakeholders, there still exist certain general hesitations regarding the use of an online platform amongst the rightsholders in Mexico; in addition, digital literacy might not be very high across worker communities. Printouts on how to use the online platform and opportunities to receive direct support with filing a claim therefore seem to be most effective to actually motivate claimants to submit a complaint.

2. Accessibility - Conclusions and Recommendations

- **Regularly re-evaluate anti-retaliation policies based on feedback of (potential) claimants and local stakeholders.**
 - Systematic social dialogue should be initiated and sustained with local NGOs and other organisations to discuss how to build trust in the communities. This should mainly be the responsibility of the *Mexican Coordination Unit* in collaboration with the regional outreach organisations and other civil society actors, as well as with the engagement of local production sites and corporate representatives.
 - The anti-retaliation policy should be regularly reviewed and its transfer into practice discussed frequently (this should also mainly be the responsibility of the *Mexican Coordination Unit*, unions, and corporate members).
 - An engagement programme on anti-retaliation for local suppliers and unions could also be developed.
- **Ensure regular and sustained local presence to increase accessibility via local contact persons.**
 - Workers and communities should be able to access a physical presence of the MRDH to receive information and support in the form of local organisations and contact persons. For this purpose, the MRDH should engage with local NGOs; outreach (see above) could also be supported by nation-wide NGOs (e.g. *Red Cross*), as well as the *Human Rights Officers, Public Defenders Offices*, or even churches.
- **Continue to adjust the online platform.**
 - A further exploration of options for the *Mexican Coordination Unit* to directly contact claimants is advised. This needs to be balanced with legally required data protection and protection of the identity of claimants if they wish so.
 - A future decision-making framework and clear timelines for necessary changes to the online platform should be agreed upon with the platform provider.

III. Case Handling

1. Case-Handling - Findings

a. General Findings and Limitations regarding Case Handling

The case handling of the MRDH follows a stringent procedure that is outlined in the *Rules of Procedure* as well as the *Core Process Steps Flowchart*. It comprises the following stages: admissibility, investigation, mediation, and outcome implementation.

The admissibility of cases is decided by the *Mexican Coordination Unit* in collaboration with the *German Coordination Unit*. For this end, a document is compiled that contains the key information regarding a specific case. Independent experts are chosen to conduct the investigation and mediation phase, with involvement of the *Mexican Coordination Unit*. Outcome enforcement is the responsibility of the *Mexican Coordination Unit* and the corporate members.²³

As of August 2025, 49 complaints have been received by the MRDH. 33 of these complaints were declared inadmissible due to incomplete information or not meeting admissibility criteria. 16 of these complaints have been declared admissible. Six cases were resolved directly by CEREAL. The remaining ten complaints were clustered into three cases and are in the case handling stage. Given the short run-time of the MRDH and the above-mentioned challenges regarding accessibility, the number of complaints received by the MRDH so far is satisfactory. Indeed, many stakeholders highlighted the number of ongoing cases as an indicator for a successful implementation of the MRDH.

Since the cases so far have not advanced significantly past the investigation stage, it is not yet possible to provide an evaluation of the effectiveness of the entire case handling process. However, the two claimants interviewed as part of the evaluation were generally satisfied with the case handling so far. In particular, they positively highlighted CEREAL's role in keeping them informed and engaged.

It was reported that the first cases were time-intensive, with delays regarding contracting of experts and, thus, conducting the investigation phase. It was stated that these delays occurred mainly because the written concepts and rules of procedures did not yet cover every aspect of case handling (which is natural for the early stages of a complaints mechanism). Additionally, there were no (templates for) framework agreements for experts in place, which also resulted in delays. However, there has already been a clear improvement observable regarding case handling practices, especially concerning quicker turnaround with contracting. It is expected that with an increasing number of cases, the processes will quickly become more standardised and thus more time efficient.

²³ At the time of the evaluation, none of the cases had progressed to this stage.

Overall, the online platform seems functional to support case handling after contact with the claimant has been established. It allows claims to be tracked and categorised, as well as specific anonymised information about the status of complaints to be shared with different stakeholders.

It was also reported to the research team that each grievance case brought to the MRDH is unique and therefore requires a tailored, case-specific approach to resolution. At the same time, the mechanism must ensure that cases are handled swiftly and consistently, as lengthy or unclear procedures risk discouraging claimants. Providing regular interim updates on the status of proceedings was mentioned as particularly important to maintain trust and engagement throughout the process. Active involvement of complainants should be prioritised by explicitly asking them what they would consider a satisfactory outcome, thereby aligning resolution efforts more closely with their expectations and needs.

Finally, stakeholders highlighted the importance of systematically comparing the documented procedures of the MRDH with their application in practice. This continuous reflection and alignment between process design and real-world implementation can serve as a critical learning tool for improving the mechanism's case handling over time.

b. Role of Experts

The experts are chosen from a pre-selected shortlist to conduct the investigation phase for each case.²⁴ A similar shortlist exists for the experts who will eventually support the mediation phase. The experts are independent of the MRDH or its stakeholders and are chosen based on their specific topical expertise (e.g. environmental damage or labour rights). The initial shortlist was collaboratively developed and approved by the *Executive Committee*.

Experts receive remuneration for an agreed upon number of days to conduct the investigation, which should involve conversations with the claimant, their community, and the supplier company. The final expert investigation report is submitted to the *Mexican Coordination Unit* and shared with the claimants as well as the relevant company representatives, who can all submit feedback.

The role of the experts was regarded as unclear by many stakeholders. Different challenges and uncertainties were highlighted regarding the role of the experts:

- **Mandate:** Experts reported not receiving clear guidance on how to conduct the investigation beyond a kick-off call. Furthermore, it was unclear if the investigation process was communicated in advance to the local suppliers and if/how the experts were expected to access the premises of the production sites, resulting in situations of significant irritation or even conflict. Additionally, experts reported that they were

²⁴ See MRDH *Rules of Procedure* for detailed process description.

unsure if the findings in their investigation report would be taken seriously, if and how their recommendations would be implemented, and how this could or would be enforced in practice.

- **Contracting:** Daily rates appear to be not standardised for all experts. Also, there were no framework agreements in place, which meant there was a necessity to negotiate conditions for each investigation/each expert individually. This resulted in the above-mentioned delays with contracting at the beginning of the investigation phase.
- **Allotted time:** The allotted timeframe for the investigation phase seemed insufficient (too short) to certain stakeholders (and experts), especially when considering the complexity of certain cases.
- **Shortlist:** Some stakeholders expressed concern about how the shortlist of experts was compiled and asked for a more transparent and diverse list of potential experts.

Overall, there was agreement that a selection of independent experts is crucial to ensure an impartial investigation phase that justifies the additional time and resources necessary for case handling.

c. Individual and Collective Cases

Based on the details of the cases that have so far been admitted to the MRDH, a practice of grouping individual claims into collective cases has emerged. This refers to multiple complaints submitted by different people that refer to the same underlying issue (e.g. environmental pollution of a river, complaints about a union). It was decided to merge these complaints to allow for a more efficient case handling process. In general, all stakeholders agreed with this approach of collective grievance handling; it is regarded not only as pragmatically efficient but also might make the MRDH more effective and responsive to systemic issues. However, it was remarked that the MRDH should remain open to individual complaints and address them with equal importance. Individual cases were seen as important both for the affected claimants and for the MRDH itself to achieve a successful track record of remedy, since they tend to be easier and faster to address and remedy. As stated above, it was the consensus that establishing such a track record is imperative for the MRDH. In addition, collective cases which address more systemic issues could effectively highlight the value and strength of the MRDH's thorough procedural design, its distinctive governance model and its multi-stakeholder structure. It was also mentioned that the MRDH could include a two-track system depending on case complexity; some straightforward cases could be solved directly by the local organisations and/or supplier companies, without involving experts and/or mediators.

d. Enforcement of Outcomes

As there are no closed cases yet, the enforcement of outcomes so far remains a hypothetical issue that nevertheless was mentioned by many of the MRDH's stakeholders as a very

important factor for the MRDH's credibility and long-term success: Only with satisfactory outcomes that are sustainably enforced without incidents of retaliation will the mechanism be perceived as trustworthy by workers and communities. Establishing a clear protocol for concluding cases, including templates for final agreements or resolutions, could be one way to introduce greater consistency and transparency for outcome enforcement. Furthermore, the question arose as to how it can be guaranteed in practice that local suppliers would implement the agreed-upon outcomes, given that they are not involved in the case handling other than being informed about ongoing investigations (even this systematic information of suppliers appeared to not have been ensured in practice, since several stakeholders reported incidents where local suppliers had not been aware of an ongoing investigation). Reportedly, there are no escalation pathways besides the member companies' individual measures for cases of non-compliance from either the corporate members or the supplier companies.

2. Case Handling - Conclusions and Recommendations

- **Continue close engagement with claimants to reach the outcome stage of the remedial process and create good practice examples of the MRDH's impact.**
 - Claimants should be informed and engaged throughout the process (i.e. through sharing updates or answering questions). This continuous engagement can increase the chances of cases progressing to the outcome stages and claimants recommending the MRDH to other workers or community members.
- **Define role and tasks of experts (for investigation phase) more clearly.**
 - A template briefing document for experts should be further developed, which could include clear expectations towards the investigation phase for all actors and support transparent alignment on what each stakeholder can/should contribute to the investigation phase.
 - Framework contracts should be signed by all shortlisted experts with harmonised daily rates for all experts for reasons of fair and equal treatment of comparable services.
 - Sufficient funding and working days should be available for each investigation phase depending on the complexity of each case, including the possibility to renegotiate the necessary number of days when complex investigations proceed.
 - The MRDH should supplement and diversify the list of experts over time.
- **Guarantee access to production sites for experts.**
 - Access requirements need to be negotiated with suppliers and included as a contractual duty.
 - Management of suppliers should be trained to understand and accept importance of investigations – and to support the investigating experts.

- Experts should be sensitised on how to communicate with suppliers about investigation needs in a non-confrontational manner. Experts should also be equipped with a legitimising recommendation letter signed by MRDH staff (if possible, with logos of the member companies).
- **Define role and tasks of mediators (for mediation stage) more clearly.**
 - A briefing document for mediators should be developed, which should include clear expectations towards all actors and helps alignment on what each stakeholder can/should contribute to the mediation phase.
 - Framework contracts should also be agreed upon with all mediators, ideally also harmonising the daily rates for all mediators.
 - The selection process for mediators should be clarified, particularly the involvement of the claimants in mediator selection.
- **Guarantee participation of representatives of suppliers/production companies in the mediation.**
 - A participation requirement should be negotiated with suppliers and included as a contractual duty.
 - Management of suppliers should be trained to understand and accept importance of mediation procedures – and how to participate constructively in these.
 - Routines should be developed on who should participate in mediations on the side of the suppliers.
- **Pay thorough and persistent attention to outcome enforcement.**
 - Outcomes should be negotiated fairly to the satisfaction of the claimants and implemented timely and sustainably to create positive narratives about the MRDH's impact. The handling of the complaints will prove the MRDH's effectiveness and trustworthiness for rightsholders and motivate stakeholders to stay or become engaged with the MRDH. Especially for the first cases, the agreed upon outcomes and their implementation will significantly affect the MRDH's perception and track record.
 - For example, the *Mexican Coordination Unit* should regularly review outcome implementation of closed cases with the relevant corporate partners and local suppliers. Furthermore, the *Mexican Coordination Unit* should regularly check in with claimants after their case is closed to gather feedback on whether they perceive the outcome to be satisfactory.
 - A policy should be developed that discusses in more detail how the stakeholders will handle a situation where the enforcement of the agreed-upon outcomes is in doubt or proves difficult to implement.
 - Especially in complex cases, a short mediation phase could be offered before the investigation phase to accelerate case handling processes.

IV. Engagement, Ownership and Communication

1. Engagement, Ownership and Communication - Findings

The governance structure of the MRDH requires stakeholders to collaborate and participate in meaningful decision-making processes. Especially the *Executive Committee*, as the main governing body which meets regularly and frequently, necessitates a significant time commitment from the involved stakeholders. Additionally, the MRDH needs on-going, stringent project management to coordinate its different stakeholders and activities. To make all this work well and satisfactorily, clear processes should be designed, facilitated and regularly controlled for being participatory as well as efficient.

a. Motivation and Time Commitment

In general, there is a high motivation and appreciation for the MRDH across all stakeholder groups. Many stakeholders appreciated the pioneering nature of the MRDH and highlighted its unique set-up as a multi-stakeholder mechanism in the automotive industry. The time commitment across most stakeholder groups has also been consistently high, particularly considering the extended planning phase. Stakeholders remarked that the planning phase took longer than expected due to unforeseen challenges and delays. This was echoed regarding the actual implementation, where it reportedly took more time than expected to launch the mechanism on the ground and start practical outreach activities.

b. Engagement and Collaboration

However, the evaluation also found that time commitment does not always directly translate to (pro)active engagement, collaboration and practical output. Whilst on the coordination level, significant time and resources are invested into the MRDH, very limited actions are directly observable regarding the actual implementation in Mexico beyond CEREAL's work in Jalisco. The following is an overview of the reported engagement of the different stakeholder groups.

i. (Member) Companies

Many stakeholders wish for more companies to become members of the MRDH. Especially the withdrawal of two companies from the project before the start of the pilot phase was regarded as a severe loss to the MRDH's potential reach, impact and effectiveness. It was also underlined that proactive corporate engagement is crucial for the continued and effective existence of the MRDH as a cross-company mechanism. If only one of the three remaining corporate members of the MRDH withdrew, the concept of the MRDH would be rendered inoperable. It was reported to the research team that the MRDH's stakeholders took action to recruit new member companies for the MRDH via conferences and peer-to-peer events.

The three remaining member companies reportedly show varying degrees of active engagement. The German company representatives are generally active in the governance structure of the MRDH (particularly in the *Executive Committee*). However, this engagement unfortunately is not always mirrored on the Mexican side, where representatives of the member corporations are not actively participating in the MRDH – and also did not respond to invitations to participate in this evaluation. Explanations offered for this fact were that (a) the *Mexican Coordination Unit* was not successful in relaying the incentives of participating in the MRDH to the corporate representatives and/or (b) that not enough leverage was used from the German representatives of the member corporations to motivate their Mexican colleagues (and suppliers) to participate. Regarding (b), one avenue that has not yet been implemented by the member companies is that of cascading contract clauses, terms of contract or at least the explicit inclusion of the MRDH in corporate codes of conduct to further engage Mexican counterparts and suppliers.

Overall, the involvement of the companies in the actual implementation of the MRDH seems rather low, particularly regarding outreach within production sites and collaboration with suppliers for investigations. Therefore, certain stakeholders expressed reservations regarding the genuine motivation of the member companies to participate in the MRDH. Corporate stakeholders themselves pointed to the fact that they limited their involvement to ensure independence and impartiality of the mechanism.

The research team generally observed high motivation and appreciation for – at least the vision of – the MRDH amongst corporate stakeholders. However, the question remains why this motivation is not directly translated into more proactive engagement.

ii. Civil Society (Mexico and Germany)

In general, German civil society was reported as very engaged in the MRDH, albeit that it was also highlighted that the civil society stakeholders feel like they have limited actual decision-making powers regarding the MRDH. Regarding the Mexican civil society stakeholders, different levels of engagement (and also certain indicators of competitive behaviour) were reported. Certain organisations remain very engaged, whilst others dropped out of direct communication with the MRDH. It also proved difficult to engage local civil society actors to expand outreach activities, as mentioned above.

iii. Mexican Coordination Unit

It was repeatedly remarked that CEREAL was probably not best suited for serving as the *Mexican Coordination Unit*, given that it does not generally enjoy the trust of all local supplier companies and could be perceived as competition or a threat to established unions. Therefore, it was requested that the *Mexican Coordination Unit* should be a more neutral actor that can liaise with civil society, company representatives, local communities and workers on eye-level and from a neutral stance. It was also mentioned that CEREAL, as a small, local organisation, lacked experiences regarding larger-scale project management,

administrative requirements and contracting, resulting in the above-mentioned learning needs and delays. In contrast, other stakeholders positively highlighted CEREAL's extensive track record on labour and human rights and emphasised that their strong support of workers has been crucial to build trust with potential users of the MRDH – which in turn was vital to start the operations of MRDH on the ground at all.

The evaluation identified challenges linked to the relatively weak position of CEREAL as the *Mexican Coordination Unit* within the MRDH structure – as CEREAL does not possess any significant leverage vis-à-vis the other stakeholders. As already mentioned, CEREAL's access to production sites remained limited, restricting their ability to engage directly with workers at their workplace. The ongoing concerns among rightsholders and community members about whether anti-retaliation measures can be effectively guaranteed in practice also represent a significant challenge for CEREAL when trying to motivate workers to utilise the mechanism. Finally, CEREAL as the *Mexican Coordination Unit* is unlikely to be able to handle severe or politically sensitive cases, where the stakes are high and external pressure may be intense or even putting CEREAL staff in personal danger.

Reportedly, no specific measures to balance or counter-act some of these obvious power differentials were discussed or implemented by the MRDH so far.

iv. Unions

The German union partner seems very engaged in the MRDH, although it has been reported that there was very limited success in the efforts to motivate Mexican unions to be more active. The involvement of the Mexican union stakeholders in the structure of the MRDH was generally highlighted as a significant challenge for the MRDH. Firstly, it was remarked that the Mexican unions that are part of the *Executive Committee* have not actively participated in the MRDH at all. This results in a key stakeholder group (unions as representatives of workers' rights and interests) remaining underrepresented and underutilised. A few potential reasons were mentioned for the unions' non-engagement, most prominently that the *Mexican Coordination Unit* had not advocated the MRDH's benefits sufficiently vis-à-vis union leadership for the latter to be convinced of the MRDH being worth the time investment. It was also reported that the MRDH might not be perceived by unions as furthering their immediate priorities and own organisational interests, but instead as an external actor/project – or even as competition.

Secondly, as mentioned above, the situation surrounding unions in Mexico was described as generally difficult. Certain stakeholders advocated for the MRDH to involve more independent unions in its implementation. However, it was equally remarked that the established, traditional unions hold a significant amount of power and influence and that it might therefore not be possible or advantageous for the MRDH to exclude them. There were concerns that the latter would even risk backlash or repercussions.

v. Suppliers

As mentioned above, there is a reported lack of engagement of supplier companies in the MRDH. This refers to companies that are not directly owned or managed by the German member companies but are part of their supply chains. Supplier engagement was considered crucial for the MRDH's success, since it acts as a bridge of implementation between the *Mexican Coordination Unit* (in this case CEREAL), the member companies and the other MRDH stakeholders. Grievances reported via the MRDH predominantly occur at or are caused by these supplier companies; therefore, it is crucial that the suppliers are actively engaged in the mechanism. Their collaboration is necessary for the investigation and mediation phases, as well as for outcome enforcement. The member companies had informed their suppliers about the participation in the MRDH only by means of a (digital) letter; however, this was not deemed sufficient motivation and engagement by most stakeholders – as it showed no effects regarding supplier support of the MRDH in practice. In specific instances relayed to the research team, local supplier companies were even completely unaware of the MRDH's existence when confronted with requests for outreach or ongoing investigations. This was regarded as one key challenge to handling cases in an effective manner and to conduct outreach concerning the MRDH. However, it was also mentioned that engaging suppliers more prominently can be difficult due to anti-trust laws,²⁵ which might make it challenging for the member companies to transparently share their supplier lists. Whilst this would result in supplier outreach not being centrally managed by the MRDH governance structure or the *Mexican Coordination Unit*, the member companies could still engage and contractually bind their suppliers on an individual level and share anonymised data with the wider MRDH stakeholder group.

c. Ownership

Ownership refers to the identification of the MRDH with a specific organisation or actor (both internally and externally). In the perception of many, MRDH was primarily identified as a project by GIZ (specifically GIZ Mexico). There were differing opinions on how the (active) role of GIZ (Mexico) was beneficial to the MRDH's implementation in Mexico – as this role was clearly bound to end. Looking towards the future, there was concern that GIZ's departure from the project after the pilot phase might result in a void of (public) ownership of the MRDH. Furthermore, it was remarked that GIZ's departure might also lead to missing coordination, facilitation and mediation between the stakeholders.

d. Governance (Processes, Communication and Decision-Making)

The MRDH has an elaborate and well-thought-out governance structure, consisting of different decision-making bodies which constitute an elaborate organisational system.

²⁵ Potential restrictions by anti-trust law might not be such a significant hurdle as presumed by some stakeholders; they should be identified and discussed by a precise and context-specific legal analysis.

The *Multi-Stakeholder-Board* comprises a large group of stakeholders involved in the MRDH, whilst the *Executive Committee* is the main decision-making body comprising the key stakeholders required for the MRDH's implementation.

The benefits of this two-fold structure are increased legitimacy and independence of the mechanism. The multi-stakeholder set-up allows a balanced representation of different perspectives and interests and creates the basis for participatory, equitable decision-making. However, this structure also results in longer, more cumbersome discussions and decision-making processes. Many stakeholders reported that they wish for a leaner decision-making structure that allows more adaptability and agility of the MRDH. Furthermore, it was remarked that the coordinative burden of running the MRDH should be reduced.

In practice, the governance structure reportedly brought challenges with it once the MRDH moved into the implementation phase. Certain stakeholders felt like their concerns were not heard, or that they were not taken seriously. Others reported that they wish for more proactivity, especially from the *Mexican Coordination Unit* and the corporate stakeholders. It was questioned whether the governance bodies actually served as a space for collaborative and transparent problem-solving.

Several instances of conflict and unresolved controversies were reported to the research team. Whilst theoretically these could have been addressed in the current governance structure, it appeared that it was not possible to move towards cooperative problem solving between the parties. As it stands, there appears to be no forum to specifically work on controversial issues and resolve conflicts that arise between the members of the multi-stakeholder governance group.

e. Relationship of MRDH to Internal Grievance Mechanisms, Corporate Due Diligence and Corporate Risk Management

Before the official launch of the MRDH, significant thought was given to the inter-relationship and communication between corporate internal grievance mechanisms (IGMs) and the MRDH. Specifically, it was discussed which claims would be handled by the IGMs vs. the MRDH, and if and how there would be an exchange of information between the IGMs and the MRDH about submitted and ongoing cases.

The research team found that, at the time of the evaluation, there was very limited communication between the member companies' IGMs and the MRDH. One given reason was that there seems to be no personnel overlap between the IGMs and the staff involved in the MRDH. Furthermore, it remained unclear which information could be communicated from the MRDH to IGMs, and how to create a systematic exchange of data between the two levels/categories of grievance mechanisms.

Overall, the MRDH is one facet of the member companies' due diligence efforts, although it remained unclear to the research team if/how the MRDH has been integrated into the specific compliance, due diligence and risk management systems of the member companies.

Since the MRDH only covers Mexico, member companies need IGMs which also meet the requirements for grievance mechanisms outlined in the LkSG and CSDDD. However, it was mentioned by stakeholders that the MRDH has helped to advance the awareness within the member corporations around human rights due diligence as such. Participating in the MRDH allows the corporate members to exchange good practice examples and learn from collaboratively implementing the MRDH, which might create transferable learnings for other areas of human rights and environmental due diligence.

A central advantage of the MRDH is its ability to ensure anonymity, which is often a precondition for workers to submit complaints in contexts where fear of retaliation is widespread. In this respect, a cross-company mechanism is not only more credible but also more likely to be trusted and utilised, since rightsholders sometimes doubt the actual anonymity of internal grievance mechanisms – despite pertinent assurances.

Beyond its role as a complaint channel, the MRDH should also be recognised as an important instrument of corporate risk management. Investigations into individual complaints frequently generate broader insights into production conditions, sometimes revealing additional risks and rights violations unrelated to the original grievance. This offers the potential for swift, preventive responses and enhances a mechanism's function as both an early warning system and a tool for issue mapping across supply chains.

2. Engagement, Ownership and Communication - Conclusions and Recommendations

- **(Re-)Engage stakeholders that might be less active in the MRDH; understand their reasons and bring them back into the project.**
 - Regarding German company representatives, benefits and incentives to be part of the MRDH should be developed and the roles and responsibilities vis-à-vis the *Mexican Coordination Unit* agreed upon.
 - Mexican company representatives should be approached both from the German corporate side and the *Mexican Coordination Unit* to (re-)introduce benefits and incentives of being an active member of the MRDH. The roles and responsibilities of Mexican company representatives should be discussed, including an emphasis on integrating their local expertise and perspective.
 - Suppliers should be engaged by an effective and comprehensive supplier engagement strategy with clear milestones and KPIs. Specific requirements for implementing cascading contract clauses, terms of contract and/or codes of conduct that explicitly include the MRDH in the buyer-supplier-business relationship should also be further explored. This should mainly be the responsibility of the corporate members, aided by the *Mexican Coordination Unit* to create accountability.
 - Regarding civil society, a mapping of local/regional NGOs that could potentially collaborate with the MRDH could be repeated to identify additional partner organisations for outreach. Current civil society partners should agree on an

adjusted collaborative engagement model, as well as on clear roles and responsibilities for each stakeholder.

- Regarding unions, collaboration with government actors, corporate members, and international organisations like the ILO could help to reassess – and possibly activate - the role of unions in the Mexican context. A union engagement strategy that balances between more established and more independent unions and clearly highlights the benefits for unions should be developed as well.
- **Continue to develop strategic outreach formats for new companies to grow the group of member companies in the MRDH (both German and Mexican) in partnership with external stakeholders (e.g. the German Embassy or the ILO).**
 - For targeted outreach, regular outreach events in collaboration with other stakeholders should continue, ideally with the current corporate members as a united front reporting the benefits of participating in the MRDH to other companies. This should be done both for German companies and Mexican companies.
 - For broad outreach, existing formats, such as conferences, should be further utilised to share information about the MRDH with a wide range of stakeholders.
- **Agree on clear internal decision-making processes.**
 - A framework for decision-making and accountability between different actors should be agreed on²⁶. This framework should cover, inter alia, local outreach activities, case handling, overall coordination and project management, anti-retaliation, supplier engagement, recruitment of new members, representation of the MRDH at events, and the development of brand materials.
 - The (new) *Mexican Coordination Unit*'s role should also be to facilitate decision-making processes and represent all perspectives in a balanced manner. In the future, the *Mexican Coordination Unit* should also be responsible for holding all actors accountable regarding their agreed-upon roles and responsibilities.
- **Introduce a conflict management system and safeguards to prevent the escalation of conflicts.**
 - A policy for conflict management within the multi-stakeholder set-up should be introduced and mediator-facilitated dialogue options should be offered for (controversial) stakeholder discussions.
 - The establishment of an internal 'ombudsperson' that coordinates communication and conflict resolution, potentially aided by external mediators, should be discussed.
- **Re-evaluate information sharing between IGMs and the MRDH.**
 - A regular exchange of information between IGMs and the MRDH should be initiated, as well as between any corporate whistleblower mechanisms and the MRDH. Companies would benefit from more accurate data about their complaint mechanisms, e.g. by identifying duplicate claims or having easier access to data

²⁶ For example, a RACI matrix, which helps to assign clear roles for each stakeholder for the duration of a project.

for due diligence reporting. The MRDH might also benefit from learning about cases in Mexico that were submitted via the IGMs. During the case handling by IGMs, claimants might be asked why they did not choose to hand in their claim via the MRDH, which might provide data on the perception, accessibility and effectiveness of the MRDH.

V. Success Factors and Wider Impact

1. Success Factors and Wider Impact - Findings

a. Success Factors

Overall, the evaluation found that the MRDH is highly visible and perceived as a good practice example with global impact potential. The multi-stakeholder approach, while it has been mentioned as a challenge as well, has been repeatedly highlighted as one of the key qualities and success factors of the MRDH by bringing different actors closer together and creating understanding between them. In particular, it was reported that the diversity and ongoing involvement of stakeholders was a unique and valuable aspect of the MRDH. In addition, stakeholders mentioned the comprehensive governance structure of the MRDH as a success factor, as well as the inclusive design phase of the mechanism before its launch.

Another success factor was the MRDH’s involvement of local expertise in Mexico for the purpose of outreach and claimant support. Whilst the role of CEREAL received criticism as well, their activities in the worker communities nevertheless contributed significantly to the mechanism’s awareness raising and trust building and facilitated the first cases that were submitted to the MRDH.

All stakeholders agree that it took more time than expected to establish the policies, concepts, and operation strategy of the MRDH, as well as to build trust within the multi-stakeholder setting.

However, at the time of the evaluation, all stakeholders unanimously shared the belief that the MRDH should continue to unfold and attain further proof of concept.

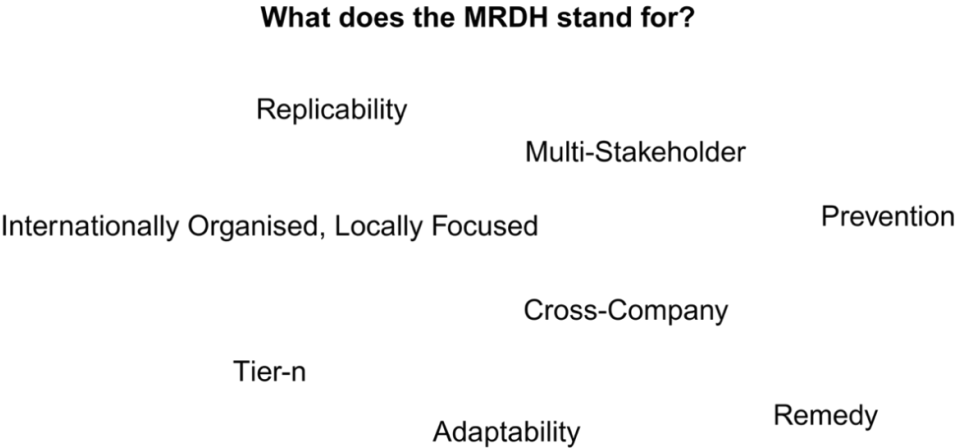


Image 10: Key Words referencing the MRDH collected during Stakeholder Interviews

b. Wider Impact

The MRDH already has achieved significant wider impact beyond just the individual grievances handled in Mexico: The MRDH has brought the different participating stakeholder groups closer together and created valuable opportunities for exchange and shared learning. Also, numerous interview partners reported that they use the MRDH as an outstanding good practice example for a cross-company grievance mechanism, highlighting the automotive industry's contribution as well as the joint effort of the German and Mexican government to implement human rights due diligence in the supply chain. Furthermore, other cross-company grievance mechanisms are looking to the MRDH for inspiration and learnings (e.g. a mechanism in the cocoa sector in Cote d'Ivoire²⁷). Overall, the MRDH has advanced the conversation around human rights and due diligence across Mexico and beyond. It has been presented and discussed at a plethora of events, including, inter alia, the *UN Forum on Business and Human Rights* in Geneva (2024), presentations to stakeholders of the *Drive Sustainability Initiative* and the *econsense* network, at a conference on "Meaningful Stakeholder Engagement" of the German *Sector Dialogues*, the regional *Integrity Week* of the *Alliance for Integrity* in Chile, the *Closing Event Trilateral Cooperation on Business and Human Rights* in Colombia, and the launch event of the *Responsible Business Hub Mexico*. Furthermore, the members of the MRDH exchanged with the German regulatory authority, BAFA, about the implementation of the LkSG.

2. Success Factors and Wider Impact - Conclusions and Recommendations

- **A two-tiered implementation model should be considered for the MRDH.**
 - CEREAL, and other local organisations, should only be responsible for local/regional outreach and claimant support. This role is vital to ensure the MRDH can continue to receive and handle cases (see Section E. for a detailed proposal for an operational model).
 - Project and stakeholder management, coordination and quality control should be centralised and handed over to a larger organisation to reduce the administrative burden for the local organisations and increase the effectiveness of implementation (see Section E. for a detailed proposal for an operational model).
- **Develop a 'learning system' approach for the continued implementation of the MRDH to solidify how learnings and feedback are incorporated continuously and sustainably into the MRDH, potentially with academic support.**
 - Different levels of learning should be considered: for the MRDH itself, for the different stakeholders, and for wider society/other grievance mechanisms.²⁸

²⁷ For further information, see <https://www.kakaoforum.de/feasibility-study-for-a-cross-company-grievance-mechanism-in-cote-divoires-cocoa-sector/>.

²⁸ A full report detailing the different levels of learning can be accessed here (chapter 6.5): https://www.bmjv.de/SharedDocs/Downloads/DE/Themen/Nav_Themen/Forschungsbericht_Aussergerichtliche_Beschwerdemechanismen_Final.html?nn=155700.

- A closer communication loop between IGMs and the MRDH (as mentioned above) should be considered to maximise the potential for effective grievance handling and procedural as well as organisational learning.
- A person/stakeholder responsible for systemic learning in the governance structure should be nominated.
- **Continue to prominently promote the MRDH as a rare and valuable good-practice project of a cross-company grievance mechanism (possibly with academic support) to harvest positive reputational effects and to inspire other grievance mechanisms. Develop a short document/presentation with key learnings from planning and implementing the MRDH in the pilot phase that can be shared internationally with other stakeholders and grievance mechanisms.**
 - A summary of valuable learnings from the MRDH pilot for other grievance mechanisms, as compiled by the evaluation team, should be widely featured by the MRDH multi-stakeholder members and the involved ministries.
 - These learnings should underline the time commitment (and patience) necessary to launch such an initiative. KPIs other than mere case numbers should be prioritised in the initial stages of establishing a mechanism.
 - The summary should also highlight the important learning that grievance mechanisms should implement both an overarching, centralised coordination unit and a localised outreach strategy. The latter should involve already established trusted organisations and actors to achieve local buy-in and uptake of the mechanism whilst at the same time ensuring smooth processes and project management.

E. Transferrable Success Factors and Learnings

The MRDH is situated within the broader context of sectoral, cross-company, multi-stakeholder grievance mechanisms. The MRDH's multi-stakeholder governance model, its sectoral as well as regional focus, and implementation in a single national context make it both innovative and context specific. The MRDH's design and implementation strategy reflect Mexico's unique legal, social, and cultural conditions, as well as the dynamics of its labour market and civil society. Therefore, it cannot be scaled to other regions or sectors without adjustments. However, many success factors and learnings from the MRDH pilot phase are easily transferrable to other sectoral and geographical contexts. Moreover, the elaborate procedural documents and processes of the MRDH can serve as valuable resources to other mechanisms.

The concluding chapter shall therefore underline key success factors and highlight learnings that can be derived from the MRDH pilot phase for other cross-company/multi-stakeholder grievance mechanisms.

I. Country-Specific Focus

The MRDH's focus on Mexico as a single country of implementation allows the mechanism to be closely adapted to the local/regional social, legal, and economic realities, which is a level of context-specificity that global mechanisms are often unable to achieve. This localisation ensures greater contextual relevance and operational effectiveness. At the same time, it has to be noted that a country-specific mechanism requires participating companies to additionally maintain robust alternative/complementary grievance mechanisms to address potential complaints arising elsewhere in their supply chains.

With the necessary country-specific research and consultations to ensure relevance and permeation, the governance structure and set-up of a country-specific mechanism is able to reflect and build-in local specificities and actors and thus increase effectiveness and trust. Such a country-specific approach might be especially relevant for other sectors where a significant number of suppliers are present in a limited number of production countries. The MRDH presents an important reference point on how a grievance mechanism can be localised (see also two-tiered model in IV.).

II. Multi-Stakeholder Set-Up, Governance and Internal Conflict Management

The evaluation of the pilot phase of the MRDH underscores both the value and complexity of a multi-stakeholder governance model. While such structures enhance transparency, legitimacy, and shared responsibility, they also demand substantial resources for coordination, communication, and conflict management.

A prominent and distinguishing feature of the MRDH lies in the breadth of stakeholder participation. The multi-stakeholder governance structure of the MRDH includes representatives from companies, civil society organisations, trade unions, and government institutions both in Mexico and Germany. Involving local expertise from the early stages of development has proven essential to ensuring that the mechanism's policies and procedures are aligned with the specific conditions and needs of the Mexican context.

Multi-stakeholder grievance mechanisms like the MRDH offer numerous advantages over internal grievance mechanisms, primarily through their broader representation of stakeholder perspectives in their daily operations, enhanced legitimacy and trust vis-à-vis rightsholders, increased independence, and an efficient sharing of resources. The diversity of involved stakeholders also brings complementary expertise and networks; it can create a more resilient and comprehensive governance structure that benefits from peer-to-peer oversight. Involving a plethora of stakeholders in a specific region or sector also places the grievance mechanism in a better position to address systemic and large-scale problems in the supply chain.

However, such a multi-stakeholder approach also introduces certain challenges. Regarding the MRDH, the involvement of approx. twenty organisations contributed significantly to the mechanism's credibility, multi-perspectivity and representativeness, but it also demanded extensive coordination, communication and stakeholder management, including dedicated personnel, time, and financial means to maintain coordination, ensure transparency, and foster ongoing engagement among participants.

Given the diversity of interests involved in a multi-stakeholder group, it is inevitable that differing views and priorities will emerge. As a conflict prevention measure, mapping the objectives and expectations of each stakeholder group at the outset is key to clarify motivations, manage expectations and prevent misunderstandings during implementation. Roles and responsibilities of each stakeholder (group) should be clearly defined, laid down in a foundational document and regularly reassessed.

All governance members of multi-stakeholder grievance mechanisms should stay attentive to power asymmetries between stakeholders, particularly between large international companies and smaller local NGOs. It should be openly acknowledged amongst the stakeholders that local organisations operate under different capacities, resources, and communication structures, and that their dependence on project funding may influence the dynamics of collaboration. At the same time, the mechanism's success fundamentally relies on these local partners. Without their contextual knowledge, networks, and trust among rightsholders, grievance mechanisms cannot function effectively. Recognising this interdependence is key to maintaining balanced relationships and ensuring that a mechanism remains both legitimate and operationally viable. Structural measures to balance these power asymmetries could include trainings for local organisations, e.g. on project management, communication and negotiation skills, the allocation of (additional) voting

rights regarding operational decisions, comprehensive transparency agreements regarding core information necessary to implement outreach and case handling, and – on a pragmatic level – the provision of templates, e.g. for communication materials, budgets, or contracts as well as the neutral facilitation of meetings and controversial discussions within the multi-stakeholder governance structure.

To safeguard a multi-stakeholder driven mechanism's effective operations, internal conflict management structures and procedures are necessary to address disagreements on operational or strategic decisions early and constructively. Controversial discussions and difficult decision-making processes should be supported by a neutral, external facilitator. The instalment of a designated ombudsperson who takes care of constructive resolution of conflicts amongst stakeholders/within governance units of a grievance mechanism can prevent stalemate and conflict escalation – and thus ultimately be a key to a grievance mechanism's survival, ongoing improvement and effectiveness.

Overall, other grievance mechanisms should carefully and realistically assess the resource implications of multi-stakeholder engagement and establish structured procedures for facilitating communication and addressing internal disagreements. For more resource efficiency, it could be considered whether all stakeholders should be equally involved in the operational implementation, or whether certain stakeholders only operate in an oversight function. Only with clear roles, adequate capacity, and strong facilitation can multi-stakeholder initiatives achieve both efficiency and inclusivity.

III. Thorough Preparation and Ongoing Adaptivity

Both the country-specific and the multi-stakeholder approach called for thorough preparation before the implementation phase of the MRDH pilot could be started. The development of procedural frameworks, context-specific anti-retaliation policies, and governance structures required dedicated attention and resources. Involving all key stakeholder groups at this stage was essential to ensure ownership and legitimacy. To achieve all this, the preparation time for the MRDH was more than three years before the implementation of the pilot in Mexico began.

The MRDH thus can serve as an example of how a carefully planned participatory design process of a grievance mechanism can establish a strong foundation for implementation. At the same time, the pilot phase of the MRDH demonstrated that changing conditions (e.g. trade politics, tariffs, elections etc.) both in the country of production and in the 'home country' of the buyer corporations require ongoing adaptations – no matter how thorough and comprehensive the initial planning might have been.

Therefore, when setting up a new grievance mechanism, sufficient time and resources for thorough preparation should be factored in for the planning process. At the same time, the governance structures of a mechanism need to be prepared (and have processes in place) for

the need of ongoing adaption to changing factual, economic, political, and legal circumstances.

IV. Two-tier Operational Model for Implementation

One key learning from the MRDH is that a multi-stakeholder grievance mechanism needs (hyper-)local expertise to successfully implement outreach measures and build trust with rightsholders – which, at the same time, can create dilemmatic effects regarding the standing and outreach capabilities of a local/regional coordination unit on a larger scale: a grievance mechanism needs to reach potential claimants and their communities via trustworthy local channels, whilst also remaining a political and coordinative actor that manages the involved stakeholders and provides a standardised approach to outreach and case handling.

The role of the *Mexican Coordination Unit* of the MRDH was assigned to CEREAL. However, it became clear during the evaluation that the exact role and responsibilities of CEREAL remained unclear and contested throughout the implementation of the pilot. Most stakeholders agreed that CEREAL is undoubtedly experienced and well-established in Jalisco; at the same time, both the size of the organisation and the track record so far was reported as not being ideally positioned to fulfil all aspects of the role of *Mexican Coordination Unit*. Certain stakeholders remarked that the *Mexican Coordination Unit* might require a more politically skilled and nation-wide approach, which would allow the MRDH to more successfully engage the corporate and union leadership in Mexico on eye-level. Furthermore, it became apparent that there are conflicts between CEREAL's reputation as an organisation prioritising workers' right and the effective collaboration with local suppliers. This led to several charged misunderstandings, which resulted in CEREAL not being granted access to the production sites. However, the need for CEREAL's involvement in the MRDH was also highlighted. Several stakeholders stated that without CEREAL, the MRDH would not have been able to build trust with local workers and communities – and that the MRDH most likely would have received fewer cases.

It is the opinion of the research team, as well as several MRDH stakeholders interviewed for the evaluation that the dual role described above cannot be fulfilled well by one sole actor, since it requires vastly different organisational characteristics, experiences, priorities and skill sets. Therefore, to resolve this dilemma, a two-tiered model of implementation and operations of a grievance-mechanism seems more plausible: Local/regional organisations should be actively involved in outreach, case handling and rightsholder support, whilst at the same time the tasks of project and stakeholder management, coordination, negotiations with political actors and corporations and qualitative oversight are concentrated with a centralised unit.

This subchapter introduces the concept of such a two-tiered model (for the MRDH) – not as a one-size-fits-all blueprint, but as potential inspiration and resource for other mechanisms who face implementation problems similar to those described.

1. Central Coordination Unit

In the proposed model, the (new) *(Mexican) Central Coordination Unit* centralises information and provides qualitative oversight. It acts as the main coordinative body responsible for project and quality management and the coordination of all actors. Furthermore, the *Central Coordination Unit* is responsible for stakeholder management and communication, contacting individual stakeholders for feedback or with specific information. It liaises with (German and Mexican) companies and suppliers, as well as government actors, unions and civil society. The *Central Coordination Unit* is responsible for organising the meetings of the different governance bodies, e.g. the *Executive Committee*, and for all contracting processes with external experts, mediators etc. The frequency of engagement of the *Executive Committee* in the daily workings of the mechanism could thereby be reduced. The *Central Coordination Unit* also coordinates the network of regional/local outreach organisations (see below). Where outreach activities or case handling require additional support or leverage, the *Central Coordination Unit* supports the local organisations, claimants and suppliers. Furthermore, the *Central Coordination Unit* is responsible for collecting, curating, updating and sharing relevant materials to ensure consistency regarding messaging surrounding the MRDH.

The role of the *Central Coordination Unit* could be filled by an (inter)national civil society organisation or even a separate legal entity specifically founded for the purpose of establishing a grievance mechanism.

2. Local Outreach Organisations

Building meaningful connections with community-based organisations, unions, and local networks ensures that a grievance mechanism can become accessible and effective. The experience of the MRDH demonstrates how integrating local actors is crucial to building trust with potential users of the mechanism. Without such local actors, it is unlikely that a grievance mechanism will be able to overcome the significant barriers and fears of retaliation experienced by rightsholders, resulting in the underutilisation of the mechanism despite the factual existence of grievances. The MRDH illustrates that trust cannot be built through awareness campaigns alone; it requires continuous local presence by trusted individual representatives of the mechanism, transparent communication, and a record of successful, fair outcomes. This local anchoring, however, must be accompanied by dedicated financial resources to support community outreach, social dialogue and rights-based education.

Therefore, the foundation of the two-tiered model is a network of local/regional organisations that are responsible for outreach, trust-building, claimant support, and first-

level case handling in collaboration with local suppliers. These local organisations should be independent (also from unions) and generally well-established, well-connected and well-trusted in their regions/communities. They should be able to conduct outreach activities for workers in a defined local scope and, after clearance, at the suppliers’ production sites.

In addition to outreach activities, the local organisations are also responsible for supporting case handling for grievances that occurred in their defined local scope. Whilst all cases are centrally reviewed and declared admissible by the *Central Coordination Unit* in collaboration with the respective local organisations, the practical case-handling is delegated to the local organisations unless otherwise determined by the *Central Coordination Unit* (for example, if the case appears to be extremely complex or refers to more than one location). The local organisations are primarily responsible for supporting the claimant(s) and liaising with experts and suppliers to facilitate an efficient case-handling process. They can request support from the *Central Coordination Unit* and the member companies in challenging cases.

Local organisations should be compensated equitably for their on-going outreach efforts and the support of (potential) claimants. They should also have role and voice in the governance structure of the mechanism to ensure that they can participate in discussions and decision-making processes regarding the mechanism. To keep the resources needed as lean as possible, the group of local organisations should regularly elect two representatives from their midst to participate in the governance of the mechanism.

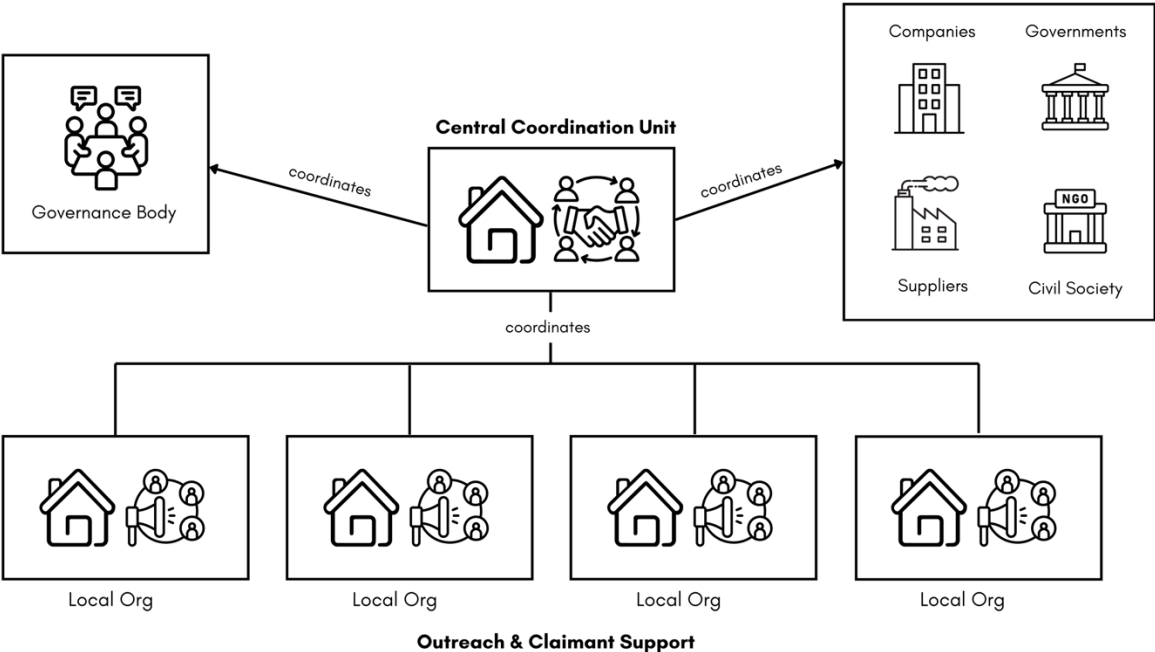


Image 11: Proposed Two-Tier Operational Model

V. Funding

The conceptualisation of the MRDH as part of the *Sector Dialogue* was financed by the German government, which allowed for the different stakeholders to join with reduced (financial) risks. For the pilot phase, the MRDH transitioned into a mixed funding mode that combined corporate and public funding. It was clearly communicated that the public funding would end after the pilot phase and that the mechanism would have to transition into a self-sustaining structure, full corporate funding after the pilot phase. At the time of evaluation, there exists a certain apprehension about securing (enough) funding for the continued implementation of the MRDH. Most stakeholders still would prefer a mixed funding model that combines corporate and public funding to secure a solid funding base for the next operational phase of the MRDH (until more corporate members have been recruited). Additionally, a mixed funding model serves as a (symbolic) demonstration of government support of multi-stakeholder driven grievance mechanisms and appreciation of the resources that corporations need to invest into such mechanisms.

As the mixed funding model with initial substantial financial support from the government seems to have been a key driver for the MRDH's development, such an approach can be viable for other mechanisms as well. At the same time, it is recommended that all actors should agree before a mechanism's launch how the public funding can eventually be phased out. This agreement could be made (legally) binding to ensure the sustainability of a mechanism beyond its initial phase(s) and, thus, safeguard the effective use of public resources spent during the pilot phase. As the development of a grievance mechanism (with its caseload, operational costs and recruitment of additional paying corporate members) is hard to predict ex ante, the timeline and the conditions for the phase-out of the public financing part should be negotiated realistically and – if at all possible – be termed flexibly to ensure the mechanisms survival until a self-sufficient stage can be reached.

VI. Supplier Membership Model and Corporate Recruitment

Another transferable lesson of the MRDH's implementation concerns the importance of corporate engagement, particularly that of local suppliers – but also of the buyer companies – as active stakeholders of a grievance mechanism.

Sustained participation from supplier companies is essential for implementing accessibility and outreach strategies, for the comprehensive investigation of cases and for ensuring responsiveness and implementation of agreed outcomes. However, the evaluation found that supplier engagement was a significant missing link in improving the MRDH's effectiveness.

Providing incentives for suppliers to engage with a grievance mechanism thus should be a priority. Merely providing information about a grievance mechanism without any obligation or only putting pressure on suppliers to participate in the mechanism are both unlikely to

result in a sustainable and productive collaboration model. Thus, involving suppliers with a clear role as key stakeholders in the mechanism seems to be better suited to engage with them in a meaningful manner. (This is even more relevant as many of the suppliers are companies of significant standing in the production countries.) Therefore, the research team is proposing a membership model specifically for supplier companies:

- Supplier companies support the grievance mechanism organisationally and potentially also financially, with a tiered financing model depending on size/turn-over/number of workers or other suitable indicators.
- In return, supplier companies get access to a pre-established conflict management and early warning system for existing grievances. For this end, one of the functions of a grievance mechanism is to support suppliers in avoiding escalation of certain problems with the potential of being involved in lengthy and costly court proceedings – and/or the consequence of being cut out of the supply chain.
- Independently from individual grievances, the membership model grants the group of suppliers some transparency and agency regarding the mechanism, rather than it being perceived as a top-down project enforced upon them by the buyer companies.
- Participating in the mechanism and thus being able to partake in regular communication exchange and collaborative decision-making also helps the supplier companies build stronger business relationships with the buyer companies.
- Furthermore, being a member of the mechanism might provide an advantage for supplier companies against competitors, especially in times of uncertain global markets where European companies might become more critical for the suppliers.
- Finally, participating in the mechanism can also be regarded as a community engagement strategy for supplier companies, allowing them to further improve their reputation and engage more sustainably with their workers and their community.

Regarding German or transnational buyer corporations, many stakeholders remarked that welcoming new corporate partners to the MRDH would be critical to ensure the project's long-term effectiveness and sustainability. Despite numerous attempts to recruit new corporate members, the MRDH has struggled with corporate engagement and the difficulties in recruiting of new member companies. This might have been (partially) due to the insecurities regarding corporate obligations and their enforcement under the German LkSG and the future CSDDD as well as the overall economic situation.

Grievance mechanism should continuously attempt to recruit new corporate members and point out different incentives that could be leveraged as part of a recruitment strategy (if possible, with specific examples to make the (potential) benefits of joining a cross-company grievance mechanism more tangible).



Image 12: Recruitment Incentives for Mexican and German Companies

VII. Case Handling

Generally, the stakeholders of the MRDH have developed a set of elaborate procedural documents and processes that can serve as valuable resources to other mechanisms. Some distinctive features of the case handling process are subsequently highlighted. Allowing for anonymous complaint submission has been critical in overcoming initial mistrust of rightsholders. To reduce the fear/real danger of retaliation, the MRDH's robust anti-retaliation policies can serve as a model for other mechanisms.

The chosen processes for grievance handling by the MRDH demonstrate the value of involving external experts to conduct independent investigations of complaints. Such expertise of external neutrals enhances the mechanism's impartiality and credibility, provided that the process is complemented by clear procedures for enforcing the recommended outcomes. External experts can ensure that the case handling process is equitable and impartial, as well as driven by factual knowledge regarding specific grievances (this can be particularly relevant in cases that concern environmental damage).

Thus, the MRDH's establishment of a professional expert pool and its impartial case-handling structure offer a replicable model for other grievance mechanisms. Experts should be approved by all stakeholders, including ideally the rightsholders that submitted a grievance.

Their profiles should include their expertise in a relevant field (e.g. labour rights, environmental law), communication/mediation skills, cultural sensitivity (also regarding particularly vulnerable groups). At the same time, the independence of the experts from the involved stakeholders has to be guaranteed. Furthermore, the experts' access to information and locations relevant to the investigations should be ensured.

The integration of mediation as a procedure for grievance handling also reinforces the MRDH's rightsholder-centric, dialogue-oriented design. By offering a space for dialogue and negotiated solutions, mediation aligns with international best practices under the *UN Guiding Principles on Business and Human Rights* (UNGP 31) and due diligence legislation and strengthens the perceived legitimacy of the mechanism among users by ensuring more sustainable outcomes of cases based on the needs of the claimants.

VIII. Role of Regulatory Framework

The MRDH occupies a distinct position at the intersection of German mandatory legal due diligence obligations and voluntary initiatives, demonstrating how regulatory frameworks and voluntary commitment of corporations can work in synergy to advance innovation in the field of Business and Human Rights.

The first concept of the cross-company grievance mechanism was designed even before the LkSG entered into force in January 2023. The pilot phase of the MRDH then kicked off shortly before the CSDDD was adopted in May 2024. While the MRDH is a voluntary initiative, the existence of an ambitious regulatory framework plays a decisive role in legitimising participation, defining quality criteria for the set-up and operation of the mechanism, and ensuring procedural safeguards for claimants/rightsholders.

At the time of the evaluation of the MRDH, the legal environment has become uncertain through the proposed *Omnibus I* amendments to CSDDD as well as the lack of enforcement of and proposed changes to the LkSG. Still, the MRDH demonstrates commitment to human rights due diligence – and shows how a multi-stakeholder initiative, given it operates sustainably, can provide stability, continuity, and practical orientation for rightsholders as well as companies seeking to operationalise human rights due diligence. By offering a structured platform for continuous exchange amongst the stakeholders, the MRDH thus contributes to strengthening shared understanding, coherence and learning in the implementation of human rights due diligence in the supply chain.

Yet, it becomes clear that sustainable corporate engagement in voluntary mechanisms benefits from normative incentives and a supportive legal environment. Consistent due diligence legislation not only encourages corporate participation in initiatives like the MRDH and contributes to harmonising case handling standards, but also enhances grievance mechanisms' effectiveness, credibility, and potential for replication in other sectors and regions.

Annex 1

Contents:

1. Research Team - Profiles
2. Timeline: Research Activities
3. Interview Questions for Stakeholder Interviews

1. Research Team - Profiles

Team Lead:

Prof. Dr. Dr. h.c. Ulla Gläßer, LL.M. (UC Berkeley)

Ulla Gläßer holds a full professorship for mediation, conflict management and procedural theory at the *European University Viadrina Frankfurt (Oder)/Germany*. She is the academic director of the *Institute for Conflict Management* and the postgraduate, interdisciplinary *Master's Program on Mediation and Conflict Management* at the Viadrina University. For the last 20 years, she has been continuously involved in practice-oriented research projects with high stakeholder involvement focussing on different areas of non-judicial conflict management. In particular, she was one of two leading researchers to conduct a unique series of five multi-method (quantitative and qualitative) empirical studies on the establishment of ADR procedures in the German corporate sector over the course of a decade (2005-2015).

Since 2019, she has established a strong research focus specifically on the potential of non-judicial grievance mechanisms in the field of Business and Human Rights. Commissioned by the German *Federal Ministry of Justice and Consumer Protection (BMJV)*, she and her research team conducted a multi-method empirical study and published a comprehensive 500-page research report with detailed recommendations for the establishment of effective cross-company grievance mechanisms in the sense of UNGP 31. At present, Ulla Gläßer is team lead of two new research projects in the field of Business and Human Rights: the DFG-funded project "*Beyond access – the potential of non-judicial grievance mechanisms to improve effective remedy for vulnerable groups in the field of Business and Human Rights*" (2024-2027) and the project "*Außergerichtliche Beschwerdemechanismen entlang von Lieferketten - Überprüfung der Wirksamkeit und Konzeption von Lernenden Systemen im Spannungsfeld zwischen Regulierung und Selbstregulierung*" ("*Non-judicial grievance mechanisms as learning systems - between regulation and self-regulation*") (2023 – 2027), funded by the Fritz-Thyssen-Stiftung.

Experts:

Mareike Standow, LL.M. (Maastricht University)

Mareike Standow has a strong background in human rights law, corporate responsibility, and grievance mechanisms. She holds an LL.M. in Globalisation and Law from Maastricht University, specialising in Human Rights Law and Corporate Social Responsibility, providing her with a solid foundation in corporate due diligence and human rights law. As a research fellow at the *European University Viadrina*, Mareike leads a DFG-funded project focused on non-judicial grievance mechanisms for vulnerable groups, aligning closely with MRDH's goals of accessibility and effectiveness.

Fernando Navarro Sánchez, LL.M. (Pepperdine University)

Fernando Navarro Sánchez is a skilled mediator and conflict resolution expert with extensive experience working with local communities in Mexico. With an LL.M. in Dispute Resolution from Pepperdine University and a law degree from the *Autonomous University of San Luis Potosí*, Fernando blends academic expertise with hands-on experience in resolving disputes and fostering collaboration.

Mariana Rezende, LL.M. (Federal University of Minas Gerais)

Mariana is an expert and consultant in human rights and alternative dispute resolution methodologies. She is interested in multichannel approaches to achieve redress for human rights impacts and has experience in strategic litigation, stakeholder engagement, advocacy and policy research. Mariana spent a year as a *German Chancellor Fellow* at the specialized consultancy Löning, where she delved into the experiences and challenges faced by German companies in implementing grievance mechanisms in line with the LkSG and global standards.

Dominik Schmitz, B.A. Political Science (University Freiburg)

Dominik Schmitz works as a research fellow at the chair of Prof. Dr. Eva Kocher and is currently pursuing a PhD in the field of international labour rights with a human rights-based approach. His research focuses on European and international labour law, human rights, and the interaction between these legal systems. For several years, he has conducted research and published on Business and Human Rights and supply chain due diligence legislation, with a particular focus on non-judicial grievance mechanisms in supply chains and the protection of labour rights.

2. Timeline: Research Activities

February 2025:

Commission of evaluation study
Kick-off calls

March 2025:

Presentation of evaluation concept to MRDH Executive Committee

April 2025:

Review of governance documents
2 stakeholder interviews (online)

May 2025:

Preparation field trip, coordination with GIZ Germany, GIZ Mexico and CEREAL

June 2025:

4 stakeholder interviews (online)

Field trip Guadalajara:

Community outreach event
Workshop with CEREAL: outreach and case handling
Workshop with CEREAL: communication strategy
Visit to site relevant to one grievance case
Visit to community where regular outreach activities are taking place
Interviews with 2 claimants whose cases are being handled by the MRDH
Interview with expert assigned to investigation

Field trip Mexico City:

Stakeholder interviews (government/German embassy, company members, civil society, international organisations, expert)
Workshop with GIZ Mexico team

July 2025:

1 stakeholder interview (online)
Data analysis
Preparation of Key Findings and Recommendations (short internal report)

August 2025:

Data analysis (continued)
Draft of internal final report

September 2025:

Preparation of internal final report (with consideration of stakeholder feedback)
Presentation of evaluation results at conference "*Meaningful Stakeholder Engagement – From Principles to Practice*" (BMAS/Sector Dialogues) in Berlin (Sept. 16, 2025)

3. Interview Questions for Stakeholder Interviews

A. Interview Guide – MRDH Evaluation – Questions

For stakeholders: civil society, companies and suppliers

Key Area 1: Accessibility for Rightsholders

a. Outreach

- What strategies has the MRDH used to build trust and raise awareness among workers? Which of these have been most or least effective?
- How has the MRDH tried to ensure access for workers in marginalised or vulnerable situations (e.g., women, migrants, informal workers)? Can you give examples?
- If resources were not a constraint, what outreach activities would you prioritise to improve accessibility and awareness of the MRDH?

b. Anti-Retaliation Measures

- In practice, to what extent do you think the MRDH can protect workers from retaliation when they file a complaint?
- Have there been any concerns or incidents related to retaliation? If so, how were they addressed?

Key Area 2: Case Handling (Strategy, Procedural Guidelines, and Purpose of the MRDH)

- What have been the main lessons or insights gained from the initial cases handled by the MRDH?
- In your opinion, should the MRDH prioritise individual grievances, systemic issues, or both? Why?

Key Area 3: Ownership, Engagement, and Communication

a. Communication

- How would you describe the communication among stakeholders within the MRDH multi-stakeholder governance structure?

b. Interaction Between IGMs and the MRDH

- (For company representatives) How do you allocate resources between your company's internal grievance mechanism (IGM) and participation in the MRDH?
- Is there any coordination or exchange of information between the IGMs and the MRDH?

c. Local Implementation

- From your experience, what are the key strengths or weaknesses in the current local implementation setup of the MRDH?

d. Engagement with Suppliers

- How have local suppliers been involved in the MRDH? What challenges or successes have you encountered in engaging them?

Key Area 4: Financial Sustainability of the MRDH

- In your opinion, what kind of funding model would best support the long-term functioning of the MRDH?

Key Area 5: Success Factors and Wider Impact of the MRDH

- In your view, what have been the most important success factors in the MRDH's implementation so far?
- Has the MRDH had an impact beyond the individual cases it has addressed? If so, in what way?
- What lessons have emerged from implementing the MRDH, and how have they been applied in practice?