



HUMAN RIGHTS DUE DILIGENCE

for Small and Medium-
Sized Enterprises

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ABBREVIATIONS

EU	European Union
BAFA	German Federal Office for Economic Affairs and Export Control
UN	United Nations
IFRS	International Financial Reporting Standards Foundation
ILO	International Labour Organization
ISSB	International Sustainability Standards Board
SME	Small and Medium-Sized Enterprises
OECD	Organization for Economic Cooperation and Development
CMB	Capital Markets Board of Türkiye
TIHEK	Human Rights and Equality Institution of Türkiye

FOREWORD

When we met Musa, he was producing office-type wooden chairs in Siteler, Ankara's oldest furniture manufacturing center. We visited him at his workplace for production of Development Workshop bookshelves and had the opportunity to see his work on site. In his workshop, Musa employed more than twenty workers, including Syrian migrants, and he himself regularly visited the workshop every day, planning the production of orders, controlling quality, and negotiating with various companies for marketing. Some of Musa's chairs were sold to construction market chains in Europe. He was curious about our work and we talked about what we were doing as the Development Workshop. In time, Musa developed his business and started to produce wooden baths, which were preferred by wealthy Europeans, in addition to chairs. He started to employ new workers and especially craftsmen. As a medium-sized business, he was exporting from Ankara to Europe through an intermediary. One day, a person from the sustainability department of the Turkish supplier of the construction market to which he exported chairs and wooden bathroom products came to visit him and told him that new laws and directives on human rights and environment in the supply chain had started to be implemented in Europe and other developed western countries. The supplier who sent Musa's products to Europe had asked Musa to prove that his products were produced in compliance with human rights and did not cause environmental damage, and that this was a requirement of the new legal regulations, otherwise they would no longer be able to buy these products from him. Musa was surprised. He did not know what to do. It was also the first time he had heard about this issue. He was already barely surviving, able to continue production with a low profit.

A new process had begun for Master Musa. *Are there human rights violations in his small business? Does its production and the raw materials it buys cause environmental problems? What is the carbon footprint of his business? How would he identify these, how would he prevent them, and how would he improve the problems and risks, if any? How would he reflect the costs that would incur for this on the products he sells? How would he audit his suppliers from whom he buys raw materials for production? How would he explain these processes to them?*

All these and similar questions have rapidly started to enter the agenda of small and medium-sized enterprises, especially those at the very beginning of the production process. Prevention of human rights violations in production processes, elimination of child labour, prohibition of forced labour, provision of living wage, freedom of association, implementation of occupational health and safety rules at all stages of the supply and value chains, especially as a result of legal regulations emerging in

European Union countries, has become a part of the change for businesses exporting goods and services to countries that have implemented such legal regulations, especially in European Union countries.

This information note we share with you aims to inform small and medium-sized enterprises about the protection of human rights both in their own production processes and in the enterprises they supply raw materials to. This information note provides you with a road map in general terms and tries to contribute to the preparation of your enterprises for this process.

Development Workshop

April 2024, Ankara

INTRODUCTION

The business world plays a critical role in protecting the human rights of its employees, consumers and all members of society at large. While companies have a potential to contribute to the development of societies with the economic and social values they produce, they may also have negative impacts that undermine the human rights of not only their employees but also the whole society with their exploitative labour practices. The efforts initiated by the Organization for Economic Cooperation and Development (OECD) and the International Labour Organization (ILO) in the 1970s to prevent such negative impacts and ensure that companies operate in a manner that respects human rights, has become increasingly on the global agenda, especially since the beginning of the 2000s, with the United Nations putting the issue on its agenda and development of international standards including conventions, declarations and guidelines within this context. These voluntary international standards on the responsibility of the business world to respect human rights have been followed in recent years by international and national regulations containing normative and binding provisions on responsible business practices and due diligence.

As all these normative instruments envisage the imposition of sanctions on companies that violate their due diligence responsibilities for the protection of human rights, they will significantly affect trade relations at the international level and this process will directly affect exporting companies in Türkiye.

This info note is intended as a guide for **small and medium-sized enterprises** (SMEs) in Türkiye, in particular, to help them fulfill their due diligence requirements for the protection of human rights in business and thus increase their competitiveness at the international level.

The info note attempts to answer seven questions in this context that small and medium-sized enterprises in Türkiye may seek answers to:

1. What is the role of business in protecting human rights?
2. What are the fundamental rights concerning working life?
3. What are the main international standards concerning business and human rights?
4. What are the binding regulations concerning due diligence for protecting human rights in business?
5. What are the national regulations in Türkiye for protecting human rights in business?
6. How do due diligence regulations for protecting human rights in business affect SMEs in Türkiye?
7. Which steps should SMEs in Türkiye follow to fulfill the due diligence obligations for protecting human rights in business?



What is the Role of Business in Protecting Human Rights?

In the 1970s, with increasing globalization, the shift in the production of goods and services from developed countries to countries where labour is cheaper brought to light the effects of corporations, especially multinational corporations, on working life, human rights and the environment.

It has become an important agenda at the international level that businesses, aside with their *positive impacts* on societies, such as creating jobs and livelihoods and supporting economic and social development, can also have *negative human rights impacts* - through its own activities or through the activities of business partners - on both adults and children, such as unsafe and unhealthy working conditions, inadequate wages, informal employment, child labour, depriving local communities of their livelihoods, violations of freedom of association, and environmental pollution, which can sometimes lead to *gross human rights violations*.

Adverse human rights impact- An adverse human rights impact occurs when an action removes or reduces the ability of an individual to enjoy his or her human rights.

Gross human rights violations - There is no uniform definition of gross human rights violations in international law, but the following practices would generally be included: genocide, slavery and slavery-like practices, summary or arbitrary executions, torture, enforced disappearances, arbitrary and prolonged detention, and systematic discrimination. Other kinds of human rights violations, including of economic, social and cultural rights, can also count as gross violations if they are grave and systematic, for example violations taking place on a large scale or targeted at particular population groups.

Source: United Nations (2012) "The Corporate Responsibility to Respect Human Rights: An Interpretive Guide"

With this emerging agenda and increasing pressure by unions, civil society and consumers, two interrelated concepts have come to the forefront concerning companies' responsible behavior and socially valuable activities: (i) *corporate social responsibility* and (ii) *due diligence for human rights protection in business*.

Although both concepts indicate that companies attach importance to activities that adhere to social, economic and environmental principles and values, they differ from each other in terms of their purpose and focus. *Corporate social responsibility* is founded on the notion that companies have responsibilities to society and focuses on companies' voluntary contributions to society via the lens of public relations. The *due diligence for human rights protection in business* is founded on the premise that company operations may have a detrimental impact on people and the environment, and it focuses on the obligation to take steps to identify and prevent these consequences within the framework of accountability.

Due Diligence – Due diligence is the process companies should carry out to identify, prevent, mitigate and account for how they address actual and potential adverse human rights impacts in their own operations, their supply chain and other business relationships.

Source: OECD (2018) "Due Diligence Guidance for Responsible Business Conduct"

Corporate Social Responsibility	Due Diligence for Human Rights Protection
It stems from academic background in business administration.	It is the result of the work of legal academics and human rights defenders.
It deals with how companies spend their earnings/profits.	It is about how companies generate their earnings/profits.
The focus is on brand value creation, business reputation and public relations.	The focus is on accountability.
It may consider social justice issues, but not from a human rights perspective.	It is based on fundamental human rights norms.
It is based on corporate philanthropy and charitable giving.	It is based on holding companies accountable for damages that are linked directly or indirectly with their operations.

Sources: Ramasastry, A. (2015) "Corporate Social Responsibility Versus Business and Human Rights: Bridging the Gap Between Responsibility and Accountability" *Journal of Human Rights*, 14:237-259.
Zingil, Ö. (2023) "The Responsibility of Business to Respect Human Rights " *TESEV Briefs* 2023/6.

Example – Corporate Social Responsibility

As there is no high school building close to the village, most children are unable to continue their education after secondary school in the region where the company is located. This company's financing of the construction of a new high school building close to the village can be considered an example of corporate social responsibility, as the construction of the high school is not a response to the negative impact of the factory on human rights.

Example – Due Diligence for Human Rights Protection

Children swimming in a stream in the neighborhood where the company is located get sick as a result of the company's liquid wastes mixing into the stream. This company's intervention in waste management, taking measures to keep waste out of the water and providing medical intervention to children can be considered as an example of an activity within the scope of business and human rights.

However, it should be kept in mind that the business and human rights perspective should prioritize assessing possible negative impacts in advance and taking necessary measures before the impact occurs, instead of intervening after the negative impact has occurred, as in this example.

All companies, regardless of their size or field of activity, have the same responsibility to respect human rights and prevent potential negative impacts on human rights.

The due diligence obligation for the protection of human rights extends to all of the activities and business relationships along the supply and value chains of companies.

What is the Difference Between Supply Chain and Value Chain?

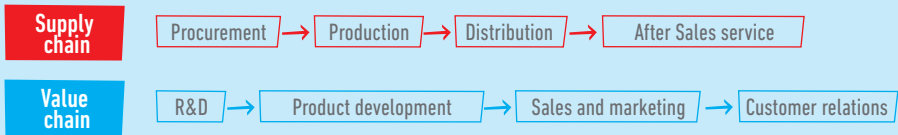
International and national legislation on business and human rights defines the responsibility of companies to respect human rights through their supply chains and/or the value chains. The main difference between these two complementary concepts is that the supply chain focuses on the supply of materials and the delivery of goods to the customer, while the value chain focuses on the value created along the supply chain beyond this process.

Supply chain – A company's supply chain includes entities which supply products or services that contribute to the company's own operations, products or services, or which receive, license or use products or services from the company.

Source: OECD (2023) "OECD Guidelines for Multinational Enterprises on Responsible Business Conduct"

Value chain – A company's value chain encompasses the activities that convert input into output by adding value. It includes entities with which it has a direct or indirect business relationship and which either (a) supply products or services that contribute to the enterprise's own products or services, or (b) receive products or services from the enterprise.

Source: United Nations (2012) "The Corporate Responsibility to Respect Human Rights: An Interpretive Guide"





What are the Fundamental Rights Concerning Working Life?

“Fundamental” Rights- Fundamental rights are defined as rights granted to individuals by birth or by law, equally enjoyed by all individuals, protected from State interference and restricted only under legally defined conditions.

Fundamental rights are universal (all people are entitled to them) and inalienable (no one can take them away).

The Constitution of the Republic of Türkiye states that everyone possesses inherent fundamental rights and freedoms, which are inviolable and inalienable (Article 12) and that these fundamental rights and freedoms may be restricted only by law and in conformity with the reasons mentioned in the relevant articles of the Constitution without infringing upon their essence (Article 13).

The main founding document of human rights is the Universal Declaration of Human Rights proclaimed by the United Nations General Assembly on December 10, 1948.



Rights as defined in the Universal Declaration of Human Rights are regulated under two main categories in international conventions.

Civil and political rights	United Nations International Covenant on Civil and Political Rights	European Convention on Human Rights
Economic and social rights	United Nations International Covenant on Economic, Social and Cultural Rights	European Social Charter

Fundamental rights concerning working life are enshrined in the two main international conventions about economic and social rights, the *United Nations International Covenant on Economic, Social and Cultural Rights* and the *European Social Charter*, as well as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

International regulations on fundamental rights concerning working life		
United Nations International Covenant on Economic, Social and Cultural Rights	European Social Charter	ILO Declaration on Fundamental Principles and Rights at Work
<ul style="list-style-type: none">- The right of everyone to the opportunity to gain his living by work which he freely chooses or accepts.- The right to fair wages and equal remuneration for work of equal value.- The right of workers to wages that will provide them and their families with a decent living.- The right to safe and healthy working conditions.- The right to rest, leisure, reasonable limitation of working hours and holidays with pay.- The right of children and young persons to protection from economic and social exploitation.	<ul style="list-style-type: none">- The right of everyone to earn his living in an occupation freely entered upon.- The right to just, safe and healthy working conditions.- The right to a fair remuneration.- The right to freedom of association and collective bargaining.- The right to social security.- The right to dignity at work.- The right to equal treatment.- The right of children to be protected from labour that is harmful to their development.	<ul style="list-style-type: none">- Freedom of association and the effective recognition of the right to collective bargaining.- Elimination of all forms of forced or compulsory labour.- Abolition of child labour.- Elimination of discrimination with respect of employment and occupation.- Ensuring a safe and healthy working environment.

In addition, there are eight core ILO conventions, all of which Türkiye is a party to, which contain principles and rights concerning working life:

- Forced Labour Convention, 1930 (No. 29)
- Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)
- Right to Organize and Collective Bargaining Convention, 1949 (No. 98)
- Equal Remuneration Convention, 1951 (No. 100)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)

Labour standards to be fulfilled as per the international legislation	
Healthy, safe, appropriate and fair working conditions	Prevention of discrimination among employees
Sufficient remuneration to ensure a decent standard of living for workers and their families (right to a living wage)	Prevention of forced labour
Protection of the right to organize and collective bargaining	Prevention of child labour

Universal Declaration of Human Rights



The Universal Declaration of Human Rights is an international declaration adopted by the General Assembly of the United Nations on December 10, 1948, consisting of 30 articles to ensure the recognition and protection by all States of the fundamental freedoms and human rights enshrined in the Charter of the United Nations, including fundamental, civil and political rights, as well as economic, social and cultural rights. December 10, the day the Declaration was adopted, is celebrated every year as Human Rights Day.

The Declaration entered into force in Türkiye in 1949.

United Nations International Covenant on Civil and Political Rights



The United Nations International Covenant on Civil and Political Rights is a multilateral treaty adopted by the United Nations General Assembly on 16 December 1966, under which States Parties commit to respect the civil and political rights of individuals, including the right to life, the right to a fair trial, freedom of movement, freedom of thought and expression, freedom of religion and conscience, and freedom of association.

The Convention entered into force in Türkiye in 2003.

United Nations International Covenant on Economic, Social and Cultural Rights



The United Nations International Covenant on Economic, Social and Cultural Rights is a multilateral treaty adopted by the United Nations General Assembly on December 16, 1966, under which States Parties commit to respect the economic, social and cultural rights of individuals, including the right to work, the right to form or join trade unions, the right to strike, the right to social security, the right to an adequate standard of living, the right to education and the right to participate in cultural life.

The Convention entered into force in Türkiye in 2003.

European Convention on Human Rights



he European Convention on Human Rights is a convention signed by the Council of Europe on November 4, 1950 and regulates the rights of individuals to life, liberty, security, fair trial, marriage, and freedom of thought, conscience, religion, expression, assembly and association.

The Convention entered into force in Türkiye in 1953.

The European Social Charter and the Revised European Social Charter



The European Social Charter is a treaty opened for signature in 1961 that protects the social and economic rights of individuals, including the right to work, the right to organize, the right to social security and the right to fair wages.



In 1996, the Revised European Social Charter was opened for signature and entered into force in 1999.

In Türkiye, the European Social Charter and the Revised European Social Charter entered into force in 1989 and in 2007 respectively.

International regulations on fundamental rights concerning working life

	1930
ILO No. 29 Forced Labor Convention (1930)	
	1935
	1940
	1945
ILO No. 87 Freedom of Association and Protection of the Right to Organize Convention (1948) ILO No. 98 Right to Organize and Collective Bargaining Convention (1949)	1950
ILO No. 100 Equal Remuneration Convention (1951)	
	1955
ILO No. 105 Abolition of Forced Labor Convention (1957) ILO No. 111 Discrimination (Employment and Occupation) Convention (1958)	1960
European Social Charter (1961)	
	1965
UN International Covenant on Economic, Social and Cultural Rights (1966)	
	1970
ILO No. 138 Minimum Age Convention (1973)	
	1975
	1980
	1985
	1990
	1995
Revised European Social Charter (1996) ILO No. 182 Worst Forms of Child Labor Convention (1999)	
	2000












What are
the Main
International
Standards
Concerning
Business and
Human Rights?

As the protection of human rights in the business world has grown in importance at the international level, especially since the 1970s, various international organizations working in this field have developed and put into effect various regulations defining corporate responsibilities in this regard. Although these regulations did not impose *binding obligations* on companies, they ensured that the responsibility of the business world to respect human rights was accepted as a global standard and formed the basis for later regulations imposing legal obligations on companies in this field.

In this context, the regulations prepared by the Organization for Economic Cooperation and Development (OECD), the International Labour Organization (ILO) and the United Nations (UN) constitute the key international standards relating to business and human rights.



3.1		OECD Guidelines for Multinational Enterprises on Responsible Business Conduct	
	Content	Recommendations on responsible business conduct addressed by governments to multinational enterprises (companies whose corporate structure or activities are international in nature).	
	Objective	To enhance the business contribution to sustainable development and address adverse impacts associated with business activities on people, planet, and society	
	Date	1976 (original text) 2000 (revised)	2011 (revised) 2023 (revised)
	Scope	<p>In addition to general policies, the Guidelines include recommendations on the following issues:</p> <ul style="list-style-type: none">▪ Human rights▪ Employment and industrial relations▪ Environment▪ Combating bribery and other forms of corruption▪ Consumer interests▪ Science, technology and innovation▪ Competition▪ Taxation	
	Expectations from companies	<p>Within the framework of internationally recognized human rights, the international human rights obligations of the countries in which they operate as well as relevant domestic laws and regulations:</p> <ul style="list-style-type: none">▪ To respect human rights, which means to avoid infringing on the human rights of others and address adverse human rights impacts with which they are involved.▪ To avoid causing or contributing to adverse human rights impacts and address such impacts when they occur within the context of their own activities.▪ To seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products or services by a business relationship, even if they do not contribute to those impacts.▪ To have a publicly available policy commitment to respect human rights.▪ To carry out human rights due diligence as appropriate to their size, the nature and context of operations and the severity of the risks of adverse human rights impacts.▪ To provide for or co-operate through legitimate processes in the remediation of adverse human rights impacts where they identify that they have caused or contributed to these impacts.	

	Bindingness	<p>Countries adhere to comply with the Guidelines on a voluntary basis. 38 OECD members and 13 non-OECD countries, including Türkiye, are parties.</p> <p>The Guiding Principles are not legally binding on companies, but they are binding on signatory governments, which are obliged to ensure that the Guiding Principles are implemented and respected.</p>
	Implementation mechanism	<p>Adherent States are required to set up National Contact Points for Responsible Business Conduct to further the effectiveness of the Guidelines. National contact points are responsible for promoting awareness about the Guidelines, assessing enquiries regarding principles and standards in the Guidelines and contributing to the resolution of issues that arise in relation to its implementation. The national contact points report annually to the OECD secretariat on their activities to further the implementation of the guidelines.</p> <p>Any person or organization concerned with violations of the principles and standards in the Guidelines may submit a notification to national contact points. The national contact points shall investigate the material evidence regarding alleged breach of the Guidelines in relation to the submitted notification and accept or reject the submission according to the results of this investigation. In the event that the parties coming together through the national contact points reach a consensus, a final statement report is prepared and shared publicly, and in the event that no consensus is reached, a report containing the opinions and recommendations of the national contact points is prepared and shared publicly.</p> <p>In Türkiye, the Ministry of Industry and Technology, General Directorate of Incentive Implementation and Foreign Investment has been appointed as the National Contact Point for Türkiye to promote the Guidelines and to examine and resolve complaints.</p>
	Supporting document(s)	<ul style="list-style-type: none">▪ OECD Due Diligence Guidance for Responsible Business Conduct (2018)▪ OECD sectoral and issue-based due diligence guidelines (agriculture, garment and footwear, extractive sector, minerals, child labour, corporate investment)

3.2



ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

	Content	Guiding principles for multinational corporations. Considered as the single most comprehensive global instrument on labour and employment, jointly drafted and adopted by governments, employers and workers.	
	Objective	To encourage the positive contribution which multinational enterprises can make to economic and social progress and the realization of decent work for all; and to minimize and resolve the difficulties to which their various operations may give rise.	
	Date	1977 (original text) 2000 (revised) 2006 (revised)	2017 (revised) 2022 (update)
	Scope	<p>In addition to general policies, the Declaration sets out principles on the following issues:</p> <ul style="list-style-type: none">▪ Employment<ul style="list-style-type: none">- Employment promotion- Social security- Elimination of forced or compulsory labour- Effective abolition of child labour- Equality of opportunity and treatment- Security of employment▪ Training▪ Conditions of work and life<ul style="list-style-type: none">- Wages, benefits and conditions of work- Safety and health▪ Industrial relations<ul style="list-style-type: none">- Freedom of association and the right to organize- Collective bargaining- Consultation- Access to remedy and examination of grievances- Settlement of industrial disputes	

	Expectations from companies	To identify, assess and mitigate actual or potential adverse human rights impacts that are linked to their operations or those of their business relationships. The process for the implementation of these expectations is not described.
	Bindingness	The Declaration is advisory and not binding.
	Implementation mechanism	The parties to the Tripartite Declaration - governments, employers and workers - are encouraged to appoint national focal points to raise awareness, build capacity and create platforms for cooperation to support the implementation of the Declaration at the national level. However, the number of countries designating national focal points to date has been limited. No information could be reached about designation of a focal point by Türkiye.
	Supporting document(s)	ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy – A Self-Assessment Tool for Enterprises (2022)

3.3



United Nations Global Compact

	Content	<p>A principle-based framework for companies that sets out ten principles in the areas of human rights, labour, environment and anti-corruption; and a network of governments, companies, labour organizations and civil society organizations.</p> <p>UN Global Compact has over 15,000 corporate and 5,000 non-corporate members in over 160 countries. As of February 2024, there are 494 participants in Türkiye, including non-governmental organizations.</p>
	Objective	<p>To ensure that companies worldwide adopt sustainable and socially responsible policies.</p>
	Date	<p>2000</p>
	Scope	<p>UN Global Compact consists of 10 principles under 5 headings:</p> <ul style="list-style-type: none">▪ Human rights<ol style="list-style-type: none">1 Businesses should support and respect the protection of internationally proclaimed human rights.2 Businesses should make sure that they are not complicit in human rights abuses.▪ Labour<ol style="list-style-type: none">3 Businesses should uphold the freedom of association and the right to collective bargaining.4 All forms of forced and compulsory labour should be eliminated.5 All forms of child labour should be effectively abolished.6 Discrimination in respect of employment and occupation should be eliminated.▪ Environment<ol style="list-style-type: none">7 Businesses should support a precautionary approach to environmental challenges.8 Businesses should undertake initiatives to promote greater environmental responsibility.9 Businesses should encourage the development and diffusion of environmentally friendly technologies.▪ Anti-corruption<ol style="list-style-type: none">10 Businesses should work against corruption in all its forms, including extortion and bribery.
	Expectations from companies	<ul style="list-style-type: none">▪ To respect human rights (meaning that a company must exercise due diligence to avoid violating human rights and address any adverse human rights impacts in which it is involved) and in this context;<ul style="list-style-type: none">- To determine the scope of its responsibilities in the areas of human rights, labour standards, environment and anti-corruption.

		<ul style="list-style-type: none">- To commit to the implementation of the Global Compact principles (a written declaration of the commitment by the highest level official of the company).- To assess human rights violations, take measures for protection, carry out remediation, conduct impact monitoring and reporting.▪ To take voluntary action to promote and complement actions to respect human rights, with special attention to the rights of vulnerable groups, including women, children, persons with disabilities, indigenous people, migrant workers and the elderly.
	Bindingness	<p>The Global Compact is not binding but has a guiding in nature. Membership is entirely voluntary and there is no legal obligation.</p> <p>Members are expected to report (annually for companies and biannually for external organizations) on their activities related to the implementation of the principles.</p> <p>Members' declaration of support for the principles of the Global Compact does not constitute acceptance or endorsement of their fulfillment of those principles.</p>
	Implementation mechanism	<p>It is recommended to establish local networks at country level to support the implementation of the Global Compact. There are local networks in more than 80 countries around the world, including Türkiye.</p> <p>The local network in Türkiye was established in 2013 as a platform between TÜSİAD (Turkish Industry and Business Association) and TİSK, and was renamed as the "Global Compact Signatories" Association in 2023.</p> <p>The United Nations Global Compact Türkiye Network provides resources and tools to promote the principles of the Global Compact in the Turkish business world, contributes to Türkiye's sustainable development by furthering responsible business practices and disseminating good practices, and serves as a meeting point for these collaborations.</p>
	Supporting document(s)	<p>There are several thematic guidelines prepared by the Global Compact. For example:</p> <ul style="list-style-type: none">▪ Diversity and Inclusion Guide for Business (2020)▪ A Call to Action for Sustainable Business (2018)▪ Doing Business with Respect for Human Rights (2016)▪ Guide on How to Develop a Human Rights Policy (2015)▪ Supply Chain Sustainability - A Practical Guide for Continuous Improvement (2000)

3.4



United Nations Guiding Principles on Business and Human Rights

	Content	Guiding principles for all States and to all business enterprises, both transnational and others, regardless of their size, sector, location, ownership and structure.
	Objective	To prevent adverse human rights impacts that may occur within the scope of commercial transactions of companies and to ensure that such impacts are addressed when they occur.
	Date	2011
	Scope	<p>A total of 31 foundational and operational guiding principles are categorized under three headings:</p> <ul style="list-style-type: none">▪ The State duty to protect human rights<ul style="list-style-type: none">- Foundational principles (guiding principles 1-2)- Operational principles<ul style="list-style-type: none">General State regulatory and policy functions (guiding principle 3)The State-business nexus (guiding principles 4-6)Supporting business respect for human rights in conflict-affected areas (guiding principle 7)Ensuring policy coherence (guiding principle 8-10)▪ The corporate responsibility to respect human rights<ul style="list-style-type: none">- Foundational principles (guiding principles 11-15)- Operational principles<ul style="list-style-type: none">Policy commitment (guiding principle 16)Human rights due diligence (guiding principles 17-21)Remediation (guiding principle 22)Issues of context (guiding principle 23-24)▪ Access to remedy<ul style="list-style-type: none">- Foundational principles (guiding principle 25)- Operational principles<ul style="list-style-type: none">State-based judicial mechanisms (guiding principle 26)State-based non-judicial grievance mechanisms (guiding principle 27)Non-state-based grievance mechanisms (guiding principles 28-30)Effectiveness criteria for non-judicial grievance mechanisms (guiding principle 31)

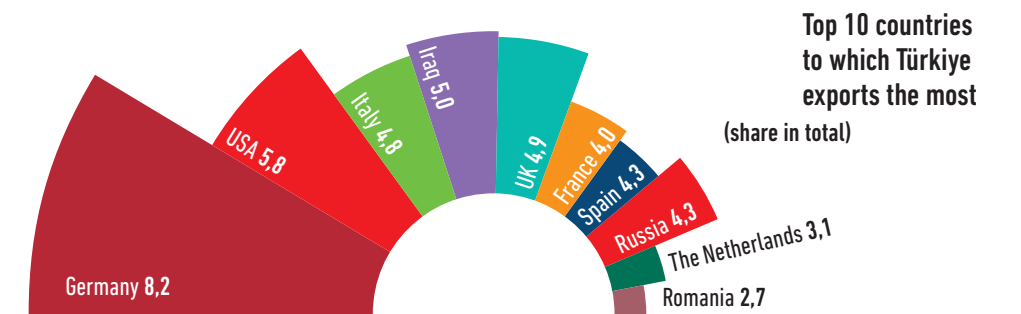
	Expectations from companies	<p>In order to avoid violating human rights and to address any impacts that occur;</p> <ul style="list-style-type: none">▪ To put in place a policy commitment to fulfill its obligations to respect human rights,▪ To conduct regular due diligence to identify, prevent and address potential negative impacts on human rights within the scope of its own activities and those of the entities in its value chain,▪ To take the necessary measures to remedy the negative human rights impacts caused directly or indirectly and monitor their impact. <p>Where companies have a large number of entities in their value chains, it will be difficult to conduct due diligence on adverse human rights impacts across all of them, and companies are expected to identify the general areas where the risk of adverse human rights impacts is most significant and prioritize human rights due diligence in the context of these areas.</p>
	Bindingness	There is no enforcement mechanism for the implementation of the guidelines.
	Implementation mechanism	<p>There is no defined mechanism for the implementation of the Guidelines.</p> <p>Some States are developing national action plans to implement the Guidelines. Nearly 30 countries have already developed national action plans and more than 20 have committed to do so.</p> <p>Although Türkiye does not yet have a national action plan, “National Guiding Principles on Working Life” was developed by the Ministry of Labour and Social Security, General Directorate of Labour, based on the United Nations Guiding Principles on Business and Human Rights, in line with the relevant target under the Human Rights Action Plan prepared in 2021.</p>
	Supporting document(s)	The Corporate Responsibility to Respect Human Rights: An Interpretative Guide (2012)



What are the Binding Regulations Concerning Due Diligence for Protecting Human Rights in Business?

In recognition that voluntary international standards may not be adequate to ensure that businesses respect human rights, accountability-based binding regulations have been developed to supplement responsibility-based non-binding regulations, especially since the early 2000s.

In this context, different countries, particularly Germany, the UK, France and the Netherlands, which are among the top 10 countries to which Türkiye exports the most, have prepared national legal regulations on due diligence for the protection of human rights in the business world and introduced binding obligations for companies. At the European Union level, a directive on mandatory human rights and environmental due diligence for companies was prepared and adopted on March 15, 2024.










Source: Ministry of Trade, Foreign Trade Statistics (2023)

Due diligence regulations at national and international levels for protecting human rights in business	
California Transparency in Supply Chains Act (2010)	2010
United Kingdom Modern Slavery Act (2015)	2015
French Corporate Due Diligence Law (2017)	
Austrian Modern Slavery Act (2018)	
Australia Modern Slavery Act (2019)	
Dutch Child Labour Due Diligence Act (2019)	2020
Mexico Legislative Proposal on Corporate Sustainability and Due Diligence (2020)	
Belgian Legislative Proposal on Due Diligence in Supply Chains (2021)	
Dutch Responsible and Sustainable International Business Conduct Act Proposal (2021)	
Uyghur Forced Labour Prevention Act (2021)	
Norwegian Transparency Act (2022)	
Japan Guidelines on Respecting Human Rights in Responsible Supply Chains (2022)	
Brazilian Legislative Proposal on Business and Human Rights (2022)	
Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (2022)	
New Zealand Modern Slavery Act (2023)	
German Act on Corporate Due Diligence Obligations in Supply Chains (2023)	
Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act (2023)	
European Union Directive on Corporate Sustainability Due Diligence (2024)	2025

4.1


European Union Directive on Corporate Sustainability Due Diligence





	Content	<p>A legal regulation that sets out the rules governing the obligations and responsibilities of companies with respect to actual and potential adverse human rights and environmental impacts in respect of their own activities, the activities of their subsidiaries and the activities carried out by business partners in their chain of activities.</p> <p><i>"Business partner"</i>, means an entity with whom the company has a commercial agreement, or which performs business operations related to the operations, products or services of the company or to whom the company provides services.</p> <p><i>"Chain of activities"</i>, means activities of a company's upstream business partners, including the design, extraction, sourcing, manufacture, transport, storage and supply of raw materials, products or parts of the products and development of the product or the service; and of downstream business partners related to the distribution, transport and storage of the product.</p>
	Date	2024
	Scope	<p>The human rights expected to be addressed under the Directive include the following:</p> <ul style="list-style-type: none">▪ The five fundamental rights under the ILO Declaration on Fundamental Principles and Rights at Work:<ul style="list-style-type: none">- Freedom of association and the right to collective bargaining.- Elimination of forced labour.- Abolition of child labour.- Elimination of discrimination in respect of employment and occupation.- Ensuring a safe and healthy working environment.▪ Rights and prohibitions included in international human rights instruments:<ul style="list-style-type: none">- Right to life- Prohibition of torture, cruel, inhuman or degrading treatment.- Right to liberty and security.- Prohibition of arbitrary or unlawful interference with a person's privacy, family, home or correspondence and unlawful attacks on their honor or reputation.- Prohibition of interference with freedom of thought, conscience and religion.- Right to enjoy just and favorable conditions or work, including a living wage, safe and healthy working conditions and reasonable limitation of working hours.- Prohibition to restrict workers' access to adequate housing (if accommodation is provided by the company) and to adequate food, clothing, water and sanitation in the workplace.- Right of the child to the highest attainable standard of health, to education, to an adequate standard of living, to be protected from economic exploitation, to be protected from performing any work that is likely to be harmful to the child's health or development and to be protected from all forms of sexual exploitation and trafficking in persons.- Prohibition of the employment of a child under the age at which compulsory schooling is completed and, in any casei under the age of 15.- Prohibition of the worst forms of child labour.- Prohibition of forced labour.- Prohibition of all forms of slavery and slave-trade.- Right to freedom of association, assembly, the rights to organize and collective bargaining.

	Covered companies	<ul style="list-style-type: none">- Right to equal treatment in employment.- Prohibition of causing any environmental degradation.- Right of individuals, groups and communities to lands and resources and not to be deprived of means of subsistence. <ul style="list-style-type: none">▪ The following companies are directly covered by the directive:<ul style="list-style-type: none">- EU companies with more than 5,000 employees and a worldwide net turnover of over €1.5 billion (three years after the entry into force of the Directive)- EU companies with more than 3,000 employees and a worldwide net turnover of over €900 million (four years after the entry into force of the Directive)- EU companies with more than 1,000 employees and a worldwide net turnover of more than €450 million (five years after the entry into force of the Directive)- Companies with a net turnover of more than €450 million in EU▪ Financial services will be temporarily excluded from the scope of the directive.▪ SMEs in the EU are not directly covered by the directive, but small and medium-sized enterprises in the supply chains of companies covered by the Directive will be indirectly affected by its implementation.
	Expectations from companies	<p>As part of due diligence to prevent human rights violations, environmental damage and corruption in its operational chains;</p> <ul style="list-style-type: none">▪ To integrate due diligence into company's policies.▪ To identify and assess actual and potential adverse human rights and environmental impacts arising from its own operations or those of its subsidiaries/business partners.▪ To take necessary measures to prevent potential adverse impacts and provide remediation to actual adverse impacts (by prioritizing according to severity and likelihood when it is not possible to address all adverse impacts).▪ To establish and maintain a fair, publicly available, accessible, predictable and transparent notification mechanism and complaints procedure for handling complaints regarding adverse impacts.▪ To carry out periodic assessments to monitor the adequacy and effectiveness of the identification, prevention, mitigation, bringing to an end and minimization of the extent of adverse impacts.▪ To report and communicate publicly on due diligence measures. <p>Companies are also expected to provide targeted capacity building, training and direct or indirect financing support to their business partners and small and medium-sized enterprises.</p>
	Bindingness	<p>The Directive requires companies to take responsibility for identifying, preventing and addressing risks in their supply chains, including human rights abuses, environmental damage and corruption.</p> <p>Each EU country is required to appoint a supervisory authority to monitor whether companies are complying with their obligations under the Directive, to lay down rules on penalties, including pecuniary penalties and to take the necessary measures to ensure their enforcement.</p> <p>The following penalties are foreseen for companies that do not comply with the provisions of the Directive:</p> <ul style="list-style-type: none">▪ Pecuniary penalties (up to 5 percent of the company's worldwide net turnover).▪ If the company fails to comply with the decision imposing a pecuniary penalty within the applicable time-limit, a public statement indicating the company responsible and the nature of the infringement.▪ Compensation for victims.
	Supporting document(s)	<ul style="list-style-type: none">▪ European Sustainability Reporting Standards (2023)

4.2

German Act on Corporate Due Diligence Obligations in Supply Chains







	Content	<p>A legal regulation that imposes due diligence responsibility on companies to prevent human rights impacts or environmental risks in their own business area and supply chains.</p> <p><i>"Own business area"</i>, covers every activity of the company to achieve its business objective. This includes all activities for the creation and evaluation of products and the provision of services, regardless of whether they are carried out at a location in Germany or abroad.</p> <p><i>"Supply chain"</i>, includes all steps, both in Germany and abroad, necessary to produce the products and provide the services, from the extraction of raw materials to delivery to the final customer, and includes (a) a company's own business, (b) the actions of direct suppliers, and (3) the actions of indirect suppliers.</p> <p>A <i>"direct supplier"</i>, is a partner to a contract for the supply of goods or the provision of services whose supplies are necessary for the production of the company's products or for the provision or use of the relevant services.</p> <p>An <i>"indirect supplier"</i>, is any enterprise which is not a direct supplier and whose supplies are necessary for the production of the company's products or for the provision or use of the relevant services.</p>
	Date	2023
	Scope	<p>Under the Law, a human rights risk refers to a condition in which there is a sufficient probability that a violation of one of the following prohibitions is imminent:</p> <ul style="list-style-type: none">▪ Prohibition of employment of a child under the age at which compulsory schooling ends according to the law of the place of employment, provided that the age of employment is not less than 15 years.▪ Prohibition of the worst forms of child labour for children under 18 years of age.▪ Prohibition of the employment of persons in forced labour.▪ Prohibition of all forms of slavery, practices akin to slavery, serfdom or other forms of domination or oppression in the workplace, such as extreme economic or sexual exploitation and humiliation.▪ Prohibition of disregarding the occupational safety and health applicable under the law of the place of employment.▪ Prohibition of disregarding the freedom of association.▪ Prohibition of unequal treatment in employment, for example on the grounds of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, unless justified by the requirements of the employment.▪ Prohibition of withholding an adequate living wage.▪ Prohibition of causing any harmful soil change, water pollution, air pollution, harmful noise emission or excessive water consumption.▪ Prohibition of unlawful eviction and unlawful taking of land, forests and waters in the acquisition, development or other use of land, forests and waters, the use of which secures the livelihood of a person.▪ Prohibition of the hiring or use of private or public security forces for the protection of the company's project if, due to a lack of instruction or control on the part of the company, the use of security forces is in violation of the prohibition of torture and cruel, inhumane or degrading treatment, damages life or limb, or impairs the right to organize and the freedom of association.

	Covered companies	<p>Companies that have their central administration, their principal place of business, their administrative headquarters or their statutory seat in Germany with at least;</p> <ul style="list-style-type: none">▪ 3,000 employees (until January 2024)▪ 1,000 employees (as of January 2024) <p>(Note: It is estimated that approximately 4,800 companies will be affected by the Act in 2024)</p>
	Expectations from companies	<p>To exercise due regard for the human rights and environment-related due diligence obligations with the aim of preventing or minimizing any risks to or ending the violation of human rights or environment-related risks, including by:</p> <ul style="list-style-type: none">▪ Establishing a risk management system.▪ Defining the responsibilities within the company.▪ Issuing a policy statement.▪ Establishing a complaints procedure.▪ For companies' own operations and their direct suppliers (and for indirect suppliers in case there is verifiable information indicating a violation of a human rights or environment related obligation):<ul style="list-style-type: none">- Performing regular risk analyses.- Laying down preventive measures in its own area of business and vis-à-vis direct suppliers.- Taking remedial action.- Documenting and reporting.
	Bindingness	<p>The sanctions that companies will face if they fail to fulfill their obligations under the Act including the following:</p> <ul style="list-style-type: none">▪ Administrative fines (fines can be up to €800,000 or 2 percent of annual global turnover; turnover-based fines only apply to companies with an annual turnover of over €400 million).▪ Exclusion from the award of public contracts - supply, works or service contracts (for a period of up to three years). <p>The Federal Office for Economic Affairs and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle - BAFA) has extensive supervisory powers over the implementation of the Act.</p> <p>Anyone who claims to have suffered a violation of their rights under the Act can authorize a domestic trade union or non-governmental organization to bring proceedings to enforce his/her rights in its own capacity.</p> <p>It is also stated that a violation of the obligations under the Act does not give rise to any liability under civil law.</p>
	Supporting document(s)	<ul style="list-style-type: none">▪ Identification, Weighting and Prioritizing Risks: Guidance on Conducting a Risk Analysis as required by the German Supply Chain Due Diligence Act (2022)

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4.3 French Corporate Due Diligence Law		
	Content	A legal regulation that sets out the rules regarding the obligations and responsibilities of companies regarding the identification, prevention and mitigation of adverse effects and risks arising from their own activities, the activities of companies under their control and the activities of all contracted or non-contracted suppliers with whom they have commercial relations.
	Date	2017
	Scope	<p>The rights or prohibitions under due diligence are not set out in a separate article, but it is stated that the vigilance plan should aim at preventing the following:</p> <ul style="list-style-type: none">▪ Severe violations of human rights and fundamental freedoms▪ Serious bodily injury▪ Serious environmental damage or health risks
	Covered companies	<ul style="list-style-type: none">▪ Companies with more than 5,000 employees in France (for companies with headquarters in France)▪ Companies with more than 10,000 employees worldwide (for companies with headquarters in France or abroad)
	Expectations from companies	<p>To prepare and publicly disclose a vigilance plan that includes the following:</p> <ul style="list-style-type: none">▪ A mapping that identifies, analyzes and ranks risks.▪ Procedures to regularly assess, in accordance with the risk mapping, the status of subsidiaries, subcontractors or suppliers with whom the company maintains an established commercial.▪ Appropriate action to mitigate risks or prevent serious violations.▪ An alert mechanism that collects reporting of existing or actual risks, developed in working partnership with the trade union organizations representatives of the company concerned.▪ A monitoring scheme to follow up on the measures implemented and assess their efficiency.
	Bindingness	<p>When a company does not meet its reporting obligation;</p> <ul style="list-style-type: none">▪ Any person with legitimate interest may apply to the judiciary and request fulfillment of this obligation by a judge's decision.▪ The judge may impose a fine of up to €10 million, or up to €30 million if the breach of the obligation has caused damage that could have been avoided.

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4.4 United Kingdom Modern Slavery Act		
	Content	A legal regulation designed to combat modern slavery, requiring companies to make their supply chains transparent and to prepare and publicly share a statement on the steps the organization has taken to ensure that slavery and human trafficking is not taking place in their operations and supply chains.
	Date	2015
	Scope	<p>The Act includes the following violations of rights related to modern slavery within the scope of companies' due diligence obligations:</p> <ul style="list-style-type: none">▪ A person holding another person in slavery or servitude.▪ A person requiring another person perform forced or compulsory labour.▪ A person arranging or facilitating the travel of another person from one place to another for the purpose of exploitation.
	Covered companies	Companies that carry out any part of their business in the UK and have a global annual turnover of £36 million or more.
	Expectations from companies	To annually prepare and publish a statement describing the steps taken to prevent slavery and human trafficking within its own operations and at any stage of its supply chain.
	Bindingness	Companies that fail to fulfill their obligations under the Law may face a civil lawsuit for an injunction. In case of non-compliance with the injunction issued by the court, the relevant company may face a fine without any upper limit for disobeying the court order.









4.5.a Dutch Child Labour Due Diligence Act

	Content	A legal regulation that requires companies registered in the Netherlands and companies offering products or services to the Dutch market to declare that they have conducted due diligence on the risk of child labour in their supply chains.
	Date	2019 (The Law was adopted in 2019 and was envisaged to enter into force in 2022, but has not yet been put into effect. It will be repealed in case the Responsible and Sustainable International Business Conduct Act is adopted).
	Scope	<p>The Act includes child labour within the scope of due diligence obligations and states that child labour is understood to mean the following, whether or not under an employment contract:</p> <ul style="list-style-type: none">Any form of work performed by persons who are subject to compulsory schooling or who have not yet reached the age of 15;Any work performed by persons who have not yet reached the age of 18 and which is included among the worst forms of child labour;Any work carried out by persons who have not yet reached the age of 18, insofar as such work, by virtue of the nature of the work or the conditions under which it is performed, may endanger the health, safety or morality of young persons..
	Covered companies	All companies that provide goods or services of any kind to Dutch consumers, regardless of where the company is headquartered or registered, its legal form and size.
	Expectations from companies	<ul style="list-style-type: none">To conduct due diligence in supply chains to identify any risk of child labour.To adopt and implement a plan of action in the event of a reasonable suspicion.Provide a statement confirming that it has undertaken appropriate steps of due diligence in its supply chain to prevent child labour.
	Bindingness	<ul style="list-style-type: none">Companies that fail to comply with the obligation to submit a statement may be fined up to €8,200.For companies that fail to fulfill the due diligence obligations, including adopting a plan of action and implementing the measures in the action plan, the fine may be up to 10 percent of the annual turnover of the relevant company.In cases where a similar violation is committed by the company under the order or supervision of the same manager within 5 years following the imposition of an administrative fine, the act in question will be considered a criminal offense and may be punishable by imprisonment.



4.5.b



Dutch Responsible and Sustainable International Business Conduct Act Proposal

	Content	<p>A legal regulation that sets out the obligations of companies established in the Netherlands or market products in the Dutch market to prevent adverse impacts on human rights or the environment in their activities or value chain.</p> <p>.....</p> <p><i>The “value chain”,</i> refers to the entirety of an undertaking’s activities, services, products, production lines, supply chain and customers, as well as the activities of its business relationships.</p> <p><i>“Business relationship”,</i> includes contractors, subcontractors or other legal entities in a value chain, including State entities, in any way linked to the undertaking’s activities, including the financing, insurance or reinsurance of the undertaking.</p>
	Date	<p>2021 (date of submission of the proposal to the Dutch Parliament)</p> <p>2022 (date of submission of the updated proposal text to the Dutch House of Representatives)</p> <p>2024 (expected partial entry into force – excluding the sanctions chapter)</p> <p>2025 (expected entry into force)</p>
	Scope	<p>The use or presence of the following in the value chain is defined as an adverse impact on human rights or the environment:</p> <ul style="list-style-type: none">▪ Restriction of freedom of association and collective bargaining▪ Discrimination▪ Forced labour▪ Child labour▪ Climate change▪ Environmental damage▪ Unsafe working conditions▪ Violation of animal welfare regulations▪ Slavery▪ Exploitation
	Covered companies	<p>Companies based in the Netherlands or marketing products in the Dutch market and companies that meet at least two of the following criteria:</p> <ul style="list-style-type: none">▪ Total balance sheet of at least EUR 20 million▪ Annual net sales of at least €40 million▪ An average of at least 250 employees during the financial year
	Expectations from companies	<p>To prevent adverse impacts on human rights or the environment that may arise from its own activities or business relationships:</p> <ul style="list-style-type: none">▪ To prepare and publicly disclose a policy document that includes a commitment to applying due diligence in their value chain.

		<ul style="list-style-type: none">▪ To incorporate the due diligence policy into the management system and regular business processes.▪ To annually assess and analyze potential and actual adverse impacts on human rights, climate change and the environment.▪ To prepare a risk action and a climate plan to prevent, mitigate or terminate identified risks to human rights and the environment.▪ To terminate the relevant activity if efforts to prevent or mitigate adverse impacts fail.▪ If an adverse impact occurs due to an activity of an undertaking’s business relationship, to provide support to prevent, mitigate or terminate this impact, and to terminate the business relationship if the impact cannot be prevented.▪ To monitor and report annually on the implementation and effectiveness of the due diligence policy and related measures.▪ To establish a transparent and easily accessible grievance mechanism through which interested parties can submit their complaints regarding the implementation of the Act.
	Bindingness	<p>The authority responsible for implementing the Act may require companies to comply with the Act and may impose fines of up to 10 percent of the company’s net turnover for non-compliance.</p> <p>The revised Act also allows civil society organizations working in the field of human rights or environmental protection to bring civil actions against companies on behalf of parties affected by violations of the Act. The burden will be on the company to prove that it has not breached an obligation under the Act if the party bringing the action establishes facts that may give rise to a suspicion of a link between the adverse impact and the company’s acts or omissions.</p>







4.6 Norwegian Transparency Act

	Content	<p>A legal regulation that aims to ensure the general public access to information regarding how companies address adverse impacts on fundamental human rights and decent working conditions within their own operations or those of their supply chain/business partners.</p> <p><i>"Supply chain"</i>, means any party in the chain of suppliers and sub-contractors that supplies or produces goods, services or other input factors included in a company's delivery of services or production of goods from the raw material stage to a finished product.</p> <p><i>"Business partner"</i>, means any party that supplies goods or services directly to the company, but that is not part of the supply chain.</p>
	Date	2022
	Scope	<p>The Act concerns fundamental human rights, as defined by the internationally recognized human rights that are enshrined, among other places, in the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and the ILO's core conventions on fundamental principles and rights at work.</p>
	Covered companies	<p>Large companies resident in Norway and offering goods or services within or outside Norway, and foreign large companies offering goods or services in Norway and subject to tax under Norwegian legislation.</p> <p>The Norwegian Accounting Act defines a "large company" as a company that meets at least two of the following three conditions:</p> <ul style="list-style-type: none">▪ Companies with sales revenues of at least SEK 70 million.▪ Companies with a balance sheet total of at least 35 million Norwegian Kroner.▪ Companies with at least 50 full-time employees. <p>(Note: It is estimated that approximately 9,000 companies will be affected by the Act)</p>

	Expectations from companies	<p>To carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises:</p> <ul style="list-style-type: none">▪ To embed responsible business conduct into the enterprise's policies.▪ To identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that the enterprise has either caused or contributed toward, or that are directly linked with the enterprise's operations, products or services via the supply chain or business partners.▪ To implement suitable measures to cease, prevent or mitigate adverse impacts based on the enterprise's prioritizations and assessments.▪ To track the implementation and results of measures taken.▪ To communicate with affected stakeholders and rights-holders regarding how adverse impacts are addressed.▪ To provide for or co-operate in remediation and compensation where this is required.▪ To publish and share annually an account of due diligence, including:<ul style="list-style-type: none">- A general description of the company's structure, area of operations, guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions.- Information regarding actual adverse impacts and significant risks of adverse impacts that the company has identified through its due diligence.- Information regarding measures the company has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.
	Bindingness	<ul style="list-style-type: none">▪ The Consumer Authority monitors compliance with the provisions of the Act.▪ The Consumer Authority, on its own initiative or upon request from others, encourages companies to comply with the Act. If a company is found to be in breach of the Act, the Consumer Authority may issue a prohibition, enforcement or infringement penalty decision. A decision is valid for a period of five years, unless otherwise stated in the decision (the maximum duration of a decision is ten years and the decision can be renewed).

4.7

Japan Guidelines on Respecting Human Rights in Responsible Supply Chains

	Content	Guidelines to explain in a concrete and easy-to-understand manner the activities that companies doing business in Japan should carry out in accordance with their obligation to respect human rights, and to encourage companies' efforts in this area.
	Date	2022
	Scope	<p>The Guidelines cover all internationally recognized human rights that must be respected by companies, which include, at a minimum, those expressed in the International Bill of Human Rights, and the principles concerning fundamental rights as stated in the ILO Declaration on Fundamental Principles and Rights at Work.</p> <p>In concrete terms, companies are expected to consider the impact on:</p> <ul style="list-style-type: none">▪ Freedom from labour▪ Freedom from child labour▪ Freedom of association▪ Right to collective bargaining▪ Freedom from discrimination in employment and occupation▪ Freedom of movement and residence▪ Freedom from discrimination on the ground of race, disability, religion, social origin, sex, or gender <p>It is also stated in the Guidelines that regardless of whether or not they are internationally recognized human rights, companies should not infringe on the rights and freedoms guaranteed by the laws and regulations of each country; however, compliance with national laws and regulations would not necessarily imply that the corporate responsibility to respect human rights has been satisfied if the laws and regulations or enforcement of a country do not appropriately protect internationally recognized human rights.</p>
	Covered companies	<p>The Guidelines apply to all companies (including sole proprietorships) engaging in business activities in Japan, regardless of size, sector or other factors, and to their own business activities inside and outside Japan, as well as the activities of their entire supply chain.</p> <p>With respect to suppliers and other entities operating in countries and regions with weak human rights protections, companies should pay particular attention to and prioritize responses to negative impacts, such as forced labour and child labour.</p>
	Expectations from companies	<ul style="list-style-type: none">▪ To establish a human rights policy that express commitment to meet responsibilities to respect human rights.▪ To conduct human rights due diligence.▪ To take remedial measures to address adverse human rights impacts.
	Bindingness	The Guidelines are not legally binding like unlike other country laws, but all business enterprises engaging in business activities in Japan are expected to strive in efforts to respect human rights to the fullest extent possible in accordance with the UN Guiding Principles on Business and Human Rights throughout their supply chains inside and outside Japan.

4.8

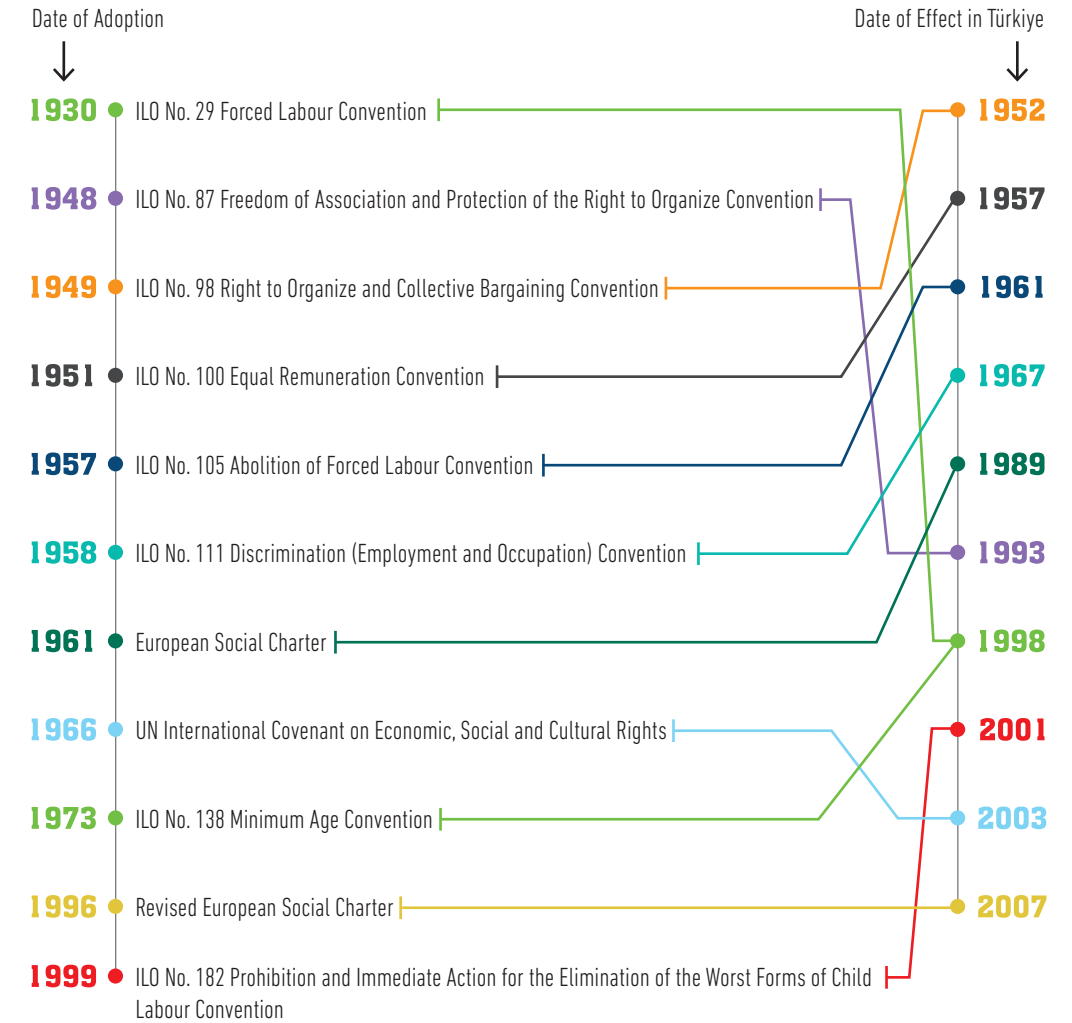
Other National Regulations on Due Diligence

California Transparency in Supply Chains Act (2010)	The act requires companies to develop and publicly disclose policies and procedures to identify and prevent risks associated with slavery, forced labour, child labour and other human rights abuses in their supply chains.
Austrian Modern Slavery Act (2018)	The act requires companies to identify and prevent the risks of modern slavery posed by their activities and ensure that their supply chains are transparent and accountable.
Australia Modern Slavery Act (2019)	The act requires companies to identify and respond to human rights risks arising from their operations, and to take and report on steps to prevent slavery and forced labour in their supply chains.
Mexico Legislative Proposal on Corporate Sustainability and Due Diligence (2020)	The proposal regulates the responsible behavior of companies to ensure that companies avoid and mitigate adverse impacts on human rights and environmental protection that may arise as a result of their own activities or in their supply chains.
Belgian Legislative Proposal on Due Diligence in Supply Chains (2021)	The proposal requires companies to identify and prevent human rights violations and mitigate social and environmental risks in their value chains, and to compensate for the harm they cause.
Uyghur Forced Labour Prevention Act (2021)	The act, which aims to ensure that no goods produced by forced labour in the Xinjiang Uyghur Autonomous Region of the People's Republic of China enter the United States market, requires importers to prove that no part of the goods originating in Xinjiang was produced by forced labour.
Brazilian Legislative Proposal on Business and Human Rights (2022)	The proposal requires companies to respect human rights and to assess potential human rights risks within the scope of their activities and to establish the necessary mechanisms to compensate for the risks that may arise.
Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (2022)	The ordinance requires companies to comply with due diligence obligations in their supply chains and report publicly (including identified risks, monitoring indicators and the company's due diligence principles on human rights, environmental and social issues and corruption) when they market or process minerals and metals from conflict or high-risk areas in Switzerland, or when they offer goods or services where child labour is suspected.
Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act (2023)	The act requires companies to report on the measures taken to prevent forced labour and child labour within the scope of their activities and supply chains (including the structure of the supply chain, activities, measures taken and training provided to employees on these issues).
New Zealand Modern Slavery Act (2023)	The act requires companies to report on and publicly disclose the risks of modern slavery in their operations and supply chains and the measures taken to prevent, mitigate and remediate these risks.



What are the National Regulations in Türkiye for Protecting Human Rights in Business?

Türkiye is a party to all of the main international conventions concerning working life.



The establishment of a national legal infrastructure concerning working life in Türkiye started during the Republican era; since then, provisions regulating the activities of companies in relation to human rights and environmental risks such as ensuring occupational health and safety, preventing discrimination, preventing child labour, protecting freedom of association, and preventing environmental pollution have been addressed under different legislation.

Key National Legislation Concerning Working Life		
Date	Law No.	Title
1930	1593	Public Health Law
1964	506	Social Security Law
1981	2429	Law on National and General Holidays
1986	3308	Vocational Education Law (Apprenticeship)
1999	4447	Unemployment Insurance Law
2003	4857	Labour Law
2003	4904	Law on Turkish Employment Agency
2006	5510	Law on Social Security and General Health Insurance
2011	6098	Code of Obligations
2012	6331	Occupational Health and Safety Law
2012	6356	Law on Trade Unions and Collective Bargaining

Source: Development Workshop (2018) "Analysis of Legislative Gaps and Recommendations in the Context of Preventing Child Labour in Agriculture"

The current legislative framework does not include a specific binding obligation for companies to respect human rights and conduct due diligence. However, there are non-binding principles and reporting regulations on the protection of human rights in the business world and some new regulations that impose reporting obligations in the field of sustainability but do not include human rights:

- With an amendment made in 2020 to the *Communiqué on Corporate Governance* published by the Capital Markets Board of Türkiye (CMB) in 2014, an article was added (“*comply or explain*” principle), which stipulates that in addition to compliance with other corporate governance principles, publicly held corporations should also disclose in their annual reports whether sustainability principles are applied or not, and if not, a justified explanation for this, and information on the impacts on environmental and social risk management due to not fully complying with these principles. In this context, the *Sustainability Principles Compli-*

ance Framework regarding the sustainability principles that corporations are expected to disclose while conducting their activities and the Sustainability Reporting Format have been published to provide guidance within this framework. In the Sustainability Principles Compliance Framework, sustainability principles are classified under four headings of general, environmental, social and corporate governance principles; and the heading of social principles covers principles related to “human rights and employee rights” including equal opportunity in recruitment, prevention of forced and child labour, and establishment of occupational health and safety policies.

- 2021 *Action Plan on Human Rights* includes an activity to “*prepare a national set of guiding principles with regard to business and work life and conduct awareness-raising activities*” to contribute to the goal of raising public awareness on human rights, under the heading of “*high-level administrative and social awareness on human rights*”, one of the nine objectives of the action plan.
- In line with the target set out in the Action Plan on Human Rights, in 2022, the Ministry of Labour and Social Security published the *National Guiding Principles on Working Life*, consisting of 11 basic principles.
- With the amendment made to the Turkish Commercial Code No. 6102 in 2022, the Public Oversight Authority was authorized to establish and publish the Turkish Sustainability Standards. The Public Oversight Authority decided to adopt the international standards published by the International Sustainability Standards Board (ISSB) established within the International Financial Reporting Standards Foundation (IFRS) and the *Turkish Sustainability Reporting Standards and the Scope of Application of the Turkish Sustainability Standards* were published in the official gazette at the end of 2023. Within this framework, there are two standards on financial information and climate-related disclosures that companies within the scope of implementation are required to report; however, there is no standard on due diligence on the protection of human rights.

(2014) CMB Communiqué on Corporate Governance
+ **(2020) Sustainability Principles**

General principles
Environmental principles
Social principles
Corporate governance principles

Principles of human rights and employee rights

(2021) Action Plan on Human Rights

→ **9 aims**

→ **Goal 9.3.b** - Taking into consideration the UN Guiding Principles on Business and Human Rights, a national set of guiding principles with regard to business and work life will be prepared and awareness-raising activities will be conducted.

(2022) National Guiding Principles on Working Life

→ **11 principles**

1 The obligation to respect human rights in the employment relationship is based on internationally recognized human rights.

2 Discrimination at work is prohibited.

3 Forced labor is prohibited.

4 The State and social partners shall take and implement the necessary measures to eliminate child labor.

5 Appropriate preventive and corrective measures shall be taken to prevent discrimination and human rights violations in labor relations.

6 The employer is obliged to take the necessary measures to prevent discriminatory practices in the employment relationship.

7 The employer shall adopt and implement appropriate internal policies to ensure the safe exercise of the right to work.

8 State regulations on collective bargaining and freedom of association must be implemented by the employer.

9 The employer is obliged to cooperate and compensate for the negative consequences of discriminatory actions and failure to fulfill its obligations in relation to occupational health and safety within the framework of the legislation.

10 Current obligations based on green growth and decent work should be taken into account in working life.

11 In order to prevent discrimination and human rights violations in the employment relationship, the State shall establish and encourage the development of the necessary guidance and complaint mechanisms.

(2024) Turkish Sustainability Reporting Standards (TSRS)

TSRS 1. General provisions on disclosure of sustainability-related financial information

TSRS 2. Climate-related disclosures

Scope of implementation:
The entities that exceed at least two of the following criteria in two consecutive reporting periods:

- Total assets of 500 million TL
- Annual net sales revenue 1 Billion TL
- Number of employees: 250 people

Under the current legislation in Türkiye, victims of human rights violations resulting from the activities of companies may apply to the following judicial or extrajudicial mechanisms to access remedies:

- For damages caused by private persons, including companies, to another person, a lawsuit can be filed in the *relevant court* as per the Turkish Code of Obligations regarding civil liability and as per other legal regulations regarding the specific subject of the application.
- Victims of violations regarding individual claims arising from employment contracts may apply to the Ministry of Labour and Social Security pursuant to Article 91 of the Labour Law and request inspections by labour inspectors.
- Violations of the principles of the OECD Guidelines can be reported to the Ministry of Industry and Technology, General Directorate of Incentive Implementation and Foreign Investment, which has been appointed as the *OECD National Contact Point in Türkiye* to review and decide on complaints related to the Guidelines; however, decisions made by national contact points are not binding.
- In case of discrimination in any work-related process, including recruitment and termination of employment, an application can be submitted to the *Human Rights and Equality Institution of Türkiye* (TİHEK). As a result of the investigation of the application, administrative fines may be imposed on the parties found to have violated the prohibition of discrimination. Decisions made by TİHEK are binding.



How Do Due Diligence Regulations for Protecting Human Rights in Business Affect SMEs in Türkiye?

Small and Medium-Sized Enterprises (SMEs)

Companies employing less than 250 people, with an annual net sales revenue or financial balance sheet not exceeding 500 million liras are defined as small and medium-sized enterprises (SMEs).

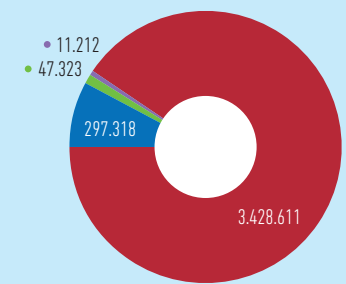
SME	NUMBER OF EMPLOYEES	FINANCIAL CRITERIA
Micro enterprise	Less than 10 employees	10 million TL
Small enterprise	Less than 50 employees	100 million TL
Medium-sized enterprise	Less than 250 employees	500 million TL

Source: Small and Medium-Sized Enterprises Regulation

According to the Turkish Statistical Institute Small and Medium-Sized Enterprises Statistics (2022), 99.7 percent of the total number of enterprises in Türkiye are SMEs, with SMEs operating mostly in the trade sector. SMEs, which play such a large role in the Turkish economy, realize 31.6 percent of total exports, 49.3 percent of which are to European countries. The number of exporting enterprises among SMEs is also increasing rapidly. While there were around 55 thousand exporting SMEs in 2013, this figure increased by nearly 100 percent to nearly 110 thousand in 2022. The largest increase among exporting SMEs has been among micro-sized enterprises.

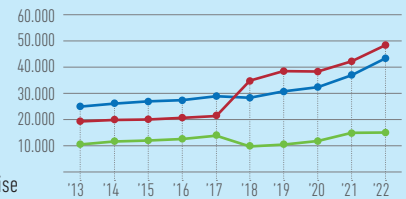
Size of Enterprises
SMEs play a significant role in the Turkish economy.

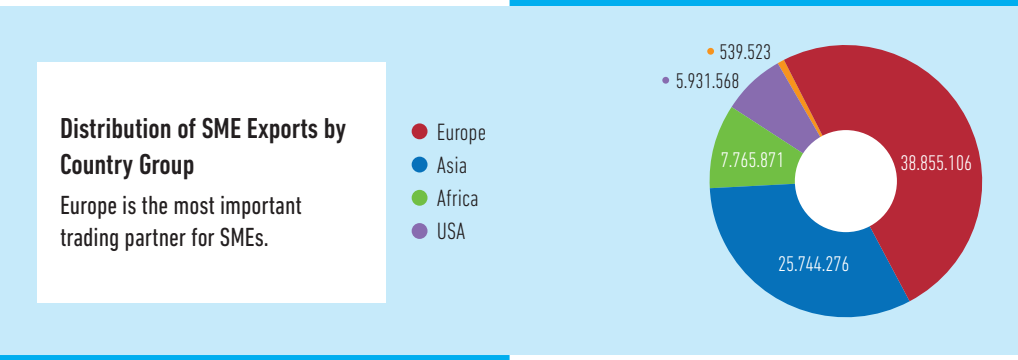
- Micro enterprise
- Small enterprise
- Micro-sized enterprise
- Large enterprise



Number of Exporting SMEs
Export is a very important and growing source of income for SMEs.

- Micro enterprise
- Small enterprise
- Micro-sized enterprise

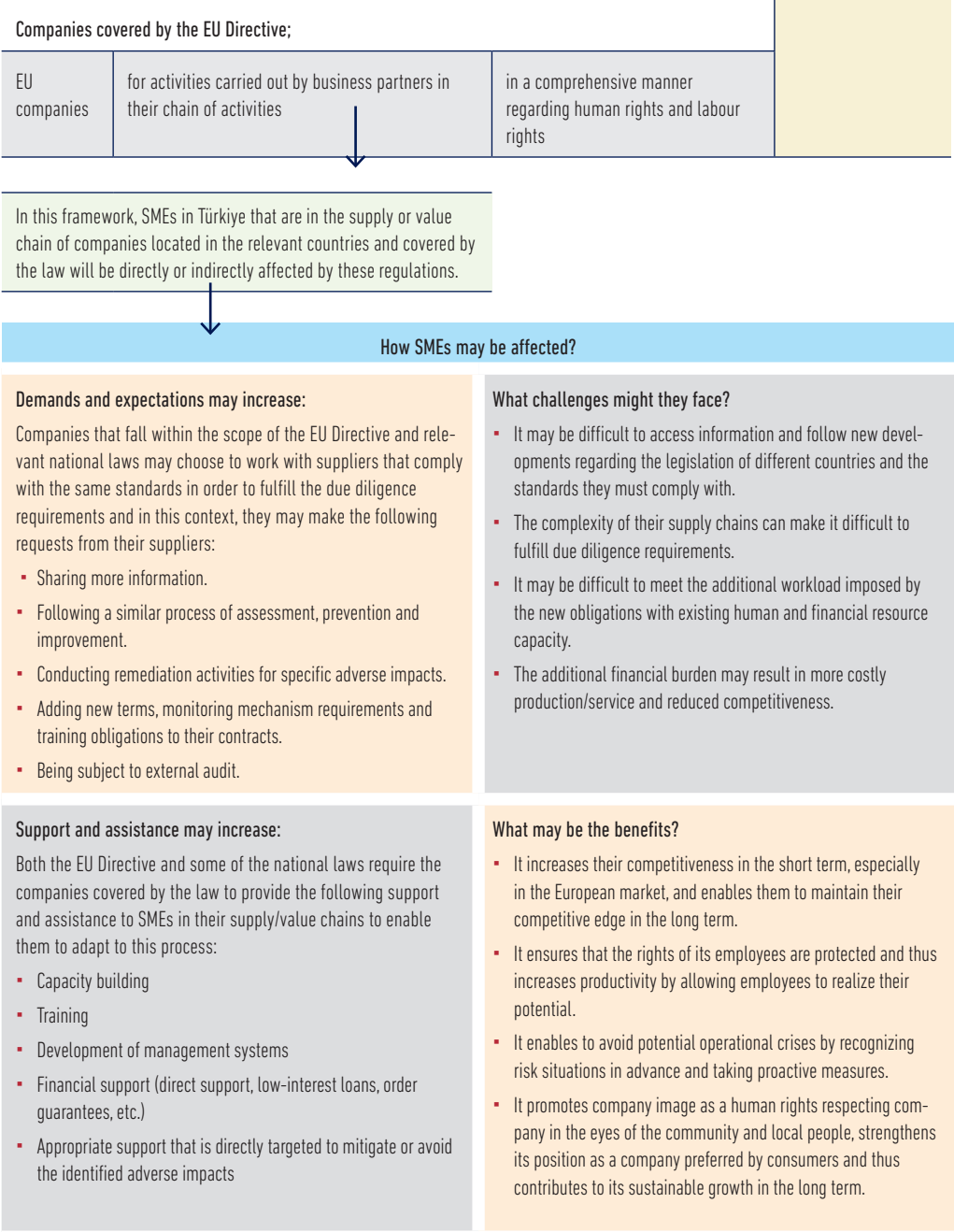




The rising global agenda on business and human rights and the binding regulations adopted in European countries, the USA, Australia, the UK, Japan, Canada and New Zealand will soon begin to affect the growing number of exporting SMEs in Türkiye.

The common point of the national laws enacted in the European Union countries and the recently adopted EU Directive is that companies must demonstrate that their supply or value chains are “clean” within the scope of due diligence obligations to protect human rights.

WHICH COMPANIES	FOR WHICH COMPANIES / ACTIVITIES	ON WHICH SCOPE	IMPOSE WHICH OBLIGATIONS
Companies covered by the relevant national law;			
German companies	for their direct suppliers and, for their indirect suppliers in case there is verifiable information indicating a violation of a human rights or environmental obligation, for its intermediate suppliers	in a comprehensive manner regarding human rights and labour rights	Impose obligations to conduct risk analysis; to identify, prevent, mitigate, reduce and remedy existing and potential negative impacts and to report on the entire due diligence process.
French companies	for all contracted or non-contracted supplier companies with which they have a commercial relationship	regarding serious violations of human rights	
British companies	for activities carried out at any stage of their supply chain	on the prevention of slavery, forced labour and trafficking in human beings	
Dutch companies	for companies in their supply chains for companies in their value chains (in case the Act is adopted)	on the prevention of child labour in a comprehensive manner regarding employee rights	
Norwegian companies	for companies in their supply chains	comprehensive understanding of human rights and labour rights	





Which Steps Should SMEs in Türkiye Follow to Fulfill the Due Diligence Obligations for Protecting Human Rights in Business?

In order to increase their competitiveness in the short term and to avoid losing their competitive edge in the long term, Turkish companies, especially those exporting to the EU market, need to integrate the due diligence requirements to respect human rights into their corporate policies. In this context, there is a six-step process that is recommended for SMEs to follow.

- 1 Establishing a due diligence **policy commitment**
- 2 Risk assessment for adverse human rights impacts
- 3 Taking preventive measures for potential human rights violations
- 4 Taking remedial measures for actual human rights violations
- 5 Establishing a feedback and complaints mechanism on human rights impacts
- 6 Reporting and disclosing steps taken under due diligence obligations

The remainder of this section explains in detail these steps to be followed and presents checklists under each step that SMEs can use to assess their current situation and needs for progress.

I Establishing a due diligence policy commitment

The first step is for companies to establish a policy commitment on due diligence to protect human rights. This commitment can take the form of a standalone human rights policy or a section within other operational documents.

When establishing a policy commitment;

- International standards and the standards required by the laws of the country concerned should be examined,
- Policy documents of other companies in the company's supply chain should be taken into consideration,
- Among the standards included in the documents examined, those that will affect the relevant company should be identified,
- Goals should be set and prioritized,
- An action plan for the implementation of the policy commitment should be developed, taking into account the risk analysis in the next step.

The policy commitment should be developed following a consultative process with workers and service providers in the entire production chain, including the supply chain, their family members, residents in the production area, relevant public officials and civil society representatives, if any.

Policy commitment

How should it be?

- Must be signed by the highest level of official in the company.
- Should cover the entire supply chain.
- Should be developed in consideration of international standards.

What should it cover?

- To prevent adverse human rights impacts in the company's own operations and supply chain;
- Scope of their obligations
 - Management structure responsible for implementation
 - Employee obligations
 - Expectations from the supply chain
 - Definitions of related terms and reference sources

What to do after preparation?

- A person/team responsible for the implementation of the policy commitment should be identified.
- Regular trainings should be organized to ensure alignment of the corporate culture with the policy commitment.
- The policy commitment should be shared with all suppliers, business partners, industry stakeholders and the public.

STEP 1 - Checklist

Do you have a policy commitment on due diligence?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If available:		
When developing your policy commitment;		
Have you considered international standards?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Have you considered national standards?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Have you considered the policy documents of the companies in your supply chain?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Have you identified and prioritized the standards that concern your company?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Policy commitment;		
Is it signed by your company's most senior manager or board?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it cover your entire supply chain?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it cover company and employee obligations to prevent adverse human rights impacts, the management structure responsible for implementation, and the company's expectations of its supply chain?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
For the implementation of your policy commitment;		
Have you prepared an action plan, including targets?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Have you identified a team/person responsible for implementation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you conduct regular trainings for your own employees?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you provide information to all relevant parties (suppliers, organizations with which you have business relations, sector stakeholders and the public)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

2 Risk assessment for adverse human rights impacts

The second step is for companies to assess potential adverse human rights risks specific to their region, the sector in which they operate, the product they produce and their supply chain. Risk assessment should be an ongoing activity, regularly repeated and updated. It should include all risks to company employees, consumers and the wider community. Prioritization, if necessary, should be done in the next step after all risks have been covered and identified.

Risk assessment

Which topics should it cover?

- The risk assessment should cover all possible risks to human rights, with reference to international standards, including:
- Failure to ensure occupational health and safety standards
 - Violation of legislation on working hours, leave conditions, etc.
 - Failure to provide employees with wages sufficient to ensure a decent standard of living for themselves and their families
 - Discrimination in recruitment and among employees
 - Forced labour
 - Child labour
 - Failure to recognize the right of workers to organize
 - Adverse impacts on consumers (e.g. products that threaten consumers' health, services that violate privacy, etc.)

Which processes and groups should it cover?

- The entire supply chain and production stages should be covered.
- All relevant and potential stakeholders should be covered.
- Special attention should be paid to vulnerable groups who may be more affected by risks.

How to prepare?

- In consultation with independent experts.
- In a participatory manner, in consultation with potential risk groups (including workers, consumers and local communities) and other relevant stakeholders (including trade unions, civil society organizations, industry stakeholders).
- In a transparent way, open to all interested parties.
- Allowing for regular review and updating.

Which questions should be answered?

- What are the potential and actual risks to human rights?
- What is the likely likelihood, severity and urgency of each risk?
- What is the direct and indirect relationship between company activities, suppliers' activities and identified risks?
- Who are the stakeholders that may play a role in the occurrence and elimination of identified risks?

STEP 2 - Checklist

Do you conduct risk assessments for adverse human rights impacts?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes:		
When preparing your risk assessment;		
Have you received support from independent experts?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Have you consulted potential risk groups and all relevant stakeholders?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Your risk assessment;		
Does it cover all actual and potential risks to company employees, consumers and the wider community?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it cover the entire supply chain and production stages?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it pay special attention to vulnerable groups that may be more affected by risks?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it include a detailed assessment for each identified risk (the cause of the risk, its relationship with the company's activities, its size, relevant stakeholders, etc.)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is it regularly repeated and updated / is it planned to be repeated and updated?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Tüm ilgili taraflara (tedarikçiler, iş ilişkisi içerisinde bulunan kurumlar, sektör paydaşları ve kamu) yönelik bilgilendirme yapıyor musunuz?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

3 Taking preventive measures for potential human rights violations

The third step is to identify measures to prevent, mitigate and/or eliminate potential risks to affected stakeholders, and to prepare and implement a risk prevention plan.

Risk prevention plan

What should be the scope?

A prioritization strategy for identified risks

What should prioritization be based on?

- Urgency, severity and prevalence of risk
- Impact of the company on the occurrence of the risk
- Company's capacity to prevent, mitigate or eliminate risk

Goals set in accordance with the priority strategy

How should the goals be?

- Specific
- Measurable
- Achievable
- Realistic
- Time-bound

Planned activities

What can be preventive actions?

- Regulation of procurement procedures
- Arrangement of contracts
- Establishing / strengthening audit mechanisms
- Conducting trainings
- ...

Time plan

Roles and responsibilities

Of Whom?

- Company management
- Company employees
- Supply chain partners
- Other partners

Monitoring plan

What should be included?

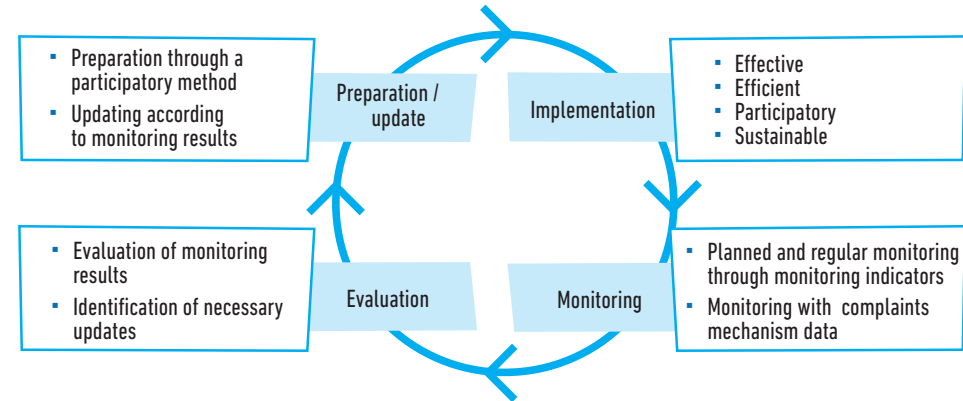
- Monitoring indicators
- Monitoring method
- Monitoring frequency

Required resources

Which resources?

- Financial
- Human resources

How should be the process?



STEP 3 - Checklist

Do you take preventive measures for potential human rights violations?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes:		
Do you have a risk prevention plan?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If available:		
Your risk prevention plan;		
Does it include a prioritization strategy for the risks you identified during the risk assessment?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it include specific, measurable, achievable, realistic and time-bound targets?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it include preventive actions to be taken?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it include a timetable?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it include the roles and responsibilities of all parties involved (company management, employees, supply chain partners and other relevant parties)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it include a monitoring plan including monitoring indicators, methodology and frequency?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it include a plan for securing the financial and human resources needed to take preventive measures?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is it regularly monitored, evaluated and updated?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

4 Taking remedial measures for actual human rights violations

The fourth step is to take effective remedial measures for actual violations of human rights as soon as possible in case adverse human rights impacts have occurred.

Remedial/compensatory measures

Determined according to what?

- The severity of the impact/violation
- The company's responsibility for the occurrence of the impact / breach

How should they be?

- Effective
- Compensatory
- Fair (in a way that is considered fair not only by the company but also by affected individuals and groups)

What can they involve?

- Apology
- A statement acknowledging wrongdoing
- Financial or non-financial compensation
- Access to rehabilitation services
- Commitment not to repeat the damage
- Termination of a specific activity or termination of a relationship
- ...

STEP 4 - Checklist

Are you taking remedial measures to address actual human rights violations?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes:		
Do you take into account the severity of the violation and the company's responsibility for the violation when determining the measures you will take?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you evaluate the effectiveness of the remedial measures you take?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

5 Establishing a feedback and complaints mechanism on human rights impacts

The fifth step is to establish an effective mechanism that enables those directly affected by or aware of potential or actual adverse human rights impacts to communicate their complaints or feedback to those responsible in the company. This mechanism serves as an early warning system that enables potential impacts to be recognized and addressed in advance, while at the same time ensuring that actual impacts are recognized as soon as possible and remedial measures are taken in a timely manner.

What characteristics should an effective feedback and complaint mechanism have?

Legitimate and impartial	A mechanism that is trusted by target groups, where feedback and complaints processes are fair (e.g. complainant information is kept confidential, no sanctions are imposed on the complainant, and all parties benefit equally).
Accessible	A mechanism that is easily accessible for all relevant stakeholders, with specific support for stakeholders who may have difficulties in accessing it (e.g. illiterate, visually or hearing impaired, non-Turkish speakers, children).
Clear, understandable and predictable	A mechanism where the process of how feedback and complaints can be made, how they will be handled, when and how they will be finalized is described in writing in an easy-to-understand manner.
Transparent	A mechanism where feedback and complaints received, the measures taken, the effectiveness of the process and the outcome are transparently shared with the relevant parties and the public.
Rights-compatible	A mechanism where feedback and complaints are handled in line with internationally recognized human rights and appropriate measures and remedies are taken.
A source of continuous learning	A mechanism with regular monitoring, evaluation and updating on its effectiveness and that provides information for improvements to prevent potential negative impacts.

STEP 5 - Checklist		
Do you have a feedback and complaints mechanism for human rights impacts?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If available:		
Is complainant information kept confidential?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Have measures been taken to prevent any sanctions against complainants?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is it easily accessible to all relevant stakeholders, including stakeholders who may have difficulty accessing it?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the process of how feedback and complaints can be made, how they will be handled, when and how they will be finalized described in writing in an easily understandable way?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are feedback and complaints taken into account during risk assessment and preparation of risk prevention plan?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the effectiveness of the feedback and complaints mechanism regularly monitored and evaluated?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are feedback and complaints received and their results shared transparently with relevant parties and the public?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

6 Reporting and disclosing steps taken under due diligence obligations

The sixth and final step is the regular and systematic reporting and public disclosure of all activities carried out under the due diligence obligations, measures taken and monitoring and evaluation results.

What should be included as a minimum within the scope of reporting?
<ul style="list-style-type: none">▪ How the risk assessment process works▪ Functioning of the feedback and complaints mechanism▪ During the risk assessment process or through the feedback and complaints mechanism;<ul style="list-style-type: none">- Potential risks identified- Actual risks identified- Identified violations of rights▪ Measures taken to compensate for potential and actual risks and adverse impacts▪ Results and effectiveness of the measures taken▪ Lessons learned for improving the due diligence process

STEP 6 - Checklist		
Do you report what you do under due diligence?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes:		
The report you prepared;		
Does it cover all activities (risk assessment, preparation of a prevention plan, etc.) that you carry out under due diligence?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it account for possible and actual human rights violations?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it cover all preventive and remedial measures you have taken in relation to potential and actual human rights violations?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it include the results of the evaluation of the effectiveness of the measures you have taken?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it include information on feedback and complaints received and how they were addressed?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does it include lessons learned for improving the due diligence process?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is it shared publicly on a regular basis?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

