

A project-end webinar: "Supporting Workers Rights and Mitigating Child Labor Risks in Small and Medium Enterprises in the Garment and Textile Sectors in Türkiye"

With funding from the United States Department of State Bureau of Democracy, Human Rights, and Labor, in 2018, Fair Labor Association (FLA) began a project to promote decent work and mitigate child labor in the upper tiers of garment and textile supply chains in Türkiye. This multi-stakeholder project builds on FLA's efforts to address decent working conditions, child labor, and responsible recruitment across various sectors in Türkiye. Specifically, the aim was to explore beyond Tier One of the supply chain, understand labor management practices, and address the gaps in workers' rights and labor conditions. The project concluded in August 2022 and a November 2022 webinar shared and discussed the project's findings.

Project partners included the Ministry of Labor and S ocial Security, the Istanbul Garment and Apparel Exporters Association (Istanbul Hazır Giyim ve Konfeksiyon Ihracatçıları Birliği, or İHKİB), trade unions, FLA-affiliated international brands, and their Tier Ones and Tier Twos. Launched in 2018, the **Labor Program to Support Internationally Recognized Workers' Rights in Türkiye** ran until August 2022 with extensions due to COVID-19 restrictions in place between 2020–2022. FLA explored the dynamics beyond Tier One suppliers in Türkiye and made the upper tiers of the supply chain more visible by conducting assessments in the project partner facilities, piloting remediation activities, disseminating the information collected during these activities among the key stakeholders, and delivering capacity-building training.

Key findings include:

- Interest in going beyond Tier One and urgency to reach and involve upstream suppliers have been steadily increasing in recent years with the upcoming mandatory human rights due diligence (MHRDD) laws in the European Union (EU), Germany, and the Netherlands;
- Collective action from brands and Tier One suppliers drive activities in the supply chains beyond Tier One;
- Consistent and ongoing engagement is required to nurture interest among suppliers;
- Tier One suppliers' approach with Tier Two suppliers can be strengthened and Tier Two suppliers need support in the forms of tools and training; and
- Ensuring the engagement of other stakeholders in the process is critical.¹

Please see the lessons learned report (available soon) for more details about the main findings.

¹ Brands and Tier One suppliers recognize the importance of responsible sourcing practices (articulated in <u>the FLA Principles of Fair Labor and Responsible Sourcing and Production for Manufacturing</u>) and continuous business relationships beyond their immediate suppliers.

A panel discussion followed the presentation of the findings from the project. Panel participants representing key stakeholders in the garment and textile industry reflected upon the increasing importance of reaching beyond Tier One in the light of upcoming MHRDD laws and challenges and good practices in social compliance management beyond Tier One suppliers.

Jale Tunçel, Vice Chairman of the Istanbul Garment and Apparel Exporters Association (İHKİB) presented the "Social Compliance Management and Twin Transition" in the Turkish Apparel Industry. She highlighted the Turkish textile and apparel industry's 2022 trade statistics, emphasizing the sector's leading role in national development and advantages increasing its global competitiveness, such as flexible and fast production, proximity to Europe, and compatibility with EU standards. Additionally, she provided information about the sectoral strategies and action plans within the framework of the United Nations sustainable development goals and the EU Green Deal. She also shared highlights from the Tier One maturity assessment and the strengths of the Turkish apparel industry, and described the role of İHKİB — representing the sector at national and international levels, supporting export/import operations and other projects.

The Turkish apparel sector's sustainability strategy was developed after analyzing the frameworks and regulations and conducting a Tier One maturity assessment. The sustainability strategy's transformation pillar includes social compliance which supports governance and lobbying activities, awareness building and information dissemination, and activity implementations, including the social compliance mentoring programs to support beyond Tier One.

Enes Un, Regional Director for Social and Environmental Affairs in Europe, the Middle East, and Africa, adidas presented a business perspective on social compliance in supply chains in the light of upcoming legislation. adidas placed its social compliance function within the legal department instead of the sourcing department, which strengthened social compliance's independence and importance within the company. adidas also continues to change to adapt to new legislation, regulations expectations, and consumer demands. The public and consumer demands are no longer about corporate social responsibility but about human rights concerns such as wages, working conditions, health, and safety. At adidas, the risk assessment was conducted to prioritize. As one dives deeper, the more issues one sees, but managing everything is not possible without reasonable plans; there is a need to prioritize, adidas has worked with FLA and other brands to determine how to reach upstream. For example, Syrian refugees working in upper supply chains are not within the normal assessment coverage in fast fashion, but the legislation is asking private sector companies to expand the reaches of assessments to upstream, where Syrian workers are. Furthermore, companies must use an appropriate approach, as reaching upstream was not always within normal audit coverage for some companies. He also stated the need to consolidate the supply chain and collaborate with suppliers.

Gökçe Görgeç, Governance and Compliance Specialist/Occupational Health and Safety Officer at the Refugee Program, International Labor Organization (ILO) described decent work in supply chains as well as MHRDD, highlighting key international guiding principles and ILO normative documents. He also shared information about the new EU-ILO directive on human rights due diligence, detailing its objectives, implementation areas, and possible effects on Turkish companies that do business with EU countries. According to the new directive, a European Monitoring Authorities Network will be established, which allows the impacted parties to file complaints to recover damages created by failure to adhere to social compliance requirements.

Mustafa Ozal Percin, International Secretary and Advisor of the President, Textile, Knitting, Clothing, and Leather Industry Workers' Union of Türkiye (TEKSIF) drew attention to the challenges to unionization in Türkiye. He underlined the importance of key stakeholder cooperation and open communication to improve working conditions in the garment and textile industry. He emphasized that the primary challenge is the implementation gap in freedom of association and collective bargaining legislation in Türkiye. Termination of unionized workers is still a common practice and workers may not even receive severance pay. Additionally, employers beyond Tier One operate with limited capital and a small profit margin; as such, they perceive unionization and collective bargaining as extra financial burdens and may even threaten to close their business if there is any union activity. The brands have a key role in overcoming these challenges by implementing responsible sourcing practices that promote freedom of association and collective bargaining. As the panel discussion demonstrated, the common goal should be to move forward in the garement and textile sector, which is already making progress in social compliance.

The panelist presentation was followed by a question and answer session with representatives from adidas, İHKİB and ILO's Turkey office, who also shared examples related to:

- Rewards provided to the suppliers who comply with the social standards of the brands (adidas);
- Assessment of the implementation of responsible sourcing practices in Türkiye (İHKİB); and
- Available projects, tools, and resources to help small- and medium-sized enterprises build their capacity in social compliance issues.

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