PREPARED FOR:

DEVELOPMENT INVESTMENT BANK OF TURKEY

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OPERATION CAPITAL INVESTMENT PROJECT

GRIEVANCE REDRESS MECHANISM (GRM)

FEBRUARY 7, 2023

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ABBREVIATIONS

CMR	Complaint Management Representative
EIA	Environmental Impact Assessment
ESHS	Environmental, Social and Health and Safety
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESS	Environmental and Social Standard
H&S	Health and Safety
HR	Human Resources
IFC	International Finance Corporation
Infratech or Consultant	Infratech Yazılım, Mühendislik ve İnovasyon A.Ş.
KPI	Key Performance Indicator
PS	Performance Standard
SEP	Stakeholder Engagement Plan
Sersim/Simfer	Sersim Dayanıklı Tüketim Malzemeleri San. Tic. Koll. Şti.
SRS	Social Responsibility Staff
TKYB	Türkiye Kalkınma ve Yatırım Bankası A.Ş. Development and Investment Bank of Turkey

1. INTRODUCTION

This Grievance Mechanism Procedure is prepared for Operation Working Capital Investment Project with the reference number of SRSM-PLN-SOC-001 within the scope of the contract made between Sersim Dayanıklı Tüketim Malzemeleri San. Tic. Koll. Şti. (hereinafter referred as Sersim) and Infratech Yazılım, Mühendislik ve İnovasyon A.Ş. ("Infratech" or "Consultant") to meet the requirements of Environmental and Social Action Plan (ESAP).

This GRM, which identifies target groups and the specific engagement activities required for each group, has been conducted to fulfil the required studies to evaluate the Environmental and Social Impacts of the Project according IFC Performance Standards ("PSs") and, Development and Investment Bank of Turkey (TKYB) Environmental and Social Policy and World Bank Environmental and Social Standards ("ESSs").

1.1. BACKGROUND AND DESCRIPTION

Sersim started its operations in 1977 with the production of Turkey's first integrated solid fuel stove. In 1997, it expanded its field of activity by starting the production of cooker group products. By opening its cooler factory in 2015, it has a total production area of 215,000 m^2 with 3 different production facilities and increased the number of its employees to more than 2000. Simfer is one of the leading household appliances manufacturers in Turkey, exporting to more than 150 countries, and is among the first 500 industrial enterprises in Turkey with an annual production capacity of 6 million units.

The location of Sersim, which continues its activities in its factory in Kayseri Free Zone, is given below.

Figure 1 Location of Sersim/Simfer

1.2. PURPOSE AND SCOPE

1.2.1.Purpose

The purpose of this document is to outline the principles of internal and external grievance mechanisms and how to integrate grievance management into business to minimize social risks. The grievance mechanism aims to ensure that all comments and complaints concerning the Sersim will be considered transparently and the related measures will be taken. The processes and responsibilities of this procedure will be defined for both external stakeholders and internal direct and indirect employees.

This procedure is owned by the Complaint Management Representative and Social Responsibility Department of the Sersim.

This document aims to identify:

- The scope of grievance mechanism procedure and the applicable management interfaces,
- The definition of roles and responsibilities,
- The applicable project standards, Sersim commitments, operational procedures, and guidance relevant to this Procedure,
- Monitoring and reporting procedures, including Key Performance Indicators (KPIs),
- Training requirements and references for supporting materials and information,
- The procedure for stakeholders and employees to voice their grievances in a timely and transparent manner,
- How to minimize community conflict by systematically addressing grievances.
- Key risks identified addressed by this procedure are:
- To provide a channel for workers and all external stakeholders to voice their concerns efficiently and transparently,
- To provide a channel for external stakeholder and workers in particular women and illiterate persons to log complaints through engagement activities by Social Responsibility Department,
- To establish a transparent and mutually respectful relationship with the employees in general,
- To allow for confidential complaints to be raised and addressed by workers,
- To create a culturally acceptable and accessible process to allow employees to raise their issues, concerns, problems, and claims.

This procedure is not limited but can be updated. The procedure will be reviewed on a minimum of a three-monthly basis during installation and commissioning. During steady-state operations, this procedure will be reviewed on an annual basis to determine if there are any changes or updates required to the procedure unless a more frequent update is required to procedures. Any requests for changes to this procedure must be addressed to the owner of this procedure and will be subject to appropriate review and approval processes.

1.2.2.Scope

This document outlines the Grievance Redress Mechanism which is applied to all internal direct and indirect workers and external stakeholders. The commitment and approach of the Sersim are on the basis of handling complaints and comments that may arise as a direct or indirect result of the environmental and social performance of the Sersim. Grievance Redress Mechanism (GRM) is not a replacement for stakeholder engagement activities.

This procedure covers all the grievances raised by internal and external stakeholders, including the activities of contractors. This procedure is a part of the Management Plans developed for the Sersim.

1.3. DEFINITIONS

Complaint: A notification provided by a community member, group or institution to the Project that they have suffered some form of offense, detriment, impairment or loss as a result of business activity and/or contractor behaviour.

External Stakeholders: Groups or individuals outside a business who are not directly employed or contracted by the business but are affected in some way from the decisions of the business, such as customers, suppliers, community, NGOs and the government.

Grievance Mechanism: A formal way that provides a clear and transparent framework for addressing, assessing, and resolving community complaints concerning the performance or behaviour of the company, its contractors, or workers.

Grievance: An issue, complaint and/or dispute that has escalated to the point where it requires third party intervention or adjudication to help resolve it. Typically, grievances are thought of as involving the community as a whole and have been unresolved for some time in a formal manner.

Internal Stakeholders: Groups or individuals within a business who work directly within the business, such as employees and contractors.

Project Affected People (PAP): Any person who, as a result of the implementation of a project, loses the right to own, use, or otherwise benefit from a built structure, land (residential, agricultural, or pasture), annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.

Vulnerable People: People who by gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.

2. NATIONAL AND INTERNATIONAL STANDARDS

2.1. INSTITUTIONAL AND LEGAL FRAMEWORK IN TURKEY

The Constitution of The Republic of Turkey

The main document of the national legal framework is “The Constitution of The Republic of Turkey” which comprises articles related to human and labour rights, peace of the community and stakeholder engagement of the Project. These articles are as follows:

I. Legal Egalitarianism

ARTICLE 10. Everyone is equal before the law regardless of distinction as to language, race, colour, sex, political opinion, philosophical belief, religion or any similar reasons. Men and women have equal rights which are the obligation to be ensured exist in practice by the government. Measures taken for this purpose shall not be interpreted as contrary to the principle of equality.

II. Prohibition of Forced Labour

ARTICLE 18. Nobody can be forced to work. Drudgery is prohibited. Employers are not allowed to take deposits of money from workers and retain ID Cards.

III. Freedom of Thought and Opinion

ARTICLE 25. Everyone has the right to freedom of thought and opinion. For whatever reason and purpose, nobody can be forced to explain their thoughts and opinions; cannot be condemned and accused of their opinions.

IV. Freedom of Expression and Dissemination of Thought

ARTICLE 26. Everyone has the right to express and disseminate his thoughts and opinion by speech, in writing or pictures or through other media, individually or collectively. This right includes the freedom to receive and give information and ideas without interference from official authorities.

V. Right of Petition

ARTICLE 74. Turkish citizens and foreign residents have the right to raise requests and complaints concerning themselves or the public in writing to the competent authorities and the Turkish Grand National Assembly.

The Right to Information Law

Everyone has the right to give information on the activities of public institutions and professional organizations, which qualify as public institutions. The procedure and the basis of the right to information according to the principles of transparency, equality and impartiality are regulated in the Right to Information Law No:4982 (OG No. 25269, dated 24.10.2003).

The Use of Right to Petition Law

ARTICLE 3. Everyone has the right to apply in writing to the Turkish Grand National Assembly and the component authorities concerning the requests and complaints concerning themselves or the public according to this article of the Law on the Use of Right to Petition No. 4982 (OG No. 3071, dated 01.11.1984).

Labour Law No. 4857 (OG No:25134, dated 10.06.2003)

The Principle of Equal Treatment

ARTICLE 5. Discrimination in employment is prohibited. No discrimination based on language, race, sex, political opinion, philosophical belief, religion and sex or similar reasons is permissible in the employment relationship. Except for biological reasons or reasons related to the nature of the job, the employer must not make any discrimination, either directly or indirectly, against an employee in the conclusion, conditions, execution and termination of his/her employment contract due to the sex or maternity of employee. The differential remuneration for similar jobs or work of equal value is not permissible.

The Worker's Right of the Immediate Termination for the Valid Reason

ARTICLE 24. Whether or not the duration is fixed, the worker can terminate before the end of the contract or without waiting for the notice period. The employment contract is not subject to any special form unless the contrary is stipulated by the Law.

Overtime Work

ARTICLE 41. Overtime work can be done for reasons such as the general benefits of the country and increased production. Overtime work requires the employee's consent.

ARTICLE 42. Compulsory overtime work is only allowed for all or some of the employees in case of a breakdown, whether actual or threatened or in the case of urgent work to be performed on machinery, tools or equipment or in case of force majeure. Compulsory overtime work shall not exceed the time necessary to enable the normal operating of the establishment.

Working Age and Prohibition of Child Employment

ARTICLE 71. The employment of children under the age of fifteen is prohibited. However, children who have reached the age of fourteen and have completed their primary education may be employed in light labour that will not hinder their physical, mental or moral development.

Unions and Collective Agreements Law No.6356 (OG No:28460, dated 07.11.2012)

There are four types of collective agreements regulated which are workplace collective bargaining agreement, enterprise collective agreements, group collective agreements, and framework agreements.

Environmental Law No. 2872 (OG No:18132, dated 11.08.1983)

The purpose of the environment law is to protect and improve the environment which is the common asset of all citizens; make better use of, and preserve land and natural resources in rural and urban areas; prevent water, land and air pollution; by preserving the country's vegetative and livestock assets and natural and historical richness, organize all arrangements and precautions for improving and securing health, civilization and life conditions of present and future generations in conformity with economical and social development objectives, and based on certain legal and technical principles.

2.2. RELEVANT INTERNATIONAL STANDARDS AND PRINCIPLES

International standards that Sersim must comply with are IFC Performance Standards and World Bank Standards.

The main objectives of international standards and principles are:

- Developing an appropriate procedure for identifying and identifying and confirming persons and communities and other interested parties who have impacted, affected and/or likely to be affected by the activities or practices of the Sersim;
- Preparation and continuous updating of a database of relevant stakeholders and associated facilities of the Sersim;
- Continuous review of this database by seeking the opinion of interested parties;
- Providing necessary information and consultancy services to stakeholders in order to ensure necessary participation in environmental and social issues that may affect them; and
- Continuing and actively maintaining respectful and constructive relations with stakeholders based on mutual trust and honesty and taking into account the values of stakeholders.

The basic requirements of international standards and principles are:

- Identification of stakeholders,
- Preparation of Stakeholder Engagement Plan,
- Providing the necessary information about the Sersim to the affected or likely to be affected communities,
- Providing important consultancy services by ensuring early and continuous participation,
- A grievance and feedback mechanism should be put in place in a timely manner, targeting stakeholders' concerns, complaints, wishes and requests regarding the Sersim.

2.2.1. IFC Performance Standards

IFC has determined 8 standards covering all social and environmental components and issues.

Performance standards are given below:

- IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
- IFC Performance Standard 2: Labour and Working Conditions
- IFC Performance Standard 3: Resource Efficiency and Pollution Prevention
- IFC Performance Standard 4: Community Health, Safety, and Security
- IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement
- IFC Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- IFC Performance Standard 7: Indigenous Peoples

- IFC Performance Standard 8: Cultural Heritage

IFC Performance Standard 1 outlines the SEP. Therefore, the SEP will be prepared according to the basic framework defined by IFC PS 1 and will be developed in a way to include the management of stakeholder engagement activities included in other performance standards.

The importance of including the stakeholders in the environmental and social performance management process has been emphasized within the purpose and scope of Performance Standard 1. "An effective Environmental and Social Management System is a dynamic and continuous process implemented and supported by the company management and includes the participation of the client, the employee, the local community directly affected by the project (Affected Communities) and, if any, other relevant stakeholders[1].

The following requirements for a meaningful stakeholder engagement are set out in IFC Performance Standard 1 as follows:

"Performance Standard 1 means developing a comprehensive assessment to identify the environmental and social impacts, risks and opportunities of projects, (ii) engage effectively by publicizing project related information and consulting with them on issues that directly affect local communities, (iii) the client's environmental and social reveals the importance of managing its performance"[2].

- Stakeholder engagement according to IFC standards, ensures the basis for the Project Owner to establish strong, constructive, and sensitive relationships with stakeholders.
- The stakeholder engagement process should be initiated at the earliest stage of the Project lifecycle, in land acquisition, economic and physical displacement and should continue throughout the life of the project.
- An effective stakeholder engagement mechanism ensures that affected communities and other relevant people and organizations are fully informed and meaningfully participate in monitoring the process.
- Stakeholder engagement facilitates provide the identification of avoidance, minimization, mitigation and remediation measures that are appropriate and sustainable.

Within the scope of IFC Standards, stakeholder engagement of the Project has been developed in line with the principles and strategies set out and explained below.

a) Information Sharing: The information sharing studies carried out in the stakeholder engagement process of the project should ensure that the following components are understood by the stakeholders:

i. The purpose and scale of the project,

ii. Duration of the project activities,

iii. Risks, potential impacts, and related mitigation measures on affected communities defined in the Stakeholder Engagement Plan,

iv. Tools and methods of the stakeholder engagement process,

v. Access to information on the Grievance Redress Mechanism should be clearly explained.

1 https://www.ifc.org/wps/wcm/connect/2ee7f9f177a34739a9a4146aa04395e6/PS1Turkish2012.pdf?MOD=AJPERES&CVID=jIApldX
2 https://www.ifc.org/wps/wcm/connect/2ee7f9f177a34739a9a4146aa04395e6/PS1Turkish2012.pdf?MOD=AJPERES&CVID=jIApldX

b) Consultation: For an effective stakeholder engagement, the consultation process should comply with the following principles.

i. Consultations will take place early in the process of identifying environmental and social impacts and risks and will continue as risks and impacts occur.

ii. Consultations will be based on transparent, objective, meaningful, accessible information in culturally appropriate narration and in a format that the affected communities can understand.

iii. Inclusive participation should focus on directly affected people, before the indirectly affected.

iv. There should be no external guidance, intervention or coercion.

v. Consultation processes to be carried out should be recorded.

c) Informed Consultation and Participation: An informed consultation and engagement process based on the steps in the consultation process stated above will take place when projects have significant impacts onAffected Communities. In this consultation process;

i. If needed, opinions of both men and women will be obtained through separate meeting or participation methods, and the different concerns and priorities of men and women regarding project impacts, mitigation mechanisms, benefits of the project will be learned.

ii. Measures to prevent or reduce negative impacts and risks will be recorded and information will be provided on how the concerns of the affected people are taken into account[3].

d) A procedure will be prepared and implemented within the scope of IFC standards and recommendations on communication and complaint mechanism, which is one of the most important elements of stakeholder relations and stakeholder consultation process.

This procedure should include below items, in accordance with IFC standards clause P1;

i. To answer and record external feedback from the public,

ii. To prioritize and evaluate the issues raised, to determine how to respond,

iii. To respond, follow and document the answers given,

iv. To develop the methods required to properly update the stakeholder management program.

Along with the above requirements, in the Performance Standard 1 Evaluation and Management of Environmental and Social Risks and Impacts document published in January 2012 by IFC, "Where there are Affected Communities, the client will establish a Grievance Redress Mechanism to receive and facilitate resolution of Affected Communities' concerns and grievances about the client's environmental and social performance".

According to IFC standards, the Grievance Redress Mechanism should aim to address concerns urgently, using a culturally appropriate, accessible, understandable and transparent consultation process. The party that raises a concern or complaint should not face any price

3 https://www.ifc.org/wps/wcm/connect/2ee7f9f177a34739a9a4146aa04395e6/PS1Turkish2012.pdf?MOD=AJPERES&CVID=jIApldX,

or sanction. The complaint mechanism should not be an obstacle to resorting to legal or administrative remedies.

2.2.2. *World Bank Environmental and Social Standards*

The World Bank's Environmental and Social Framework (ESF)'s Environmental and Social Standard (ESS) 10, "Stakeholder Engagement and Information Disclosure", recognizes "the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice" (World Bank, 2017: 97). Specifically, the requirements set out by ESS10 are the following:

- Borrowers will engage with stakeholders throughout the project life cycle, commencing such engagement as early as possible in the project development process and in a timeframe that enables meaningful consultations with stakeholders on project design. The nature, scope and frequency of stakeholder engagement will be proportionate to the nature and scale of the project and its potential risks and impacts.
- Borrowers will engage in meaningful consultations with all stakeholders. Borrowers will provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation. The process of stakeholder engagement will involve the following, as set out in further detail in this ESS: (i) stakeholder identification and analysis; (ii) planning how the engagement with stakeholders will take place; (iii) disclosure of information; (iv) consultation with stakeholders; (v) addressing and responding to grievances; and (vi) reporting to stakeholders.
- The Borrower will maintain and disclose as part of the environmental and social assessment, a documented record of stakeholder engagement, including a description of the stakeholders consulted, a summary of the feedback received and a brief explanation of how the feedback was taken into account, or the reasons why it was not." (World Bank, 2017: 98).

A Stakeholder Engagement Plan proportionate to the nature and scale of the project and its potential risks and impacts needs to be developed by the Borrower. It has to be disclosed as early as possible, and before project appraisal, and the Borrower needs to seek the views of stakeholders on the SEP, including on the identification of stakeholders and the proposals for future engagement. If significant changes are made to the SEP, the Borrower has to disclose the updated SEP (World Bank, 2017: 99). According to ESS10, the Borrower should also propose and implement a grievance mechanism to receive and facilitate the resolution of concerns and grievances of project-affected parties related to the environmental and social performance of the project in a timely manner (World Bank, 2017: 100).

The World Bank recognizes that transparency and accountability are of fundamental importance to the development process and to achieving its mission to alleviate poverty. Transparency is essential to building and maintaining public dialogue and increasing public awareness about the Bank's development role and mission. It is also critical for enhancing good governance, accountability, and development effectiveness. Openness promotes engagement with stakeholders, which, in turn, improves the design and implementation of projects and policies, and strengthens development outcomes. It facilitates public oversight of Bank-supported operations during their preparation and implementation, which not only assists in exposing potential wrongdoing and corruption, but also enhances the possibility that problems will be identified and addressed early on.

3. ROLES AND RESPONSIBILITIES

Roles and responsibilities relevant to this plan are defined under this chapter.

General Manager / Board of Management

- Approval of this plan and allocate resources required for its implementation,
- Taking responsibilities for the implementation of necessary and appropriate actions against social hazards, reducing and preventing potential social grievances,
- Determination of policies and targets on social performance by working in cooperation with other units,
- Increasing staff skills and motivation, managing the workforce, providing resources for staff training, and providing performance appraisals.

Operational Manager

- Deciding on the budget to be allocated for the implementation of social requirements of the Sersim together with the General Manager/Board of Management,
- Reporting to the General Manager/Board of Management on performance of mechanism and social indicators,
- Ensuring that the social performance documents are accurate and effective, making revisions and developing them,
- Auditing the effectiveness of social related documents; practices and effectiveness of the personnel assigned for these issues, and
- Improving the skills and motivation of personnel, managing the workforce, improving working conditions, providing resources for personnel training, and performing performance evaluations.

Health, Safety and Environment (HSE) Department

- Supporting CMR on the first evaluation of the relevance of grievances collected,
- Conducting internal audits/site audits,
- Providing answers to the OHS and social grievances raised by employees, the local community, and local institutions,
- Helping CMR for keeping the record of the complaints/ suggestions in the Grievance Database with details,
- Evaluating in compliance with laws, regulations, and Sersim requirements with legal departments,
- Participating and supports the audits that will be done by third-party auditors. Providing answers to the environmental grievances raised by employees, the local community, and local institutions,
- Helping CMR for keeping the record of the complaints/ suggestions in the Grievance Database with details,
- Evaluating in compliance with laws, regulations, and Sersim requirements with legal departments,
- Participating and supports the audits that will be done by third-party auditors.

Complaint Management Representative (CMR)

- Implements and improves this procedure,

- Ensuring the Sersim compliance with the Project Standards and other requirements set out in this Management Plan,
- Ensuring that all site staff, including Subcontractors worker's complaints process and resolutions, comply with this Procedure,
- Informing to workers about contract details and legal rights,
- Determining and provides the necessary training materials for employees,
- Determining necessary resources for proper implementation of the procedure and submits to managers,
- Evaluating in compliance with laws and regulations,
- Searching the causes of the grievance and the social incidents that cause injuries, delays or stoppage in the work and disputes among the Sersim and communities,
- Monitoring all complaints and ensures that all complaints are resolved and closed,
- Coordinating with parties for implementation of the procedure
- Creating all necessary reporting of worker grievance including monthly report to the Management,
- Investigating and proposes appropriate methodology for resolving the complaint,
- Following procedures related to employment and training for site-specific issues,
- Recording and reporting general and local employment rates and complaints, which are received or observed verbally,
- Filling out a "Complaint Register Form" (see Appendix 1),
- Determining necessary resources for proper implementation of this Procedure and submits to his line managers,
- Following the results of complaint and report on a weekly, monthly, and annual basis.

Social Responsibility Department

- Organizing cooperation activities with local communities,
- Organizing stakeholder meetings to collect the responses to grievances actively as required.

Contractors / Subcontractors

- Participating in relevant trainings describing the requirements of this plan,
- Complying with the requirements and standards of this procedure.

4. INTERNAL AND EXTERNAL GRIEVANCE MANAGEMENT

The process to be followed to resolve any grievances is described in Figure 2 below.

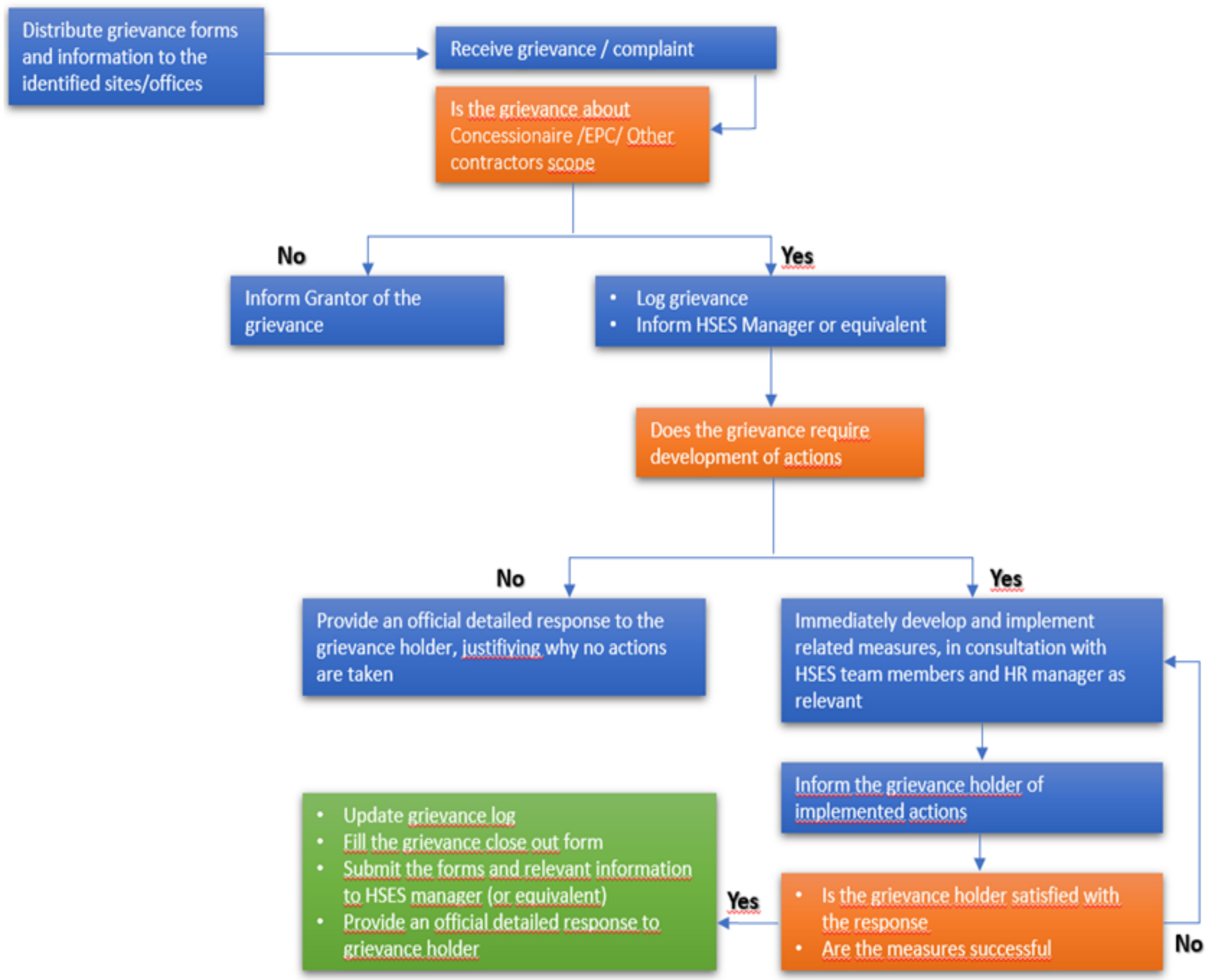

Figure 2 Grievance Procedure

4.1. INTERNAL (WORKER) GRIEVANCE MANAGEMENT PROCESS

Employees, who may be direct workers or third party/subcontractor's workers, are encouraged to submit written complaints, comments and concerns (*See* Appendix 1). Since the confidentiality of the complainant should be preserved, grievances are collected in grievance boxes which will be placed in areas workers can easily access, including dining rooms. Through these forms, workers will also be able to make anonymous complaints. Information on how to express complaints, opinions and suggestions to workers will be provided during the orientation training process. Written submissions will not be used in any way to intimidate those submitting the complaints.

Management will treat the grievances seriously and take prompt, appropriate actions. "Complaint Management Representative" will have the main responsibility to collect the complaints. The complaints will be discussed with management in order to gather accurate information about a given complaint. Complaint Management Representative will process the complaint/concern and provide a resolution. Resolutions of complaints will be developed in accordance with relevant Turkish laws, regulations, as well as international requirements. Feedback will be provided to those involved.

It is possible to extend the process for the complex grievances and workers will be informed about the schedule of the process. All parties should get a reasonable agreement on the corrective actions during solution process. Complaint Management Representative aims to respond in cooperation with the related department and solve each complaint within 30 days. The grievance mechanism does not replace other channels as defined by law and during the grievance process, all the requirements of this procedure should be fulfilled.

This procedure will be reviewed on a minimum of a three-monthly basis during commissioning. During steady-state operations, this procedure will be reviewed on an annual basis and any necessary revisions made to reflect the changing circumstances or operational needs. The revision of this procedure will be the responsibility of the "Complaint Management Representative" who is the custodian of the procedure.

If material changes to operating procedures are required, the procedure may be updated on an "as required" basis. If there is any revision on this procedure, it will be uploaded to the Document Control Centre (DCC) of the Sersim to ensure that all staff has access to the latest version of this procedure.

4.2. CUSTOMER GRIEVANCE MANAGEMENT PROCESS

The complainant is informed at regular intervals from the acceptance of the complaint until an agreement is reached for solution. The complainant is free to receive information on the subject at any time and in any period, apart from regular information. Information is given about the process to the complainant, for complaints received from the customer during working hours, on the business day the complaint is received and for complaints outside of working hours, on the first working day after the complaint is received. The plan determined according to the priority of the complaint is shared with the customer. All information shared with the customer is kept in its original form without any change.

If the complainant is justified in its complaint, the complaint will be remedied according to the mutual agreement to be reached with the complainant. If there is a non-compliance arising from the complainant's own practices, this situation is communicated to the complainant by producing alternative solutions when necessary.

It is aimed to resolve the complaint within 5 working days at the latest. However, if the complaint is of a size that cannot be resolved within 5 business days, the customer is informed. The complaints under the responsibility of Sersim are evaluated by the relevant personnel and the action required for solution is decided. Corrective action is initiated and followed up by the complaint management representative for chronic and recurring problems.

The customer is informed about the evaluation process of the complaints and the activities carried out. After the complaint is closed, the customer is asked to evaluate the performance of the customer satisfaction management system and the handling of the complaint regarding the closure of the complaint by e-mail, on telephone and fax or face to face meeting.

4.3. EXTERNAL GRIEVANCE MANAGEMENT PROCESS

The steps of the grievance management process consist of receiving the grievance, assessing, sending acknowledgment, investigating, feedback to stakeholder, implementing the remediation activities and closeout are presented in Figure 3.

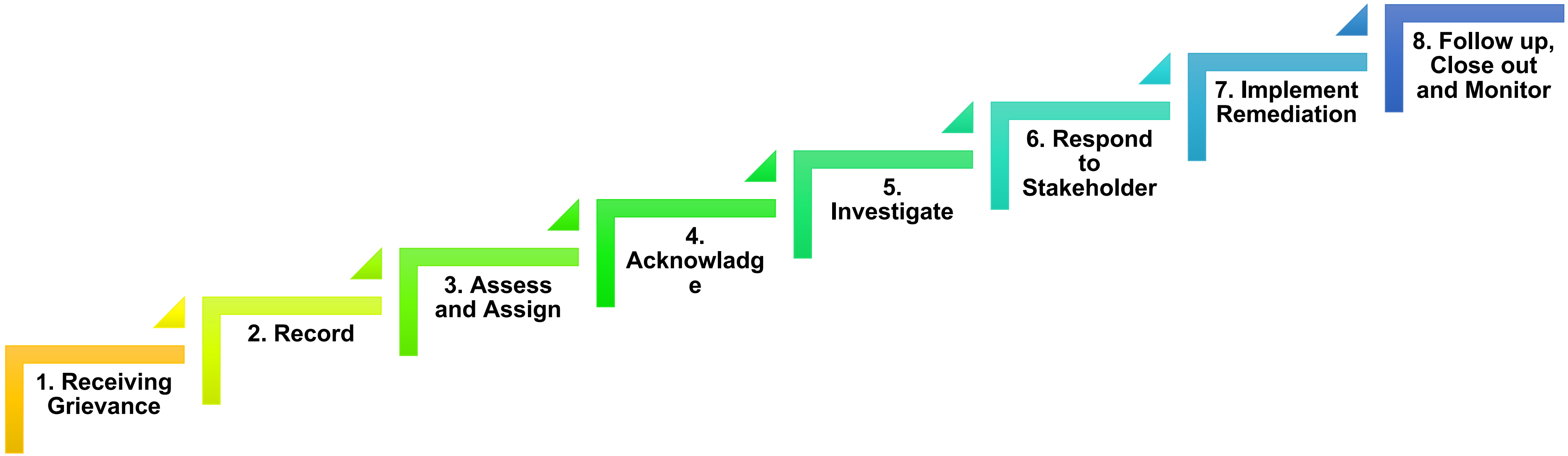

Figure 3 Processes of Grievance Management

Receiving Grievances

Grievances are received through all available channels such as phone, mail, grievance forms, websites, contractors and etc. The stakeholder can raise a grievance by filling out the grievance form. Once the form is completed then "Complaint Management Representative" will process the form according to the grievance procedure.

Grievances boxes will be installed at site entrance(s) and site offices, together with posters describing grievance lodging process.

The Complaint Register Form (See Appendix 1) will be used to collect the information about grievances, concerns and the complainant. All grievances will be recorded and collected in the Grievance Database (*See Appendix 4*). "Open door policy" will not be encouraged as the one and only way of communication, therefore, written complaints anonymously (or not) should be encouraged.

Table 1 Details of Contacts

Sersim	Contact Person on the Sersim
Website: https://www.simfer.com.tr/ **Address:** Serbest Bölge 12. Cad. No: 18 Melikgazi/Kayseri **Phone:** +90 352 666 03 13 **Fax:** +90 352 311 34 10	**Phone:** To be determined. **E-Mail:** To be determined. **Address:** To be determined.

Assessment and Investigation of Grievances

Each evaluation and investigation steps will be followed when a grievance/concern is received and registered into "Grievance Database" (See Appendix 4). The Complaint Management Representative investigates the grievance and makes the first evaluation with the help of other related departments. The Sersim investigates the grievance and involves appropriate departments in its investigation and formulation of a resolution.

The complainant may be contacted (if not anonymous) to gather more information, using the "Consultation Form" (see Appendix 2). Any correspondence with the Complainant will be recorded in the "Complaint Register Database". When final decision is made on grievance, feedback will be given to stakeholder.

Feedback to Stakeholder

Complainants will receive a formal response acknowledging that the Sersim has received the grievance, within 5 days of submitting the grievance. Complaints received anonymously will be investigated in the same manner as non-anonymous complaints, but no formal response will be issued.

Propose Resolution/Corrective Action

Within 30 days of receipt of the grievance, responsible person from the Sersim will formally communicate a proposed resolution or corrective action to the complainant (if not anonymous) and discuss it with the complainant. The complainant will be informed about the methodology followed. All communication will be recorded in the "Complaint Register Database".

Close-Out of Grievances

The grievance procedure of the Sersim aims to formally close out every grievance within 30 working days after receiving it unless an alternative agreement is made with the complainant. Note that this alternative agreement must be reached within these 30 days. Close-out requires the signature of the complainant (if not anonymous) on the Close Out Form, which details the agreed resolution. The signed "Close Out Form" will be recorded in the "Complaint Register Database".

Non-Resolution Case

If a grievance cannot be resolved although efforts will be made to solve the concern within the set timeframe, the Sersim will involve other external experts, neutral parties or local and regional authorities, as necessary and appropriate.

5. WORLD BANK GRIEVANCE REDRESS SERVICE

In all World Bank financed projects, individuals or communities who believe that they are adversely affected by the projects supported by WB can send their complaints to the Ministry of Environment and Urbanization or the World Bank's Grievance Redress Service (GRS) (https://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service) GRS ensures that the received grievances are quickly examined in order to eliminate the project-related concerns.

Project affected communities or individuals can also raise their grievances to the World Bank Independent Inspection Panel (IIP). This panel determines whether the person or communities that made the complaint were harmed because of the breach of one or more of the WB's performance criteria. The panel can directly convey its concerns about the received complaints to the WB. At this stage, WB would have an opportunity to respond to the complaints.

6. MONITORING

In compliance with the Project Standards which is described in Section 3 of this procedure, monitoring measures will be implemented to prevent the reoccurrence of grievances and monitoring management. Therefore, this grievance mechanism will be subject to periodic reviews to decrease the systemic problems and maintain the resolution process efficiently.

If monitoring identified non-conformance with the Project Standards, these will be investigated, and appropriate corrective actions identified. The overall grievance management performance will be monitored and evaluated according to the key performance indicators.

6.1. KEY MONITORING ACTIVITIES

The key monitoring activities are used to assess grievance management. The Sersim will also monitor the efficiency and application of the third-party grievance mechanism. The procedures and the grievance management tool will be adjusted as required. Key monitoring measures are set out in Table 2 below.

Table 2 Key Monitoring Measures

Topic	Indicator	Method	Period	Location
Grievances/ Concerns	Sersim will review Grievance Log/Database, including complaints closed and unresolved per period at a minimum monthly to include: ► number of outstanding complaints and grievances opened in the month, ► number of complaints and grievances opened in the month, ► number of complaints grievances closed in the month; and ► type of grievance.	Grievance Records	Monthly	Main office
Customer Satisfaction	Complaint Management Representative will keep records written and verbal complaints raised by customers.	Customer Grievance Records and Satisfaction Surveys	Monthly	Main office
Visitor to the Office	Visitors will be recorded including the information of the reason for visit etc. and consultation forms will be filled out.	Visitor Records	Monthly	Main office

Topic	Indicator	Method	Period	Location
Community Engagement Activities	The Social Responsibility Department will record formal and informal engagement with local communities.	Community Engagement Records	Monthly	Main office
Disclosure Materials/ Feedback to Communities	Social Responsibility Department will keep records of the types of leaflets, brochures, newsletters prepared and distributed Social Responsibility Department will monitor feedback to local communities.	Community Info System on the Website	Biannual	Main office

6.2. KEY PERFORMANCE INDICATORS (KPIS)

The Table 3 below summarizes the key performance indicators and related key monitoring actions. These can be used to assess the progress and effectiveness of the proposed mitigation strategies. These KPIs will be presented to the consultant in every 6 months monitoring study.

Table 3 Key Performance Indicators (KPIs)

KPIs	Target	Monitoring Measures
Total number of community complaints or grievances	Total number reduced year on year	Grievance Database
% of complaints that are responded within 5 days	Delivery of regular reports to stakeholders on the outcomes of the Grievance Mechanism	Reporting
% of complaints that are closed within 30 days.	Target of 100%	Grievance Database
Auditing Grievance Procedure to ensure that it is being implemented and grievances are being adequately addressed.	Biannual (operation) audit complete target of 100% of grievances close out to satisfaction of complainant within 30 days.	Audit Report

7. TRAINING

All necessary training will be provided as induction training to provide general awareness for all employees of the Sersim and its contractors. Job-specific training will be also provided as necessary including grievance management. The implementation of this grievance mechanism will be followed by the Social Responsibility, Complaint Management Representative and other personnel and supervisors of the Sersim. Contractors are also involved in or overseeing activities with local communities.

The induction training will provide information about the worker grievance mechanism to all direct and indirect workers. The trainings will be given in the first "Induction Training" session. All employees of the Sersim and contractors are required to participate in community relations and human rights training. This training will provide the information on how to understand and respect different cultures and opinions and to be an effective team member by behaving appropriately with locals and colleagues.

Job-specific training and additional specialist training (if applicable) for key personnel will be provided to them and employees for grievance management. Specific training on the application of the Grievance Management is also provided to the Social Responsibility, Complaint Management Representative and other personnel and supervisors of the Sersim and contractors involved.

8. AUDIT AND REPORTING

Internal and External Audits will be carried out in order to ensure the assessment of the mechanism's efficiency by Social Responsibility. Conformance and aspects of this procedure, which are subject to regulatory audits, will be monitored in accordance with the Sersim Environmental, Health, Safety and Social Management System and separately by Project Lenders. Daily conformance will be monitored in accordance with the Sersim Management System. Contractors will be subject to inspection and audit by the Sersim prior to a contractor's initial appointment.

Record keeping will be done during the following cases:

- Consultation meetings,
- Community engagement activities,
- Grievances and closeout of grievances,
- Concerns/opinions/suggestions by the local community during consultation meetings and stakeholder engagement activities,
- News on press and interviews,
- Audits, investigations, and incidents which will be managed according to the Sersim procedures.

On a monthly basis, an overview of the grievances recorded in terms of number and type will be investigated. The situation of the grievances as open/closed out will be developed periodically. The Social Responsibility, Complaint Management Representative, Health, Safety and Environment (HSE) Department will evaluate and conclude this overview with Sersim management in the monthly progress meetings.

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GRIEVANCE REDRESS MECHANISM (GRM)

APPENDICES

APPENDIX 1

Complaint Register Form

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Grievance Form

Reference No:	
Full Name *Note: You can remain anonymous if you prefer or request not to disclose your identity to third parties without your consent.*	**Name & Surname: ____** • **wish to raise my grievance anonymously** • **request not to disclose my identity without my consent**
Contact Information **How the complainant wants to be contacted (mail, telephone, e-mail).**	• **By Post:** • **Mailing address:** • **By Telephone: ____** • **By E-mail ____** • **I don't want to be contacted**
Details Related to Grievance:	
Description of Incident or Grievance:	What happened? Where did it happen? Who did it happen to? What is the result of the problem?
Case summary:	
Date of Incident/Grievance	
	• **One-time incident/grievance (Date _______________)** • **Happened more than once (how many times? _____)** • **On-going (Provide details)**
What would you like to see happen to resolve the problem?	
Only for internal usage: Status of complaint	

	Date:	Signature:
The complaint is closed by:		
Actions taken (Provide details):		

APPENDIX 2

Consultation Form

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Consultation Form				
Reference No:				
Person Filling the Form:				Date:
Interview Agenda:				Reference No:
Information on Consultation				
Interviewee Institution:				**Communication Type**
Name-Surname of the Interviewee:				Phone/Free Line ☐
Phone:				Face to face interview ☐
Address:				Web-site/ E-Mail ☐
E-Mail:				Other (Explain) ☐
Stakeholder Type				
Public Institution ☐	Project Affected People ☐	Private Enterprise ☐	Trade Association ☐	NGO ☐
Interest Groups ☐	Industry Associations ☐	Workers' Union ☐	Media ☐	Universit ☐
Detailed Information on Consultation				
Questions related to Project				
Concerns/feedbacks related to Project				
Responses to the views expressed above:				

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APPENDIX 3

Grievance Closure Form

Grievance Closure Form		
Reference No:		
Determination of Corrective Action(s)		
1		
2		
3		
4		
5		
Responsible Departments		
Close Out the Grievance		
This section will be filled and signed by the complainant in case the complaint stated in the "Grievance Registration Form" is resolved.		
Date: …………/…………/…………..	**Name Surname / Signature of the Person Closing the Complaint**	**Name, Surname / Signature of Complainant**

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APPENDIX 4

Grievance Database

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Grievance Database Reporting Period									
Name/Contact Details of Complainant	Internal/External	Grievance Received by	Date Received	Details of Compliant/ Comment	Responsibility (Related Department)	Communication with complainant*	Actions taken	Date Resolved	Communication with complainant**
* Notification date and method (via call/face to face): If complainant has provided a name and contact information, he/she will be notified within 5 days that the grievance solution process has started.									
** Notification date and method (via call/face to face): If complainant has provided a name and contact information, he/she will be notified with related information after the grievance resolved within 30 calendar days.									

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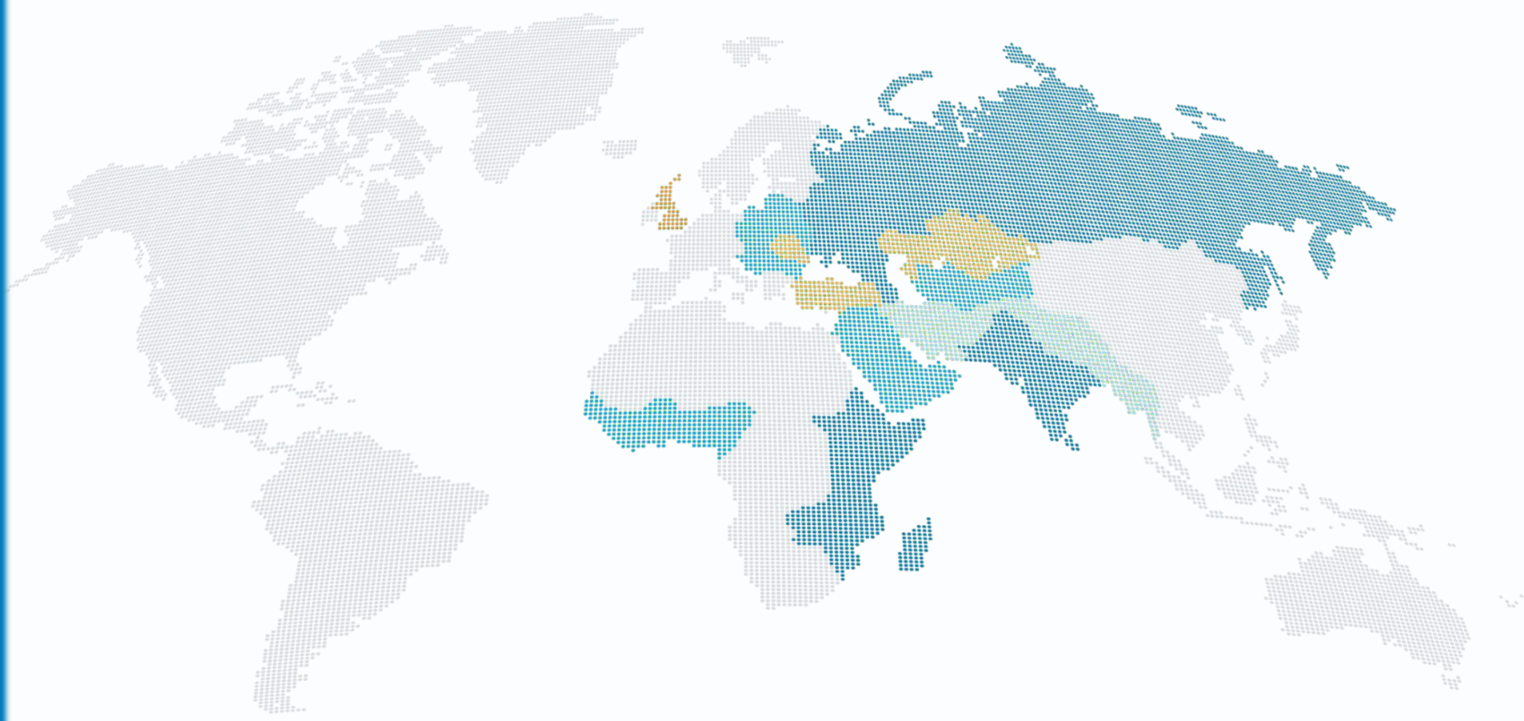
Kazakhstan Almaty city, Bostandyk District, Al-Farabi Avenue, ap.17, Nurly Tau Business Center, Block B, Office 404



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