

INVISIBLE WORKERS –

SYRIAN REFUGEES IN TURKISH GARMENT FACTORIES



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Abbreviations

ASAM	<i>Asylum Seekers and Migrants</i>
BSCI	<i>Business Social Compliance Initiative</i>
CYDD	<i>Association for the Support of Contemporary Living</i>
ETI	<i>Ethical Trading Initiative</i>
FLA	<i>Fair Labor Association</i>
ILO	<i>International Labour Organization</i>
MUDEM	<i>Refugee Rights Turkey</i>
NGO	<i>Non-governmental Organisation</i>
SOP	<i>Standing Operating Procedure</i>
UNGPs	<i>United Nations Guiding Principles for Business and Human Rights</i>
UNHCR	<i>United Nations High Commissioner for Refugees</i>

Summary

Thousands of Syrians who have fled their war-torn home country are working in Turkey's apparel factories.¹ Most of them do not have work permits and are desperate to earn an income, which makes them highly vulnerable to exploitation by employers. Many Syrians in the Turkish garment sector are getting paid below the minimum wage, even though they work long hours in unhealthy and dangerous conditions.² Cases of employment of Syrian refugee children have also been reported.³

Turkey is the third-largest non-EU garment-exporting country to Sweden and Norway after China and Bangladesh⁴, and an important sourcing market for the Nordic clothing brands H&M, KappAhl, Lindex, Gina Tricot and Varner (BikBok, Cubus, Carlings, Dressman, Urban et al.). This study investigates how these five brands are tackling the risk of abuse and discrimination of Syrian refugees in their supply chains in Turkey.

The brands' readiness to handle these risks can be divided into three groups: (1) H&M and Varner have taken some steps in the right direction, (2) Lindex has begun addressing the issue and (3) Gina Tricot and KappAhl fail to show that they monitor and attempt to prevent the risks. It is especially surprising that Gina Tricot, which sources 40–45 per cent of its total global purchasing value from Turkey⁵, have not prioritised the issue.

Fair Action and Future In Our Hands recommend that Gina Tricot and KappAhl communicate to their Turkish suppliers that undocumented Syrian refugees are not to be automatically dismissed, and detail the steps that suppliers should take to arrange for work permits and protect Syrians from discrimination in the workplace.

All five brands studied, except for KappAhl, reported that they have identified only a few Syrian refugees working at their Turkish suppliers.⁶ There is clearly a gap between the information that the brands obtain about their own supply chains and third-party data, which indicate that Syrians have entered the

1 ETI, 'Defensiveness will not address the Syrian refugee issue in Turkey's garment sector', 4 October 2016; Business & Human Rights Resource Centre, *Syrian Refugees in Turkish Garment Supply Chains*, February 2016

2 Fair Wear Foundation, *Guidance for Affiliates: Risks Related to Turkish Garment Factories Employing Syrian Refugees*, February 2015

3 BBC, 'The kids who have to sew to survive', 23 October 2016; Reuters, 'In Turkish sweatshops, Syrian children sew to survive', 26 July 2016

4 Import data from Statistics Sweden, processed by Fair Action; Import data from Statistics Norway, processed by Future In Our Hands.

5 E-mail communication with Gina Tricot, October 2016.

6 Responses from the brands to Fair Action's and Future In Our Hands' questionnaire, August 2016.

Turkish garment sector in large numbers.⁷ The brands' monitoring processes do not appear to provide an accurate estimate of the number of Syrian refugees working for their suppliers. Monitoring is made more difficult by the fact that many Syrians work further down the supply chain at subcontractors of the exporting garment factories.⁸ In many cases the supplier has not informed the buying brand about the subcontracting, so called undeclared subcontracting. Fair Action and Future In Our Hands recommend that all brands carry out thorough risk assessments of their entire supply chain to identify which parts should be prioritised for detecting and stopping the abuse of Syrian refugees. This risk mapping should be used to plan preventative actions, including collaborating with local non-governmental organisations (NGOs) and trade unions on how to combat discrimination.

7 Business & Human Rights Resource Centre, see above.

8 Interview with Alpay Celikel, Fair Labor Association Regional Manager for Europe, Middle East and Africa, August 2016; Business & Human Rights Resource Centre, *What's Changed for Syrian Refugees in Turkish Garment Supply Chains?*, October 2016



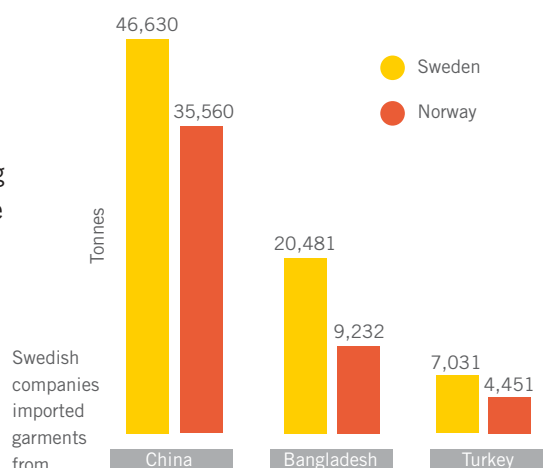
*Almost 3 million Syrians
have fled to Turkey,
and many are taking any job
they can to survive.*

Introduction

After the coup attempt in July 2016, fear and insecurity is plaguing Turkey. Amidst the uncertainty, almost 3 million Syrians⁹ who have fled to Turkey from their war-torn country are taking any job they can get to survive. Turkey is the world's third-largest supplier of clothing after China and Bangladesh,¹⁰ and its garment sector has absorbed thousands of Syrians. Although Syrians can now theoretically obtain work permits, only around 7,000 permits have been issued so far.¹¹ The clear majority of Syrians continues to be undocumented, which means they lack access to legal employment contracts and social security. They are also unlikely to complain about poor working conditions to their employers or the authorities, as they are easily laid off and risk losing their only source of income. This makes Syrian refugees highly vulnerable to exploitation by employers, who take advantage of their desperate situation. Many face payment below the minimum wage, excessive working hours, a lack of social security and discriminatory treatment.¹² Cases of employment of Syrian refugee children have also been reported.¹³

Brands purchasing garments from Turkey have an important role to play, as they contribute to creating much-needed job opportunities for Syrians in Turkey. At the same time, preventing exploitation is a big challenge, especially since most Syrians work further down the supply chain of the exporting factories.¹⁴

Swedish companies imported a total of 7,031 tonnes of garments from Turkey in 2015, making it the third-largest non-EU exporter of garments to Sweden after China and Bangladesh.¹⁵ Norway imported 4,451 tonnes from Turkey last year, making it the third-largest exporter of garments after China and Bangladesh.¹⁶



9 UNHCR, 'Syria regional refugee response – Turkey', ND.

10 ETI, 'Supporting Syria: decent jobs should be part of the solution for refugees', 4 February 2016

11 ETI, 'Defensiveness will not address the Syrian refugee issue in Turkey's garment sector', 4 October 2016; Business Social Compliance Initiative and Foreign Trade Association, *Guidance Document – Syrian Refugees Working in Turkey*, August 2016

12 Fair Wear Foundation, see above.

13 BBC, 'The kids who have to sew to survive', 23 October 2016; Reuters, 'In Turkish sweatshops, Syrian children sew to survive', 26 July 2016

14 Interview with Alpay Celikel, August 2016.

15 Import data from Statistics Sweden, processed by Fair Action.

16 Import data from Statistics Norway, processed by Future In Our Hands.

This study investigates how H&M, KappAhl, Lindex, Gina Tricot and Varner (BikBok, Cubus, Carlings, Dressman, Urban et al.) are addressing the risks of abuse of Syrian refugees in their supply chains in Turkey. The companies' policies and processes are evaluated in relation to international norms of human rights and labour rights, particularly the United Nations Guiding Principles for Business and Human Rights (UNGPs).¹⁷

Methods of data collection

This report is a desk study supplemented by interviews with four Syrian refugees working at different garment producers in the Istanbul area, none of which supply the Swedish and Norwegian brands included in this study. The worker testimonies have been included to describe the poor working conditions of Syrian refugees in this industry, and how difficult it is for workers without legal permits and written contracts to demand any kind of rights in the workplace. These examples illustrate why it is so important for the brands to have processes in place to monitor and prevent abuse in their supply chains in Turkey. All the interviews were conducted in July and August 2016 by an Arabic-speaking consultant with expertise in the field of labour rights. The consultant contacted the four interviewees either via other workers or by approaching them directly outside the factories. It is worth noting that the researcher made several attempts to get Syrian workers to talk about their situation. However, despite assurances of anonymity, all except the four portrayed in this report were too afraid to speak out in fear of retaliation. The interviews concerned wages, working hours, possibilities to join a trade union, working environment, experiences of discrimination and living conditions. The interviews took place outside factory premises at a location identified as safe by the participants. Interviewees were informed of the purpose of the interviews and how Fair Action and Future in Our Hands intend to use the information. Their identity has been withheld for security reasons.

We also consulted the Turkish trade union Deriteks, which organises workers in the garment sector, and Fair Labor Association (FLA), an initiative set up by companies, civil society organisations and universities seeking to promote labour rights in global supply chains. Companies that are part of the FLA agree to implement its Workplace Code of Conduct¹⁸ in their supply chain, which is based on International Labour Organization (ILO) standards.

The five brands were asked to respond to a questionnaire (see Appendix) regarding how they manage the risks of abuse of Syrian refugees in their Turkish supply chains. The questionnaire is based on the questions used for Business & Human Rights Resource Centre's briefing note on the issue from February 2016.

17 Available at http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf.

18 Available at <http://www.fairlabor.org/our-work/labor-standards>.

The centre gave Fair Action and Future In Our Hands permission to use the same questions. The brands were given the chance to fact check the parts of the report that concern their policies and processes prior to publishing.

Assessment criteria: the brands' obligations according to international standards

Fair Action and Future In Our Hands recommend that companies implement supply chain due diligence in line with the UNGPs. These principles require companies to prevent and mitigate any adverse impact on human rights linked to their business activities, including where this impact is caused by an entity in the company's supply chain.

The framework establishes that companies' responsibility to respect human rights is independent of states' abilities and/or willingness to fulfil their own human rights obligations. Where the government fails to protect workers' human rights by, for example, not enforcing legislation, businesses need to step in to ensure that those rights are respected in their supply chain.

While the UNGPs define the policies and processes companies need to have in place in order to address their impact on human rights, the standards of the ILO and international human rights conventions describe the workers' rights that companies need to respect.

Non-discrimination is a crosscutting principle in international human rights law, and is part of all the major human rights conventions.¹⁹ It is also the subject of one of the ILO's eight Core Conventions,²⁰ Convention 111 concerning Discrimination in Respect of Employment and Occupation.²¹ These eight conventions cover the most fundamental workers' rights, according to the ILO. When Syrian refugees are paid less than their Turkish colleagues for the same tasks or given more dangerous tasks, the principle of non-discrimination is violated. Furthermore, migrant workers' rights to equality of opportunity and treatment are established in ILO Conventions 97 and 143.²²

19 See, for example, the International Covenant on Economic, Social and Cultural Rights (Article 2) and International Covenant on Civil and Political Rights (Article 2).

20 ILO, 'Introduction to international labour standards', <http://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>.

21 Convention 111 has been ratified by Turkey. ILO, 'Ratifications for Turkey', http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_COUNTRY_ID:102893.

22 Neither Convention 97 nor 143 has been ratified by Turkey. ILO, 'Ratifications for Turkey', http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_COUNTRY_ID:102893.

On shaky ground: Syrians at risk in the Turkish garment sector

Since January 2016, the estimated 250,000 to 400,000 Syrians²³ who work in Turkey have been eligible to obtain work permits if they are registered with the government and have been in the country for at least six months.²⁴ Garment brands helped push the Turkish government to take this step. However, only around 7,000 work permits has been issued to Syrians, in part because it is the employers' responsibility to apply for the permits.²⁵ Critics argue that employers are still unaware of the law, or are unwilling to comply with it since it requires them to offer employment contracts and pay the minimum wage.²⁶ It should also be noted that a work permit is tied to a single workplace, and that the proportion of refugees should not exceed 10 per cent of a company's workforce.²⁷

As the clear majority of Syrians continue to be employed without work permits, they cannot get legal employment contracts or access to social security. They are unlikely to complain about poor working conditions to their employers or the authorities, as they fear dismissal. Workers also need a social security number to be able to join a union.²⁸

It is important to point out that the garment sector is also very difficult for the Turkish workers. All workers in the sector struggle with employers who fail to provide formal contracts²⁹ and social security registration as well as dismissals, threats or punishment of union members. Although employers are required to register employees for social security benefits, an estimated 60 per cent of the total workforce in Turkey's garment industry is unregistered.³⁰ According to the global trade union federation ITUC, Turkey is among the 10 worst countries in the

- Syrian workers are generally earning under minimum wage, and do not get social security. They have to accept any working conditions offered to them and can get dismissed at any time, says Engin Celik, Organising Officer at the Turkish trade union Deriteks, which organises workers in the garment sector.

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- 23 Business & Human Rights Resource Centre, *Syrian Refugees in Turkish Garment Supply Chains*, February 2016
 - 24 UNHCR, 'High Commissioner welcomes Turkish work permits for Syrian refugees', 18 January 2016
 - 25 ETI, 'Defensiveness will not address the Syrian refugee issue in Turkey's garment sector', 4 October 2016; Business Social Compliance Initiative and Foreign Trade Association, see above.
 - 26 Amnesty International, *No Safe Refuge – Asylum Seekers and Refugees Denied Effective Protection in Turkey*, May 2016; Clean Clothes Campaign, 'CCC statement on the use of Syrian workers in high street supply chains', 3 November 2016
 - 27 Amnesty International, see above.
 - 28 Business & Human Rights Resource Centre, *What's Changed for Syrian Refugees in Turkish Garment Supply Chains?*, October 2016
 - 29 Fair Wear Foundation, see above.
 - 30 Fair Wear Foundation, *Country Study – Turkey*, 2015

world for violations of trade union rights, together with countries such as China, Belarus and Qatar.³¹ The weak position of unions and the lack of job security hinder workers from claiming rights such as decent wages and social security. As a result, most Turkish garment workers earn only the minimum wage of 1,300 TL (about 360 Euro) per month, and have to work extremely long hours to afford even basic necessities such as rent, food and health-related expenses.³²

According to Alpay Celikel, FLA Regional Manager for Europe, Middle East and Africa, while conditions are generally more controlled at the exporting factories than in the supplier factories of Turkish brands. However, Alpay Celikel also points out that when it comes to the exporting factories, most Syrians are hired at the subcontractor level.

- Many suppliers rely heavily on subcontractors, says Alpay Celikel. International brands corroborate the extensive use of subcontracting in the sector. In a recent study, Esprit stated that subcontracting is 'an integral part of the Turkish production model'.³³

Workers' voices



- I hate the 12-hour working days
says Mahdi, 19 years old, from Aleppo.

Mahdi used to study English at the university in Aleppo, but his life has dramatically changed. Now he is always tired. Tired of only having time to cook on Sundays, tired of barely affording food and tired of getting paid a week late. When the salary finally comes, the manager often pays less than agreed, claiming he was late to work. His 800 TL (about 221 euro) monthly salary is far below the legal minimum wage of 1,300 TL (about 360 euro). His Turkish colleagues are paid more, and on time.

Mahdi's story is similar to those of the three other Syrian refugees interviewed for this study, all of whom are employed in

31 ITUC, 'ITUC Global Rights Index: Workers' rights weakened in most regions, worst year on record for attacks on free speech and democracy', 9 June 2016

32 Fair Wear Foundation, *Country Study – Turkey*, 2015; Fair Wear Foundation, *Guidance for Affiliates: Risks Related to Turkish Garment Factories Employing Syrian Refugees*, February 2015; FLA, 'Toward Fair Compensation in Global Supply Chains', August 2016

33 Business & Human Rights Resource Centre, 'Esprit on Syrian refugees in Turkey', October 2016

the garment sector in the Istanbul area. While none of them work for suppliers of the Nordic brands included in this study, their testimonies illustrate how undocumented workers are at the mercy of their employers, and hence why it is crucial that the brands have processes in place to prevent exploitation.

None of the four workers has a work permit or a written contract. The informal nature of the employment makes it difficult to hold the company responsible for any agreements on working conditions. It also means that workers can be easily fired at any time. All four interviewees work Monday to Saturday, up to 12-hour days.

- My whole life is now work, says Jamal, 24 years old from Idlib.

The workers reported that they receive a lower salary than their Turkish colleagues, in all but one case far below the minimum wage. The workers state that it is extremely difficult to make ends meet on their salary. One worker reported that he shares a small room with four others in order to afford accommodation.

The workers are not only experiencing discrimination in relation to wages. One of the workers told the researcher that he is assigned more dangerous tasks than his Turkish colleagues, including handling chlorine and sulphate that is burning his skin and causing breathing problems.

- The protective gear provided is like having nothing at all, says Mohammad, 22 years old from Idlib.





Many Syrians work further down the supply chain at subcontractors of the exporting garment factories. In many cases, the supplier has not informed the buyer of this arrangement, which is known as undeclared subcontracting.



What are the brands doing?

We approached Gina Tricot, H&M, KappAhl, Lindex and Varner with a questionnaire regarding how they are working to protect Syrian refugees in their Turkish supply chains. The questions covered the following five areas: policy, audit and risk assessment, steps that are taken when a Syrian refugee without a work permit is identified, capacity building with suppliers and engagement with stakeholders.

Table 1. Turkey's importance for the brands' production

	Turnover 2015 (EUR)	Share of total purchasing value sourced in Turkey	Number of first- tier suppliers in Turkey
Gina Tricot	140 million	40-45%	12
H&M	18,561 million	Declined to disclose	72
KappAhl	485 million	5%	9
Lindex	652 million	6%	13
Varner	1,231 million	11%	26

Policy

We asked the five brands if they have a policy specifically prohibiting discrimination and exploitative practices against Syrian refugees. While all brands reported having policies that prohibit discrimination in general within their ordinary supplier codes of conduct, only H&M, Lindex and Varner shared with us specific statements communicated to suppliers regarding how Syrian refugees should be treated.

H&M shared a one-page letter they sent to their suppliers with instructions on how the January 2016 regulation on work permits for Syrians and other refugees should be followed. The letter also points out that any discrimination of refugee workers is prohibited. The communication is forward looking and welcomes the opportunity the legislation provides to employ Syrians.

Lindex shared its standing operating procedure (SOP) that includes ‘dos and don’ts’ for suppliers in the event that refugees are identified. The SOP makes clear that no Syrian worker should be expelled from the factory and includes detailed steps on how to apply for a work permit.³⁴ It also requires the supplier to pay the refugee the gross minimum wage (i.e. the wage before the deduction of taxes and social security contributions) until the work permit is obtained. This is important, due to delays in the processing of applications for work permits. Lindex’s SOP also prohibits employing any Syrian workers without work permits. There is a risk that this could be interpreted as advising against future employment of Syrians, as it is the employer that needs to apply for the permit and the permit is tied to one workplace. In other words, any Syrian applying for work at a garment factory will be without correct work permit, and will depend on the employer to arrange this. It is important that brands communicate a positive attitude towards employing Syrians, so that they are not discriminated against in recruitment and are given access to much-needed employment opportunities.

Varner shared its policy document entitled ‘Police and procedures for refugees and migrants’, which clearly states that the company encourages the employment of refugees in the supply chain. The policy stipulates that Varner and its suppliers will engage with two local NGOs – the Association of Solidarity with Asylum Seekers and Migrants (ASAM) and Refugee Rights Turkey (MUDEM) – to provide support to refugees such as training on legal rights and laws and help applying for work permits. Varner has also emailed its suppliers with instructions on adhering to the January 2016 regulation on work permits for Syrians and other refugees, and states that the company prohibits any discrimination of refugee workers. Furthermore, the company has given written guidance to suppliers on how to apply online for work permits on behalf of



Undocumented workers are unlikely to complain about poor working conditions to their employers or the authorities, as they are easily laid off and risk losing their only source of income.

refugee workers.

Gina Tricot stated that it had sent a letter to its Turkish suppliers instructing them to pay extra attention to the fact that all workers need a work permit. However, the company refused to disclose the letter.

KappAhl has not communicated any specific policy statement to its Turkish suppliers concerning the protection of Syrian refugees. However, the company has stressed in its dialogue with suppliers that all workers, including Syrians, should have work permits.

Audit and risk assessment

We asked the brands whether they had identified supplier factories that employed Syrian refugees in 2015 or during the first half of 2016. In addition, we asked them whether their audit teams include Arabic-speaking staff. We also inquired whether they conduct audits beyond their direct suppliers (for example, material suppliers), given that most Syrians reportedly work further down the supply chain, at subcontractors of the exporting garment factories.³⁵ Finally, we asked how they address the risk of ‘undeclared subcontracting’ – i.e. suppliers outsourcing parts of the production process without the brand’s knowledge. In this situation, the buying brand has no knowledge of (or influence over) whether employees are treated fairly, since the factory is not monitored through audits. It is also more difficult for trade unions to organise workers at unofficial suppliers. All brands, except for KappAhl, reported that they have identified only a few Syrian refugees working at their Turkish suppliers. However, only H&M and Varner conduct audits beyond their first-tier suppliers, which means that cases may go undetected. H&M, Lindex, KappAhl and Varner report that they have some controls in place to prevent the risk of undeclared subcontracting, but Gina Tricot does not conduct such checks.

H&M stated that they identified 14 refugees at four first-tier supplier factories in 2015, and none from January to August 2016. No Syrian refugees were working at H&M suppliers as of August 2016. Lindex stated that one of its suppliers had applied for and obtained work permits for two refugees, but that these two employees work at one of the supplier’s other factories, which does not produce for Lindex directly. Gina Tricot reported that one of its suppliers identified Syrian workers at a subcontractor, but that the contract with the second-tier supplier was already terminated when Gina Tricot received the information; the company has no information about what happened to the workers. Varner reports that it found Syrians at one factory in 2015 and at two factories in 2016 (as of August 2016). The total number of Syrian refugees at the three first-tier suppliers was 10.

H&M and Varner report that they assign translators from local NGOs to interview any Syrian refugees in Arabic if needed. Lindex also states that it will use interpreters if necessary. KappAhl states that it can contract Arabic speakers through its networks such as the Ethical Trading Initiative (ETI). Gina Tricot's supplier audits are carried out through the Business Social Compliance Initiative (BSCI).³⁶ Gina Tricot states that BSCI does not know whether its Turkish auditing companies include Arabic speakers, but that BSCI is collecting information about their language skills.

Only H&M and Varner conduct audits beyond their first-tier suppliers. Lindex, KappAhl and Gina Tricot do not monitor working conditions further down the supply chain, which means that there may be discrimination of Syrian refugees that has so far gone undetected.

H&M states that it trains its staff on how to avoid undeclared subcontracting, and that it has measures in place to prevent this practice, including (1) monitoring each supplier's production capabilities, available production capacity and placed orders (2) joint capacity planning with suppliers and (3) avoiding agents as middlemen.

Varner states that the Varner Turkey office prevents undeclared subcontracting by performing controls at the factories during production to ensure that the orders are being fulfilled onsite.

Lindex and KappAhl report that they address this issue through the checks that their quality controllers conduct at the factories during production.

Gina Tricot relies on communicating its policy prohibiting undeclared subcontracting to the company's suppliers.

36 The BSCI is a coalition of companies that seek, according to the initiative's website, to promote labour rights in their supply chains, for example by coordinating audits between brands that source from the same factories. Companies that are members of the BSCI commit to implement its Code of Conduct, which is based on ILO standards, <http://www.bsci-intl.org/content/what-we-do-0>.

What happens when Syrian refugees are identified?

We asked the brands what process they instruct their suppliers to follow if undocumented Syrian refugees are identified, including whether to continue employing them. While H&M, Lindex and Varner have processes in place, KappAhl and Gina Tricot lack specific guidelines and plans for handling such cases.

We also asked whether the brands have a plan for providing remediation for any discrimination or abuse that undocumented Syrian refugee employees have been subjected to, for example to compensate workers who have been paid below the minimum wage. None of the companies gave any details concerning whether (or how) refugees are compensated economically for past discrimination or abuse.

H&M does not have a general rule or policy on whether a Syrian refugee without a work permit will remain in employment. It reports that it engages with the local NGOs ASAM and the Association for the Support of Contemporary Living (CYDD) to find the best solution for the worker. H&M also asks the supplier to prepare a corrective action plan.

Varner cooperates with local NGOs MUDEM and ASAM to help Syrian refugee workers. Refugees who are identified are offered English/Turkish language education, monthly payments and the process to apply for a work permit is initiated.

Lindex's SOP requires its suppliers to apply for a work permit for Syrian refugees within two weeks of their identification, and to pay refugees the gross minimum wage until the permit is obtained.

KappAhl and Gina Tricot have not issued any specific instructions to suppliers regarding what actions to take if Syrian refugees are identified, but have stated that they have communicated to their suppliers that they are expected to follow Turkish law. The two brands do not collaborate with any NGOs or trade unions to provide protection and support to refugees.

Best practice – Mothercare group plc

Mothercare's Syrian Refugees in Turkish Factories Policy & Remediation Guidelines³⁷ detail the steps that the auditor, the supplier and Mothercare should take if a Syrian refugee is identified. The policy takes into account the fact that a refugee who has not registered with the authorities needs to wait six months before becoming eligible to apply for a work permit. In such cases, the policy requires the worker to be paid at least the gross minimum wage until the permit is obtained. The supplier is also obliged to retrospectively pay any money owed to an undocumented Syrian worker if s/he has not been paid the gross national minimum wage from their start date at the factory.

Furthermore, the policy gives instructions on severance pay and the notice period if it is not possible to arrange a work permit, for example if the worker does not wish to register with the authorities or if the factory cannot offer employment due to the legal restriction that the proportion of refugees should not exceed 10% of a company's workforce.

Capacity building

We asked if the companies had conducted any specific training with their first- and second-tier suppliers regarding the risks of abuse of Syrian refugee workers. While H&M, Lindex and Varner all conduct trainings on the issue with their first-tier suppliers, only H&M also involves its second-tier suppliers to some extent.

H&M has a regular sustainability meeting at the beginning of each year with all suppliers, including second-tier suppliers. It also provides training for all new suppliers in order to share sustainability procedures.

Varner staff has carried out awareness training on refugee workers' working conditions with their first-tier suppliers since September 2015.

Lindex trained its first-tier suppliers in 2015 and again after the January 2016 law. Lindex trains its suppliers' corporate social responsibility teams to initiate training at their subcontractors.

Gina Tricot and KappAhl have not held trainings for their Turkish suppliers about the risks of abuse of Syrian refugee workers.

37

Available at <http://www.mothercareplc.com/~media/Files/M/Mother-Care/documents/mothercare-group-syrian-refugees-policy-and-remediation.pdf>.

Engagement with stakeholders

We enquired whether the brands collaborate with local civil society groups or trade unions on, for example, mapping the risks of abuse of Syrian refugees in their supply chains. H&M, Lindex and Varner all cite collaboration with the Turkish NGO ASAM. H&M also cited collaboration with CYDD concerning cases of child refugee workers, and Varner report collaborating with MUDEM. However, all engagement relates to dealing with cases in which refugees without a work permit are identified. None of the brands mentioned cooperation with local stakeholders to proactively identify where in their supply chains the risks of abuse of Syrian refugees are most salient.

We also asked the brands if they had engaged with the Turkish government regarding the legal framework for Syrian refugees. Only H&M had done so, in cooperation with ETI³⁸ and the FLA³⁹, both through sending a letter⁴⁰ and meeting with the head advisor of the prime minister of Turkey. KappAhl has not engaged with the Turkish government, although it is also a member of ETI, which actively pushed for the January 2016 legislation.

Varner cited dialogue and working with ASAM and MUDEM and ETI Norway to develop and ensure responsible support for refugees. It also referred to engagement with the UN refugee agency (UNHCR), which held a roundtable discussion with brands and other stakeholders in May 2016.

Lindex cited collaboration with ASAM, specifically concerning any cases of identification of child refugees working at the suppliers. It also participated in the May 2016 UNHCR roundtable.

KappAhl does not collaborate with local stakeholders, but referred to its participation in the ETI.

Gina Tricot cited its participation in the BSCI, but gave no details on the type of collaboration or engagement BSCI has undertaken.

38 The ETI consists of companies, trade unions and NGOs that commit to implementing the initiative's Code of Labour Practice, which is based on ILO standards. H&M and KappAhl are foundational stage members of the ETI (which means they are new and still establishing the core elements of a credible ethical trading programme).

39 H&M is a former member of the FLA.

40 FLA, Letter to the *Turkish Ministry of Labor and Social Security and Turkish Directorate General of Labor*, 14 November 2014

Analysis and conclusions

The brands' levels of readiness to address the risks of discrimination and abuse of Syrian refugees in their Turkish supply chains can be divided into three groups: (1) H&M and Varner, (2) Lindex and (3) Gina Tricot and KappAhl. While the first two groups have taken some steps in the right direction, the third has failed to monitor and prevent the risks. It is especially surprising that Gina Tricot, which sources 40–45 per cent of its total global purchasing value from Turkey, has not prioritised the prevention of the discrimination and abuse of Syrian refugees.

Table 2. Brands' readiness to address the risks of discrimination and abuse of Syrian refugees

	App. Turnover 2015 (EUR)	Policy communicated to suppliers	Audits beyond first tier	Steps to prevent undeclared subcontracting	Engagement with local stakeholders	Training with suppliers	Government engagement
H&M	18,561 million	Yes	Yes	Yes	Yes	Yes	Yes
Varner	1,231 million	Yes	Yes	Yes	Yes	Yes	No
Lindex	652 million	Yes	No	Yes	Yes	Yes	No
KappAhl	485 million	No	No	Yes	No	No	No
Gina Tricot	140 million	No	No	No	No	No	No

Varner and H&M have begun addressing the issue by communicating their position to their Turkish suppliers as well as conducting audits beyond the first tier. The two brands also report having certain procedures in place to prevent undeclared subcontracting. If a Syrian refugee is identified as working in their supply chain, both brands state that they work with local NGOs to provide support and protection to the individual. While both H&M and Varner conduct trainings on the risks of abuse of Syrian refugees with their first-tier suppliers, only H&M also involves its second-tier suppliers to some extent. Varner also lags behind H&M in terms of government engagement.

Lindex has an SOP in place for suppliers to follow if Syrian refugees are identified as working in the supply chain. It is the only company in the study that explicitly instructs its suppliers to pay an undocumented Syrian refugee the gross minimum wage until a work permit is obtained in order to compensate for the lack of social security payments. The company also conducts training on the risks of abuse of Syrian refugees with its first-tier suppliers and has some controls in place to prevent undeclared subcontracting. Like H&M and Varner, Lindex cites collaboration with the local NGO ASAM. However, it does not conduct audits beyond the first tier. This is problematic, since most Syrians work further down the supply chain of the exporting garment factories in Turkey.⁴¹

The laggards KappAhl and Gina Tricot have not shared any specific policy statements sent to their Turkish suppliers regarding how Syrian refugee workers should be treated, or concerning the steps to be taken when undocumented Syrian refugees are identified. The companies also lack procedures for conducting audits beyond the first tier. Neither conducts trainings on the risks of abuse of Syrian refugees with their suppliers. While KappAhl reports that it has some checks in place to prevent undeclared subcontracting, Gina Tricot does not conduct similar controls. Finally, neither engages with local stakeholders or the Turkish government, though KappAhl is a member of ETI, which pushed for the January 2016 legislation.


Even though H&M, Lindex and Varner have begun addressing the risks of exploitation of Syrians among their Turkish suppliers, further steps should be taken.

Fair Action and Future In Our Hands recommend four main areas for improvement:

1. risk mapping to prioritise monitoring of the supply chain
2. collaboration with local NGOs and trade unions to prevent abuse and discrimination
3. remedy in cases of abuse or discrimination
4. incentives to suppliers who are willing to provide decent working conditions to all workers

Currently H&M, Varner and Lindex collaborate with stakeholders mainly after undocumented Syrian refugee workers have already been identified. All brands should work with local stakeholders to proactively identify where in their supply chains the risks of abuse of Syrian refugees is greatest, and target vulnerable suppliers or processes with preventative actions including monitoring and capacity building, in collaboration with local stakeholders such as trade unions and NGOs. The companies should also strengthen measures to prevent undeclared subcontracting.


41 Interview with Alpay Celikel, August 2016. See also Business & Human Rights Resource Centre, *What's Changed for Syrian Refugees in Turkish Garment Supply Chains?*, October 2016



The brands' responsibilities for remediation entail addressing past abuse and protecting workers going forward. Syrian refugees who have been paid below the minimum wage (and/or have not been paid for overtime) and lack social security benefits, and who may suffer from work-related health problems, should be provided with compensation and redress for such previous exploitation. None of the brands have presented a clear process for such remediation.

To ensure workers' future protection, the brands must ensure that suppliers pay all Syrian refugees the gross minimum wage until they obtain a work permit, in order to compensate for the lack of social security payments. This is especially important since there are reportedly delays in the processing of applications for work permits.⁴² Currently, only Lindex requires its suppliers to do so.

42 Business & Human Rights Resource Centre, see above.



*'My whole life is now work',
says 24-year-old Jamal, who works in one
of Istanbul's garment factories.*

Recommendations to the brands

In line with the UNGPs, Fair Action and Future In Our Hands recommend that brands take the following steps in relation to their Turkish supply chains:

1. Communicate your position on the protection and non-discrimination of refugees to your Turkish suppliers. At a minimum, the following requirements should be included:

- Syrian refugees are not to be dismissed even if they do not have work permits. It is the responsibility of the supplier to apply for work permits if workers do not have legal status.
- Syrian refugees should not be discriminated against in recruitment or concerning wages, working hours or any other conditions, in line with ILO Core Convention no 111.

2. Carry out risk assessments in accordance with the UNGPs to identify which parts of the supply chain should be prioritised to prevent the abuse of Syrians. The assessments should go beyond the first-tier suppliers to also address the risk of undeclared subcontracting. This should be done in collaboration with NGOs and trade unions.

3. Improve monitoring and auditing processes in order to detect any instances of discrimination against or abuse of Syrians. Specifically:

- conduct audits beyond the first tier of the supply chain, focusing on factories/processes where the risks of abuse are highest
- ensure that Arabic speakers are part of audit teams
- go beyond pass/fail compliance checks and involve workers and local stakeholders including trade unions in the process of monitoring suppliers.

4. Develop an action plan in partnership with civil society and trade unions based on the risk mapping, including:

- increasing supplier capacity on this issue – develop training and support for suppliers on protecting Syrian refugees
- rewarding suppliers that are willing to improve working conditions – including preventing discrimination against migrant worker – with price premiums, longer-term collaboration and larger orders.

5. Provide remediation in cases where refugees without work permits are identified. This should include:

- guidance to suppliers on steps to be taken when a refugee is identified, including the requirement to apply for a work permit and the payment of gross minimum wage to the worker until a work permit is obtained
- ensuring that workers are compensated for past discrimination and abuse, including unpaid social security benefits, illegally low wages or unpaid overtime
- identifying appropriate civil society partners, including NGOs specialising in refugee issues and trade unions, which can assist with remediation.

6. Work collaboratively within multi-stakeholder initiatives such as ETI in Norway and the UK, Fair Wear Foundation and FLA, and connect with local civil society organisations and unions to find solutions. Multi-stakeholder initiatives are also a good forum for coordinating lobbying activities towards the Turkish government to improve the legal framework for refugees.

7. Report publicly on the outcomes of your efforts. Affected workers, local NGOs, trade unions and other stakeholders should be able to hold companies accountable and demand improvements. Transparency is also a way of sharing good practice with industry peers.



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43 Business & Human Rights Resource Centre, *Syrian Refugees in Turkish Garment Supply Chains*, February 2016

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Appendix –

Questionnaire to garment brands concerning Syrian refugees in Turkey

Policy

1. Does your company have a policy specifically prohibiting discrimination and exploitative practices against Syrian refugees? (If so please provide a link to this policy or provide it as an attachment). How is this policy communicated to suppliers in Turkey?

Audits/risk assessment

Please note that the term first tier suppliers refers to manufacturing factories (including cutting, sewing, printing, embroidery, washing, finishing etc. of/on a final product). Second tier suppliers are fabric and yarn mills, meaning material suppliers.

2. How many first tier Turkish suppliers does your company have?
3. How many have been audited since 1 Jan 2015? Are the audits performed by your own audit and monitoring team or do you use an external contractor? If so, what external contractor? What percentage of audits have been unannounced?
4. Does your company carry out audits beyond the first tier? If so what percentage of second & third tier Turkish suppliers have been audited since 1 Jan 2015 and what percentage of these audits have been unannounced?
5. Do the audit and monitoring teams have Arabic-speakers who have received special training tailored to the situation of Syrian refugees, and do they speak with the workers confidentially?
6. How does your company address the possibility of undeclared subcontracting in its supply chain?
7. Has your company identified supplier factories employing Syrian refugees in 2015 or 2016? If the answer is yes please state when and how many factories, if possible
8. Has your company identified supplier factories employing Syrian child refugees in 2015 or 2016? If the answer is yes please state when and how many factories, if possible

Remediation

9. When Syrian refugees are identified at a supply factory, what process does your company expect the supplier to follow? In particular please state whether they remain in employment.

10. Does your company have a remediation plan that addresses instances of discrimination/abuse against Syrian refugees in its supply chain? If yes please provide details of the plan, how it is communicated to refugees, and examples of outcomes if available.

Capacity building

11. Has your company undertaken any specific training with its first tier suppliers related to risks of abuse of Syrian refugee workers?
12. What steps has your company taken to ensure that your policies/approach regarding Syrian refugee workers are being implemented by suppliers beyond the first tier?

Stakeholder engagement

13. Does your company engage with local civil society groups and trade unions on this issue, for instance, in negotiating a policy position & carrying out risk mapping?
14. Does your company work with trade unions on identifying health & safety risks for Syrian refugees (where communication may be difficult)?
15. Does your company work with trade unions or other partners to offer training and education programs for refugees?
16. Has your company engaged the Turkish Government regarding the legal framework for Syrian refugees? If not, do you plan to do so?

Other information

Please provide any further information regarding your company's activities on this issue which you think are relevant.

