

Questions for garment brands re Syrian refugees in Turkey

October 2016

Company: Esprit

1. Does your company have a policy specifically prohibiting discrimination & exploitative practices against Syrian refugees? How is this policy communicated to vendors in Turkey?

As per our own Code of Conduct and the BSCI code of conduct, Esprit does not accept any discrimination or exploitive practices in our supply chain. Specifically for Syrian refugees, Esprit does not have a written policy but we have reinforced our position through direct contact with our suppliers in general and, in particular, on the single occasion we encountered Syrian workers in one of our supplier's factories.

2. How many first tier Turkish vendors does your company have?

[previous response:] 48 2016: 40

3. How many have been audited since in the last year? What percentage of audits have been unannounced?

[Previous response:]

19 BSCI audits (semi announced)

7 internal audits (unannounced)

110 spot checks (not full audits, but rather visits to check progress on specific issues between audits- unannounced)

2016 data:

19 BSCI audits (semi announced- 1 month window)

21 internal audits (unannounced)

97 spot checks (not full audits, but rather visits to check progress on specific issues between audits- unannounced)

84% of visits are unannounced. All factories audited at least once per year. Syrian worker issues are a part of all visits, including audits and spot checks.

4. Does your company carry out audits beyond the first tier? If so what percentage of second & third tier Turkish suppliers have been audited in the last year and what percentage of these audits have been unannounced?

Esprit carries out unannounced audits in second and third tier suppliers and we are in a mapping process to fully systematize the cross-tier audit process.

Esprit has three audit methodologies:

- Semi announced (1 month window) for BSCI audits
- Unannounced internal follow up audits.
- Unannounced internal spot checks. These are short, unannounced visits where Esprit staff checks progress on specific issues that require continuous monitoring

and where unannounced visits are more likely to confirm actual conditions, such as locked fire exits, child labor, workers without work permits and casual workers, etc. The auditor checks improvements since the last audit.

5. Do the audit & 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?

Esprit uses a 3rd party audit partner in Turkey that has Arabic speaking auditors.

The sole occasion where Esprit found Syrian migrants in our factory was an unauthorized subcontractor, which our internal staff audited (not 3rd party). We engaged the Association for Solidarity with Asylum Seekers and Migrants (ASAM), and will do so again if refugees are found.

6. How does your company address the possibility of undeclared subcontracting in its supply chain?

Esprit clearly states in our Code of Conduct (part of our standard supplier agreement), standard operating procedures and the BSCI Code of Conduct to which all suppliers agree to adhere that undisclosed subcontracting is not tolerated. We are very much aware of the risks and Esprit conducts subcontracting evaluations during audits, supplier visits and spot checks. All Esprit internal and designated external auditors in Turkey are trained to detect undisclosed subcontracting.

Esprit reserves the right to terminate suppliers that engage in unauthorized subcontracting but, given that subcontracting is an integral part of the Turkish production model, we have found that a hard line on the issue leads to subcontractors

being hidden, rather than revealed. The attitudes of other brands make our work harder in this regard. We are currently undertaking a mapping exercise to confirm all first, second and third tier suppliers in the interest of transparency.

7. Has your company identified supplier factories employing Syrian refugees in the last year? If the answer is yes please state how many factories, if possible

None in 2015.

October Update: In September [Esprit] found one additional Syrian worker in one of our factories. We are in the process of having the employer obtain a work permit for the worker (she already was registered as a resident of the town in which she is working). We've also asked that she be given Turkish lessons. Esprit believes that, if the Syrian refugee migrants can speak the local language, they will be better able to look after their own interests, and change jobs if they are not treated as they should be.

8. Has your company identified supplier factories employing Syrian child refugees in the last year? If the answer is yes please state how many factories, if possible

None in 2015. One juvenile Syrian worker was encountered in 2013.

None in 2016.

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.

Esprit's priority is helping the workers in our factories, which means that dropping a factory for social compliance violations is a final step that we seek to avoid. We engage in remediation programs together with our suppliers and other stakeholders. Esprit has only encountered one case, in 2013, where Syrian refugees were found in one of our subcontractors. A remediation process was carried out together with ASAM. The workers remained employed during the remediation.

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.

The remediation process for Syrian refugees is a very sensitive issue, since until recently strict adherence to local law stood to harm the workers we were trying to help. For this reason, Esprit works with a local NGO to address the issue on a case by case basis as we encounter it.

The main outline of the remediation program would be:

- Esprit and the master supplier ensure that the Syrian workers have a written employment contract (in Arabic or Kurdish and Turkish), will be able to get health and safety training in their own language, and benefit from regular health checks and medical care where necessary.
- Turkish classes for all Syrian workers
- Possible legal assistance for obtaining work permits or access to asylum camps (for applicable cases)

- Syrians must be paid the same as local people doing the same work.

11. Does your company work with any local NGOs or trade unions to provide remediation services to refugees?

We have worked with the Association for Solidarity with Asylum Seekers and Migrants (ASAM).

12. As Syrian refugees cannot receive social security benefits at this time, is your company taking steps to ameliorate the impact of this?

The remediation plan that we implemented included an initial health check for all workers in the factory and an agreement between the supplier and Esprit for the provision of medical care where necessary.

13. Has your company undertaken any specific training with its first tier suppliers on this issue?

Meetings were held with each supplier in relation to zero tolerance, undisclosed subcontracting and migrant labor with the participation of top management. Esprit is now training our suppliers' compliance personnel on auditing and detection of major compliance issues.

A joint vendor summit was held in 2015 to train suppliers and their key subcontractors on Social Compliance and Quality. Issues related to Syrian refugees were discussed.

2016: We have provided one-on-one briefings for all our suppliers in Turkey on how to respond to Syrian workers and to make sure that they are able to register Syrian workers if they wish to hire them.

14. What steps has your company taken to ensure that your policies/approach are being implemented by suppliers beyond the first tier?

We are implementing the Cascading Principle of the new BSCI Code of Conduct, and are mapping our suppliers to assure that it is applied.

15. 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?

- Esprit is a member of the BSCI, Better Work and ACT
- In Turkey, we frequently meet with the FLA and the ETI
- We maintain informal contacts with other brands and trade unions at the local level, as well as in Europe

16. Does your company work with trade unions on identifying health & safety risks for Syrian refugees (where communication may be difficult)?

We are in contact with trade unions both in Turkey and in Europe for a variety of reasons, including wage, benefit and health and safety issues for Turkish workers as well as Syrians.

17. Does your company work with trade unions or other partners to offer training and education programmes for refugees?

Association for Solidarity with Asylum Seekers and Migrants (ASAM).

18. Has your company engaged the Turkish Government regarding the legal framework for Syrian refugees?

Esprit has been a part of the brand collaboration group on Syrian Refugees. Additionally we taken part in FLA and ETI collaboration to lobby the Turkish Government to provide work permits for Syrian Refugees.

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

Have you increased the percentage of suppliers audited?

Yes the number of internal audits has been increased from last year

Have you created a Syrian refugee action plan?

We have been a part of not just creating our own action plan but also participated in the creation of the FTA/ BSCI guidance on Syrian Refugees which we now in use. This guidance docment has been shared with all of our suppliers.

We are also a part of the Turkish brands working group on Syrian Refugees which together with NGO's such as FLA, FWF and ETI had meetings with employers associations and the government. After which leaflets have been developed by the Turkish government for Syrian workers.

We have also taken part in the UNHCR round table on the issue.

We continue working collaboratively together with other brands sourcing from Turkey to develop guidance and support to supplers in Turkey

Are you providing new training to suppliers?

We are now providing short one to one briefings to all our suppliers in Turkey to make sure they are able to register Syrian workers if they wish to hire them.