



# Survey: Jordan garment sector supply chain due diligence (2018)

**Company: Gap Inc.**

## **1. Please explain your approach to mapping human rights risks in your Jordanian supply chain and whether you work with any local partners in doing so.**

Globally, Gap Inc. seeks to ensure that the people who make our clothes are not subject to any form of discrimination, exploitation, or unfair labor practices. We have developed a set of policies that seek to ensure that workers' rights are respected, as outlined in our Code of Vendor Conduct ([COVC](#)). In Jordan, our engagement with suppliers is based on a two-pronged approach, accounting for the specific human rights risks that presently exist in Jordan.

- **Partnering with ILO Better Work** to assess and remediate issues that are found in the factories with which we work. This includes partnering with ILO Better Work to specifically address the complex vulnerabilities faced by migrant workers in the country. We have worked with ILO Better Work to support and leverage the tripartite Collective Bargaining Agreement (CBA), which seeks to ensure equal treatment of migrant workers.
- **Partnering with CARE Jordan** to support women in urban community settings, and inside the Azraq refugee camp, via our [Gap Inc. P.A.C.E. program](#). The participating women, including more than 150 Syrian refugees, received training on the following P.A.C.E. life skills modules: Communication Skills, Problem-solving and Decision-making, Time and Stress Management, WASH, Financial Literacy and How to Run Small

Businesses. The project addresses the livelihood needs of vulnerable women and ensured the women had access to alternative means to develop sustainable livelihood options, through small scale entrepreneurship, thereby improving women's self-confidence and inter- and intrapersonal skills to facilitate networking and household gender equality discussions.

**2a. Does your company have a human rights policy which addresses worker rights in your supply chain?**

Yes. Please see our Human Rights Policy [here](#).

**2b. Does your company have a specific policy prohibiting discrimination and exploitative practices against migrant workers and refugees?**

We are cognizant of the vulnerabilities faced by migrant workers, refugees and foreign contract workers, and as a result have developed a set of policies to protect their human rights and safety. In the case of migrant workers and refugees in Jordan, the "Foreign Contract Workers" standards within our COVC are applicable. Through this policy, Gap Inc. maintains that facilities that recruit or employ foreign contract workers (FCWs) shall ensure that these workers are treated fairly and on an equal basis with local workers. Migrant workers or refugees shall not be subject to any form of forced, compulsory, bonded or indentured labor. All work must be voluntary, and workers must be free to terminate their employment at any time, without penalty.

**2c. Does your company have a specific policy on migrant worker recruitment that specifies: no payment of recruitment fees, no document confiscation, a written employment contract?**

Within our COVC, we have incorporated an extensive list of procedures and standards in relation to the treatment and employment of foreign contract workers. Our COVC clearly states that facilities shall not discriminate, intimidate, control passports or misuse contracts or recruiting fees and paperwork as they relate to migrant and foreign workers. We also amended our requirements on employment of foreign contract workers to ensure due diligence of recruitment agencies before contracts are made with them, and we require our suppliers to assess recruitment agencies on their legal and ethical recruitment practices. Our Supplier Sustainability team tracks these procedures to help ensure that these workers are treated fairly and on an equal basis with local workers.

**3. How many first tier suppliers based in Jordan does your company have and have you traced your supply chain beyond the first tier?**

Gap Inc. has five first tier suppliers with nine approved facilities in Jordan, which includes supporting functions such as washing and embroidery units.

#### **4. What steps does your company take to ensure that your policies and standards are implemented by first tier suppliers and suppliers beyond the first tier in your Jordanian supply chain?**

Gap Inc. expects all suppliers to follow the provisions contained within our COVC, and we conduct regular assessments and trainings on these requirements. Our team talks extensively with workers at factories where our clothes are made, and we follow up on the issues we find. We focus much of our time on complex issues such as forced labor, fire and safety issues inside factories, freedom of association and excessive overtime. Because many of these issues touch on systemic challenges, we know that we can't tackle them on our own, which is why we partner with governments, NGOs, trade unions and other companies to improve labor standards in apparel supply chain.

While engaging with our suppliers, we strive to take actions that will lead to improvements – not just in the short-term, but through the creation of long-term sustainable change. In Jordan, our supplier factories are assessed by ILO Better Work teams, and we have regular meetings both with our suppliers and ILO Better Work teams to ensure that the suppliers are following our requirements.

We also conduct regular trainings sessions for our suppliers on Gap Inc. policies outlined in our COVC.

## **5. How does your company monitor the compliance of first tier suppliers and suppliers down the supply chain with your policies and standards?**

We partner with our suppliers to ensure safe, fair and healthy working conditions for the individuals who make our clothes. We view our suppliers as critical partners in meeting our business and sustainability goals, and we work with them to set shared goals and monitor and improve performance.

Together, we share accountability for sustained improvement of working conditions, which will help us reach our goal of ensuring all our supplying facilities meet performance standards. Our COVC is a living document that defines our standards for working conditions at the facilities that make our products. It is incorporated into our Vendor Compliance Agreement, which is signed by all our branded-product manufacturers.

Each fiscal year, our Assessment & Remediation team conducts a full assessment of our active manufacturers of our branded product to understand working and labor conditions, facilitate greater partnership with our suppliers and improve sustainability performance. Each assessment includes interviews with managers, confidential interviews with workers, visual observations and reviews of documents and records.

### **Clarification provided 19/4/2018**

Gap Inc. does not allow production in any subcontracting units or tier 2 units like for washing, printing, embroidery etc unless they are 'approved' by Gap Inc. AND register under the Better Work Jordan Program. Gap Inc. has stringent policies and protocols should any vendor/ factory is found violating the above requirement.

## **6. Please explain how you monitor recruitment systems used by your suppliers to employ migrant labour.**

Within our COVC, we have incorporated an extensive list of procedures and standards in relation to the treatment and employment of foreign contract workers. We have amended our requirements on employment of foreign contract workers to help ensure due diligence of recruitment agencies before contracts are made with them, and we require our suppliers to assess recruitment agencies on their legal and ethical recruitment practices. Our Supplier Sustainability team tracks these procedures to ensure that the workers are treated fairly and on an equal basis with local workers.

Our foreign contract worker requirements, as part of our COVC, prohibit recruitment agencies from charging workers any illegal fees and/or fees payable to the host government, such as levy, legal work document fees, and fees for renewing work documents. In cases where it has been found that recruitment fees have been paid by workers, we require and verify that the affected workers are reimbursed.

### **7a. In the last year has your monitoring uncovered instances of inadequate, unsafe or unsanitary worker accommodation?**

22 issues.

### **7b. In the last year has your monitoring uncovered instances of health & safety violations in the workplace?**

Yes, we identified 37 instances of health & safety violations in the workplace.

**7c. In the last year has your monitoring uncovered instances of workers being forced to work excessive overtime or not paid overtime at the correct rate?**

We found certain instances of high overtime as contracts were issued based on 12 hours per day. But no instance of non-payment has been identified.

**7d. In the last year has your monitoring uncovered instances of workers being subjected to sexual harassment or other abuse?**

Yes, we identified one instance of a loud and abusive supervisor. We worked with the facility to remediate the situation, and the facility is now providing behavioural skills trainings to their supervisors.

**8a. In the last year has your monitoring uncovered instances in your supply chain where migrant workers have been charged recruitment fees?**

Yes, we identified three instances wherein workers were paying higher recruitment fees and additional sums for medical tests. In all cases the vendor was required to reimburse the workers immediately, or as a commitment, to be paid during settlements. All instances were appropriately remediated.

**8b. In the last year has your monitoring uncovered instances in your supply chain where migrant workers have not been paid the minimum wage (or contractually agreed amount)**

Yes, we identified one instance of discrimination wherein local workers were paid total incremental minimum wages, but whereas migrant workers were paid a differential amount. All instances were appropriately remediated,

wherein migrant workers received back-pay to ensure parity with non-migrant workers.

**8c. In the last year has your monitoring uncovered instances in your supply chain where migrant workers have had their passports retained by factories or other agents?**

No.

**8d. In the last year has your monitoring uncovered instances in your supply chain where migrant workers have been deceived in the recruitment process regarding salary level and/or employment conditions?**

No.

**9. What process does your company expect the supplier to follow when breaches of its policies or applicable regulations are identified and how do you verify corrective action has been taken?**

A key tenet of our approach to partnering with facilities is that we work to fix what we find. Together with facility management, we agree on specific, time-bound corrective action plans to address findings, and we provide additional resources to fix the issues that pose higher risks to workers' rights and wellbeing, as well as to our business. Based on the severity of issue, we outline a timeline within which we expect the factory to fully remediate. We also collaborate with local stakeholders who have direct access and influence to improve conditions.



We further monitor progress through follow-up assessments. Should there be outstanding or overdue issues, our Supplier Sustainability and Global Supply Chain teams escalate further intervention. However, if key or critical issues remain unresolved, we may halt future order placement or discontinue the supplier relationship.

We develop remediation plans that clearly address instances of discrimination/abuse against foreign contract workers, which would cover and be adapted for all migrant workers and refugees found.

For instances on breach in policy regarding health and safety and living conditions of the dormitory, we required the supplier to address the issues immediately by making necessary investments and build in systems to ensure sustainability.

For breach on overtime and payments, we worked with the vendor to identify the root cause and further developed timelines and identify steps to reduce overtime, within the legal limits.

For breach on recruitment fees and any other unfair charges, we work with the vendor to ensure repayments to the migrant workers are paid.

## **10. How does your company ensure that it engages effectively with workers in its Jordanian supply chain?**

While our team members are not native Arabic-speakers, they have all worked with local interpreters whenever necessary to conduct assessments. Our vendors in Jordan are required to submit a facility profile prior to the assessment, which includes demographic information about their workforce. If a facility employs foreign contract workers, they are required to submit relevant details, nationalities, and identification numbers.

Based on the facility profiles we have received (and the lack of foreign contract workers employed by our suppliers), coupled with our on-site assessments and verifications, it was not deemed necessary to work with Arabic-speakers for these assessments. Our assessment team (and interpreters), however, have spoken with workers confidentially in their local language to verify during these conversations if there are any foreign workers employed.

**Clarification provided 19/4/2018**

Most factory assessments for Gap Inc. are conducted by BWJ, they allocate trained assessors to the factory based on languages spoken by the factory workers. When our team conducts any worker engagements/ interviews we ensure that our staff speaks the local language of the workers or engages an independent interpreter

**11. Do any of your company's suppliers in Jordan currently employ Syrian refugees?**

Yes. One of our suppliers, Classic Fashion, employs 40 Syrian refugees.

**12. What (if any) steps is your company taking to help integrate Syrian refugees into your supply chain?**

We have partnered with CARE Jordan to implement the Gap Inc. P.A.C.E. program for refugee women inside the Azraq refugee camp. Under this pilot program, in partnership, one of our vendors has set up a technical training centre to provide sewing skills on industrial sewing machines. To date, approximately 150 Syrian refugee women have graduated from the P.A.C.E. program and are undergoing technical training inside the Azraq camp. Upon completion of the program, we hope that the women will have the necessary technical skills & efficiency levels to gain employment in garment manufacturing facilities.

**13. How are you safeguarding (or planning to safeguard) the rights of Syrian refugees working in your supply chain and what steps are you (will you be) taking to ensure other local or migrant workers have decent access to work as employing Syrian refugees becomes more common?**

Wherever Syrian refugees are employed in our approved facilities in Jordan, our Foreign Contract Worker guidelines will be enforced. This policy clearly specifies that Gap Inc. approved facility: "shall ensure, if it recruits or employs Foreign Contract Workers, that these workers are treated fairly and on an equal basis with its local workers. The facility shall ensure that migrant workers are not subject to any form of forced, compulsory, bonded, or indentured labor. The facility shall ensure that all work must be voluntary and workers must be free to terminate their employment at any time, without penalty. The facility shall ensure that migrant workers (or their family members) shall not be threatened with denunciation to authorities to coerce them into taking up employment or preventing them from voluntarily terminating their employment, at any time, without penalty."

While this policy does not specifically address Syrian refugees, the scope and intent would apply to any Syrian refugees working in any factory from which we source, including those in Jordan. Through the principles contained in our Human Right Policy and the COVC, Gap Inc. clearly outlines requirements and safeguards for migrant workers regarding critical issues such as employment contracts and terms, orientation and training, use of recruitment agencies and their due diligence, control of passports and payments, foreign contract worker discrimination, documentation and registration, and final payment and return fee.

**14. How does your company evaluate the impact of its purchasing practices on the capacity of your suppliers or factories in Jordan to ensure decent working conditions including a living wage?**

We have created a global team devoted solely to capacity planning. This allows us to build more balanced purchase orders and ultimately help our suppliers improve how they manage their own operations such that they can more effectively address the issue of working hours. Last year, we also participated in a program to improve our understanding of how our purchasing choices can lead to better outcomes. As part of Better Buying's beta test, we enlisted suppliers from South Korea, Sri Lanka and Hong Kong to evaluate our purchasing practices and provide feedback on their impacts. Using the results of that project, we will seek to incorporate insights into our core business operations, such as improved forecasting and giving appropriate lead times

**15. How does your company ensure freedom of association for all workers in its supplier factories in Jordan?**

We actively engage with ILO Better Work in Jordan, and meet with them on a quarterly basis to review their overall performance against our COVC. In these meetings we develop plans to address issues related to renewal of work permits of migrant workers, overtime in factories, issues of abusive supervisors and reasons behind such aspects, and recruitment fees paid by workers.

**16. Please provide any further information regarding your company's activities in Jordan which you think are relevant.**

In 2015, Gap Inc. committed to adapt and expand its Personal Advancement & Career Enhancement Program (P.A.C.E.) to support a total of one million women

and girls over the next five years. Having provided nearly 68,000 women to date with the foundational life skills, technical training and support that will help them advance in the workplace and in their personal lives, Gap Inc. committed to increase the implementation of P.A.C.E. beyond its direct supply chain. Initially a proprietary workplace program, Gap Inc. also committed to develop new curricula and pursue licensing agreements with NGOs, corporations, and schools to deliver tailored training to more than 500,000 women and adolescent girls in geographies and sectors beyond those where Gap Inc. has a direct interest.

Evaluations of participants have documented our impact: Women who participate in P.A.C.E. report increased knowledge, skills and productivity, as well as higher self-esteem and confidence. They describe becoming better at communicating, managing their finances, taking care of their health and planning for the future. P.A.C.E. has also helped enhance women's relationships at work, at home and in their communities.

Hence, we have explored other shorter and longer-term opportunities for Gap Inc. to support the Syrian refugee population, even beyond Jordan. We have now partnered with CARE International to expand our Gap Inc. P.A.C.E. program to a community-setting in Jordan with the goal of helping Syrian refugees. This included adapting the core curriculum and translating it into Arabic. The P.A.C.E. program offers an opportunity for both education and social connection and engagement in refugee environments which are lacking in intellectual, vocational or social outlets.

We are also examining our presence in current and projected destination countries, and exploring opportunities to work with vendors, franchise partners, NGO partners, and This Way Ahead partners (our youth employment program, which includes participation by immigrants and refugees) to support humanitarian and job placement efforts for Syrian refugees. We have donated GapKids coats and jackets to Save the Children to be distributed to refugee

children in Europe. We have also encouraged our employees to offer support by making a financial donation to one of the non-profit organizations working directly with the refugees, with a commitment by Gap Foundation to match donations of \$25 or more from eligible employees.