

# قطاع الملابس في الأردن: كيف تواجه شركات الملابس العالمية استغلال العمال وانتهاك حقوقهم؟



Business & Human Rights  
Resource Centre

# CONTENTS

Executive Summary .....	1
Context .....	3
Better Work Jordan .....	4
Our Survey Results .....	6
Key Findings .....	7
Risk mapping .....	7
Policy .....	7
Monitoring of factories .....	8
Abuses found .....	9
Remediation .....	10
Worker voice .....	10
Syrian refugees .....	11
Business model .....	11
Freedom of Association .....	12
What Should Brands Do? .....	13
Appendix 1: Transparency Records of Brands .....	14

# EXECUTIVE SUMMARY

Jordan's garment sector is [booming](#), driven by a free trade agreement with the United States and cheap migrant labour from South and Southeast Asia. Historically the situation of these vulnerable workers has been dire, with widespread allegations of trafficking, forced labour, [sexual assault and harassment](#), and discriminatory wages. Although there have been some real improvements in recent years, systemic problems around migrant workers' legal status and recruitment means [serious abuses](#) continue to occur. The potential for progress to be undone is heightened by the extraordinary challenges Jordan faces as it struggles to tackle its own high unemployment rate as well as find decent work to support the [1.3 million Syrian refugees](#) it is providing protection to. The protection Jordan is providing to a very large number of refugees must also be contrasted with the comparatively low numbers being offered protection in the US and Europe. This report summarises a survey of 21 garment brands, predominantly from the United States, who source from Jordan. We asked these companies to explain how they are combatting abuse of migrant workers, and how they will seek to integrate and protect Syrian refugees in their supply chains.

In Jordan, as in other parts of the Middle East, migrants are dependent on employers for their legal status, and therefore especially vulnerable to abuse and exploitation. Following a series of [scandals exposing endemic abuse](#) against migrant workers in factories based in the Qualifying Industrial Zones (QIZ), Better Work Jordan (BWJ) started operations at the request of the Jordanian Government in 2009. BWJ is a joint initiative of the International Labour Organization (ILO) and the International Finance Corporation (IFC) which aims to improve working conditions, promote social dialogue among the national stakeholders, and boost competitiveness in the garment sector. Jordan's garment sector was on the US Department of Labor's (DOL) list of goods made with the use of child or forced labour from 2009 until 2016, when it was finally removed. In explaining its decision, the DOL noted that while forced labour still occurred, it had "*significantly reduced*," the DOL noted the role of BWJ in bringing this about. However, despite some undoubted progress, local [NGOs continue to report receiving a high number of complaints](#) from workers alleging serious exploitation, including forced and indebted labour, unsanitary worker accommodations, and sexual harassment, particularly in subcontracting factories that are not covered by the BWJ programme. Furthermore, although there are not many Syrians currently working in the sector, there are now financial incentives for factories to employ Syrians through the EU-Jordan Compact. As Syrians enter the workforce they are also likely to become vulnerable to abuse.

In February 2017, we approached 21 mainly US-based garment brands and invited them to answer specific questions on how they were tackling abuse against migrant workers making their clothes, and how they planned to safeguard the rights of Syrian refugees as they entered the workforce. This questionnaire was developed in consultation with the Solidarity Center, Tamkeen Fields for Aid and the ILO. From the six responses we received from brands, it is clear that some brands, such as, **Gap Inc.**, **PUMA** and **New Balance** do have specific policies in place to safeguard the rights of migrant workers and are also taking some important steps in critical risk areas such as recruitment and worker engagement. However, the low response rate to our survey could indicate that many brands may simply not be prioritising the serious exploitation of the workers making their clothes in Jordan.

**Key findings included:**

- Low engagement on the situation in Jordan by brands, with 14 out of 21\* failing to respond to the survey, indicating brands may not be prioritising action in a region where serious abuses – including forced labour – are known to occur
- The brands that responded tended to have a better record on supply chain transparency generally than the non-responders:
  - Four out of six of the brands that responded publish a complete list of their tier one suppliers. Only three out of the fourteen non-responders do so.
  - Five out of six of the brands that responded had publicly available policies in place to protect migrant workers and the remaining brand's policy was in development. Eleven out of the fourteen non-responders also had such policies.
- Most brands are taking little targeted action to deal with systemic problems such as freedom of association, and the overhaul of migrant labour laws which cause vulnerability including in recruitment processes and specifically in relation to the charging of recruitment and other fees
- Lack of engagement with local civil society – no brand reported partnering with local groups as part of its risk assessment or supply chain due diligence
- Monitoring and compliance is primarily focused on the first tier. BWJ acknowledges that brands are not engaging or acting on assessments of subcontractors
- Brands need to be more prepared for the challenges of integrating Syrian refugees into their supply chain - **Gap Inc.** is the only apparel brand that indicated it is seeking to proactively support programmes to skill and integrate Syrian refugees into its supply chain

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\*We have not counted Target as a non-responder in these figures even though they did not respond to the survey as they stated that they only purchase finished goods from Hanes who are responsible for supply chain monitoring and referred us to Hanes



# CONTEXT

Jordan has a total population of 9.5 million. It currently hosts 2.1 million Palestinian refugees, and an estimated [1.3 million Syrian refugees](#). In addition, there is a significant migrant population coming predominantly from South and Southeast Asia. Within this context, Jordan's unemployment rate among the native population currently stands at [over 18%](#). Unemployment has been increasing since the 1970s, when new wealth allowed Jordan to [bring in migrant workers](#) to do low-paid, low-skilled jobs. Over the years, the number of migrant workers being brought in has increased exponentially; in the garment sector 75% of workers are migrants.

Jordan's garment sector is worth an [estimated](#) USD 1.65 billion and represents 19% of its exports, 95% of which are to the United States. The sector has grown sharply since 2000 as the result of the [US-Jordan Free Trade Agreement](#), and particularly the establishment of Qualifying Industrial Zones (QIZ). Goods from QIZs enjoy [duty-free and quota-free access to the US market](#), as well as a 100% tax exemption. Jordan's factories are predominantly focused on [cut and make](#) operations and employ an estimated 65,000 workers. Most migrant workers come from South and Southeast Asia, from countries such as Sri Lanka, Vietnam, Bangladesh, China, India and Pakistan and increasingly Myanmar, as well as Madagascar in Southern Africa.

The precarious legal status of these workers makes them especially vulnerable to abuse.\* Sponsors/employers are responsible for workers' visas and legal status, and for the return of the worker to their home country at the end of the contract. However, if employers fail in their obligation to renew workers' permits, [sanctions are enforced against the workers](#) not the employers, as workers are deemed illegal and liable to fines and deportation. In theory, workers are able to move jobs, but Jordanian law gives employers the right to claim [damages from workers if they do so](#) unless very specific conditions are met; in reality any change of job requires the approval of the sponsor/employer. This power imbalance means workers are very hesitant to complain or report abuse and systemic exploitation has flourished as a result. During our visit to the Irbid QIZ in March 2017 we spoke with workers from Myanmar who were paying part of their salary to "an agent" back home. This indebtedness of workers remains widespread; the US Department of State [reported](#) that as of 2015 "*workers in 47 percent of the factories in the garment industry pay unauthorized fees to recruitment agents in their country of origin, making them vulnerable to debt bondage*". In addition to recruitment fees, [Tamkeen also notes](#) that workers are often charged illegal fees each year to renew their work permits. Other common abuses include:

- Deception in employment processes
- Workers not having a contract in a language they understand
- Confiscation of passport/identity documents
- Long working hours without adequate breaks
- Refusal of the right to rest and leisure
- Sexual harassment and abuse
- Poor and unsanitary living conditions
- Threats of deportation and actual forcible deportation as a result of employers reporting workers as illegal

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\* For further information on the regulatory framework governing garment workers see [this ILO report](#).

- Discriminatory pay between Jordanian and migrant workers
- Failure to pay overtime or to pay overtime at the correct rate, and failure to pay wages at all
- Failure to pay a living wage

Despite these longstanding issues, the US DOL decided to [remove garments produced in Jordan from its 2016 Trafficking Victims Protection Reauthorization Act \(TVPRA\) list](#). In taking this decision, [the US DOL praised the targeted action](#) taken by the ILO, international brands, the Jordan garment industry association, the trade union and the Jordanian Government. While it did not say that forced labour had been eliminated from the industry, it did say that there had been a “*significant reduction*”. One of the most important steps noted by the US DOL in reducing incidents of forced labour was the establishment of the [Better Work Jordan](#) (BWJ) programme.

### Better Work Jordan

BWJ is a collaboration between the ILO and the International Finance Corporation. BWJ began operations in 2009 at the request of the Jordanian Government. Since July 2011 participation in the programme has been [compulsory](#) for all factories which are exporting to the US or Israel. As 95% of the sector’s exports are to the US, the programme is effectively being implemented industry-wide. According to BWJ, they have over 70 participating factories, the majority of which are based in the QIZs, with the rest scattered in rural areas with the aim of boosting the local economies. BWJ carries out assessments of factories for [brands against international standards and national laws](#), provides training to factories, and works with other stakeholders including international brands to improve working conditions. BWJ’s assessments of factories last for [two days and are unannounced](#). Assessment reports are sent to factories within four weeks and factories have seven days to review the report and provide any feedback before the report is shared with buyers that have been authorised by the factories to view it. BWJ says that as a result of the resources that brands save, they are supposed to direct their efforts to finding “solutions, fixing problems and capacity building”. BWJ’s 2017 [annual report](#) notes a number of significant advances including the establishment of collective bargaining agreements providing better protection of rights, and a unified contract designed to prevent the use of discriminatory terms of employment for migrant workers.

Despite some significant improvements, systematic issues and abuse remain the reality for many workers. In July 2017, we held a workshop in Amman with the Yarmouk University Refugees, Displaced Persons and Migration Studies Centre and Tamkeen Fields for Aid. Civil society and worker participants noted that the legal status of migrant workers, their lack of common language with employers or trade unions, and the fact that they are often dependent on abusive recruiters means serious rights violations are far from being stamped out. Examples of common ongoing abuses they cited were in line with our other findings, and included seizing of passports, beatings and humiliation, poor health and safety in factories and dormitories, prohibition of unionisation, collective bargaining and strikes which are regularly declared illegal by authorities and suppressed. Local groups said that while these types of abuses are less frequent in the bigger factories and members of BWJ, they are more common in non-participating subcontractors. However, although issues may be less frequent in the larger factories, allegations of abuse that have not been picked up in BWJ assessments are reported. In 2015, we asked Century Miracle, a major supplier to [Ralph Lauren](#), [to respond to allegations](#) by the Institute for Global Labour and Human Rights of forced labour, poverty wages, unsanitary worker conditions and excessive overtime (see their response [here](#)).

Another significant issue which is sector-wide, is wage levels, particularly in relation to migrant workers. While Jordanian workers are paid at least the national monthly minimum wage of JD 220, [migrant workers](#) are currently only paid JD 120 “*with the remaining amount going to accommodation*”

*costs standardised through collective bargaining agreements*". Our discussions with workers in QIZs revealed how low wages facilitate other violations including excessive overtime as workers seek to boost their pay. Equally, insufficient earnings enforce the migrant's wish to change employment, and thus for many lead to a gridlock situation of either falling short financially or being forced into illegality when changing employer against their sponsor's will. The ability of workers, and particularly migrant workers, to redress the balance of power and demand better terms, is curtailed through Jordan's restrictive laws on freedom of association. Under the law only one official union per sector is essentially permitted and the leadership function is restricted to Jordanian nationals only.

The influx of Syrian refugees has augmented these challenges. There have been concerted attempts from the international community to stimulate growth and create jobs to transition these refugees from humanitarian assistance to employment, as well as to support Jordanian workers. Under the [Jordan Compact](#), factories [get preferential access to the EU market, tariff-free for 10 years](#), if at least 15% of their workforce is Syrian. However, in reality it appears that few new jobs have so far been created in the garment sector, and Syrians are yet to be attracted into the sector. The reasons for this [are complex](#), but it is thought that most Syrians with garment experience have settled in Turkey, and that Syrian refugees in Jordan are largely based in urban areas, making a substantial commute to the QIZs unattractive. Another issue is [low wages in the garment sector](#); unlike Asian migrants who are living in factory-dormitory compounds and sending money back to families overseas, Syrian refugees need to support their families in Jordanian towns where the cost of living is relatively high. However, despite these challenges, Syrians are starting to enter the garment workforce, and some leading brands like **Gap Inc.** are looking for ways to skill and integrate them.

# OUR SURVEY RESULTS

We approached 21 apparel brands, primarily based in the United States, that are or have recently been sourcing from Jordan to answer a series of tailored questions on their approach to supply chain due diligence in Jordan. These questions seek to understand what existing steps brands are taking to protect vulnerable migrant workers in their supply chains and what they intend to do to protect and integrate Syrian refugees as they start to become part of the workforce. We only received six completed surveys from: **Columbia, Gap Inc., Hanes, New Balance, PUMA** and **PVH**. **Target** responded, referring us to **Hanes'** response as they purchase their finished goods from Hanes, who also manage the compliance of suppliers in Jordan relating to these goods. The responses can be viewed [here](#).

**Ann Inc., Carhartt, Lands' End, Nike, Ralph Lauren, Under Armour** and **Walmart** acknowledged our invitation but declined to respond.

**American Eagle Outfitters, JC Penney and VF Corp**, did not respond to our invitation.

**Costco, ONE Jeanswear Group, Talbots and Sears** declined to respond to the survey, but sent brief statements (also viewed [here](#)).

**Under Armour** informed us that it is “... reviewing the survey against information it already discloses to evaluate the nature, content, and timing according to which it may provide additional information responsive to, and/or addressing issues covered by, the survey as part of its ongoing efforts to review and/or update its publicly disclosed information.”

**Talbots** said, “As a private company, we do not disclose information about our supply chain or internal policies and procedures”. Similarly, **ONE Jeanswear Group** said “We are a private company and do not participate in requests to complete surveys”.

The human right responsibilities of companies are not dependent on their public or private nature, so we find this reason for non-response to the survey to be unsatisfactory. We call on these companies to disclose full information on how they carry out due diligence in Jordan, and in the rest of their global supply chain.

## Wider transparency records of responders and non-responders

While we appreciate that answering surveys can be time-consuming, we are disappointed that the response rate was so low within a sector and part of the supply chain where serious exploitation, including forced labour, is known and prone to occur. And while some of the brands that did not respond have a comparatively good record on public disclosure around their supply chain policies and practices (for example **Nike** and **VF Corp**), many of the brands that did not respond do not.

The brands that responded tended to have better records on supply chain transparency generally. For example, four out of the six\* brands that responded publish a complete list of the first tier factories, and **PUMA** publishes a list that covers 80% of its volume. In contrast, only three out of the 14 non-responders publish a complete list. Also, the brands that responded tended to score higher on the [2018 Fashion Transparency Index](#), which is a “review of 150 of the biggest global fashion brands and retailers ranked according to how much they disclose about their social and environmental policies, practices and impact.” All six responders scored 20% or more whereas only six of the eleven non-responding companies that were scored by the Index scored 20% or above (average FTI score of 37% for the responders vs. 22% for the non-responders).

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\* This includes Target who referred us to Hanes from whom they purchase finished products only. We have therefore counted them as responding even though they did not send a specific response.



# KEY FINDINGS

## Risk mapping

We asked brands how they approached risk mapping in their Jordanian supply chains and whether they work with local partners to do this.

All six brands that responded referred to collaboration with BWJ. **PVH** highlighted its participation in the BWJ Buyers' Forum where it interacts with other brands, the Jordanian Government and "local stakeholders", and said this helps alert them to "any potential human rights' risk in the supply chain". **Hanes** highlighted that it has a "dedicated compliance person on the Hanes CSR staff based in Jordan". **New Balance** and **PUMA** also referred to engagement with the Fair Labor Association. **Gap Inc.** referred to its partnership with CARE Jordan to provide training to Syrian refugee women to address the livelihood needs of vulnerable women. However, no brand referred to working with a local NGO or trying to establish ways outside of audit assessments to connect with grassroots groups and workers in order to understand the context of abuses (see "Monitoring of factories" section below). BWJ alone will not provide brands with sufficient information to understand all the risks, particularly below the first tier of their supply chain. Given the seriousness of abuses, brands need to carry out a full and specific risk assessment of their Jordanian supply chain without delay.

## Policy

We asked brands whether they had a specific policy prohibiting discrimination and exploitative practices against migrant workers and refugees, and if they had a policy on migrant worker recruitment that prohibited payment of recruitment fees and confiscation of documentation, and required a written contract for workers.

**Gap Inc.** referred us to its "Foreign Contract Worker" standards, saying these provide that "facilities shall not discriminate, intimidate, control passports or misuse contracts or recruiting fees and paperwork as they relate to migrant and foreign workers". **Gap Inc.** also notes that it amended its standards to include due diligence of recruitment agencies before contracts are made. **PVH** also referred to a policy on forced labour and migrant workers, which says that it "aims to address slavery and forced labor directly by (i) providing directives on agency fees, document withholding, contracts, and fair treatment (ii) educating suppliers on forced labor and (iii) giving guidance for preventing the practice".

**Columbia** stated that it was "currently revising...[its] migrant worker policy which addresses the issues of recruitment fees, document control and employment contracts." **PUMA** also said that it was currently working with other brands and stakeholders on migrant worker issues, and specifically recruitment fees. It said it will update its "Sustainability Handbook for Social Standards" after this process has been concluded. The Handbook already has a number of provisions relating to migrant workers including on recruitment and the prohibition of fees. **New Balance** said its "contract suppliers" do not currently employ any foreign labour in Jordan, but that there are a number of clauses that apply to migrant workers in its Code, including provisions against discrimination. A review of its Supplier Standards Manual showed that it does have a policy covering migrant workers that prohibits recruitment fees (in excess of what is allowed legally) and provides for clear contracts for workers. **Hanes** also said that it does not have a specific policy covering these workers but that it believes its "discrimination policy encompasses this". Although it is not a policy, a review of Hanes' publicly available audit indicators shows that it does assess factories on the issue of recruitment fees.

It is welcome that **Gap Inc.**, **New Balance**, **PUMA** and **PVH** have specific policies covering issues relating to migrant workers within their global supply chain that deal with critical risk areas. A review of the policies of all the brands we invited to respond (see appendix 1), showed that most brands did have a policy that addressed migrant workers and specifically recruitment of workers and fees. However, we did not find such a policy for four brands: **American Eagle Outfitters**, **Carhartt**, **JC Penney**

and **ONE Jeanswear Group**. **ONE Jeanswear Group** subsequently provided us with their supplier policy for publishing which includes provisions on migrant workers. It is important that all brands ensure that they have a policy protecting this vulnerable workforce. At the least, brands need to have a policy in place covering recruitment that makes it clear that recruitment fees must not be charged and that if they are they must be refunded in full. However, having the right policy is only part of the solution – even though many brands do have policies that exclude the payment of fees it is clear from factory assessments [carried out by BWJ](#) that many workers are still routinely being charged fees as these are currently permitted under Jordanian law.

### Monitoring of factories

We asked brands how many suppliers they had in Jordan, and how they monitored compliance with their standards among first tier suppliers and further down the supply chain. We also asked them to detail if they collaborated with local groups or trade unions and whether they monitored recruitment systems used by suppliers.

**Gap Inc.** has the biggest presence in Jordan out of the brands that responded, with five first tier suppliers and nine factories in total. These include supporting functions such as washing and embroidery. **PVH** said it *“sources from two factories in Jordan...[and] PVH’s Licensees source from five factories in Jordan”*. It did not say if it had traced below the first tier in Jordan specifically but did say it was *“expanding its assessment program deeper into our supply chain for greater transparency...starting with...strategic Level 2 suppliers...”*. **Hanes** said it sources the *“vast majority of [its] product in Jordan from Classic Fashions and a very small amount from United Creations”*. It did not say if it had traced below the first tier. **Columbia** said it had one first tier supplier and no tier two suppliers. It added that it would be exiting Jordan by the end of 2018. **New Balance** says it has two first tier suppliers. It says it has mapped its tier two suppliers and currently does not have any based in Jordan. **PUMA** said it does not have any active suppliers in Jordan at the moment but that it had two *“sewing and finishing factories via a Turkey based supplier in Jordan”* in the first half of 2017. It also said that its approach was to audit all “Core Tier 2 suppliers” on a regular basis.

**Gap Inc.**, **New Balance** and **Columbia** say all of their factories are monitored by BWJ. **Gap Inc.** also added that *“it 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[ed] under the Better Work Jordan Program.”* **PVH** reports that all of its “Level 1 factories” are monitored by BWJ, but it did not say how many second tier factories it has or whether they are monitored by BWJ. **PUMA** says one of the factories it used in 2017 was monitored by BWJ, but that both of the factories were also monitored by **PUMA** and that this included compliance audits and follow-up on corrective action plans. **Hanes** says it has a full-time compliance person in Jordan, and that *“[h]e, and external compliance auditors, use HBI’s detailed, 265 question scored audit protocol to evaluate our facilities”*. **New Balance** says it *“follows up directly with the factories on the findings and corrective actions”*. **Gap Inc.** says that in addition to the BWJ assessments it also has *“regular meetings both with [its] suppliers and ILO Better Work teams to ensure suppliers are following [its] requirements”*.

No brand named any local NGOs it was engaging with in an organised way as part of its supply chain due diligence or how it was engaging with the national garment union. As the discussion at our June 2017 workshop highlighted, without engagement with local labour groups, brands will fail to understand the full scale of abuses, particularly those buried deeper in the supply chains, as well as what the solutions may be.

**Gap Inc.** is the only brand that detailed specific steps that it has taken to integrate the issue of recruitment into its due diligence programme. It says that it has amended its requirements on the employment of foreign contract workers *“to help ensure due diligence of recruitment agencies before contracts are made with them”* and said that it *“requires...[its] suppliers to assess recruitment agencies on their legal and ethical recruitment practices”*. **Columbia** said that it *“regularly review[s] the issue of*

*recruitment of migrant labour with the management of the parent company and with [its]...Jordan factory*". **PUMA** did not elaborate on how it specifically looked at the issue of recruitment in Jordan while it was sourcing there. **PVH** referred to BWJ stating that *"recruitment processes of Jordanian factories are verified through BW[J] assessments..."* and **New Balance** said that the workforce in its Jordanian suppliers was made up entirely of Jordanian nationals. **Hanes** said that it has a recruitment policy, and this is monitored by the internal compliance team through worker interviews.

Given the extremely close relationship between how migrant workers are recruited and their potential exploitation, including recruitment fees leading to indebtedness, we do not think any brand has displayed a convincing approach to tackling this longstanding issue specifically in Jordan. A review of many of the brands policies show that they say fees should not be charged to workers in their supply chain. However, the charging of fees is still widespread and an accepted practice in Jordan. This is illustrated clearly in BWJ's most recent [annual report](#) which refers to instances of "excessive fees" or "unauthorized fees" or fees that are discriminatory – these are the issues that factories are audited on but the practice of fees being charged is accepted in principle as long as they do not exceed USD 300. However, BWJ held a [meeting](#) on FAIR: Integrated Programme on Fair Recruitment in January 2018 to discuss a time frame for the adoption of a no fees policy within the garment sector by January 2019 to bring it in line with the ILO's [General Principles and Operational Guidelines for Fair Recruitment](#). **PVH** referred to discussions regarding the implementation of zero recruitment fees in its answer - the strong support of brands will be critical to achieving this goal.

As resources have been freed up by utilisation of the BWJ programme's factory monitoring, brands should be spending resources and efforts to find a collaborative solution to this critical issue. While it is good that a timeline is in place to move the sector to zero fees, the success of this will depend largely on the support of brands. Furthermore, there are many other issues within the current recruitment system in Jordan that put workers at risk. Brands need to provide more evidence that investment in finding solutions to these issues is happening, and that the BWJ is a support to, rather than a substitution for, their own due diligence.

## Abuses found

We asked brands to provide details of violations uncovered by monitoring, including the number of each violation. **Gap Inc.** was the only brand to provide a truly transparent response to this question. It reported that monitoring had uncovered 22 instances of inadequate, unsafe, or unsanitary worker accommodation, 37 instances of health and safety violations, one instance of sexual harassment or other abuse, three instances where workers were charged *"higher recruitment fees and additional sums for medical tests"*, and one instance where migrant workers were not paid the minimum wage. It said that there were no instances of passport retention or where migrant workers had been deceived in the recruitment process.

**Columbia** said *"some"* health and safety issues and problems with worker accommodations were identified along with one case of verbal abuse. **New Balance** said health and safety violations had been identified, but it did not provide the number of these instances. It also said that workers had expressed concerns to auditors over shouting and verbally demeaning behaviour from supervisors. It said that its suppliers do not employ migrant workers so there were consequently no violations identified in respect of these workers. **PUMA** also said that its suppliers did not employ migrant workers and that the only violations identified related to health and safety in factories but again did not provide figures on this. **PVH** did not indicate which violations had occurred or how many; it instead provided information on its general approach to remediation. **Hanes** did not detail any specific violations. It instead said that it had found *"[n]othing of significance. Minor health and safety issues were found at Classic...[and] minor exceedances of OT limits."*

**Gap Inc.'s** significant list of abuses and concerns contrasts with the cursory lists from other brands and the silence from the majority. This could indicate that their systems are not as robust and are not

picking up on the scale and range of abuse, or it could indicate that there is a lack of transparency, or both. It is clear that the BWJ assessments are providing brands with a picture of the violations that are occurring in their first-tier factories. However, we know from workers and local groups that the most serious violations occur in subcontracting factories. In its most recent [annual report](#) BWJ also said that “[m]onitoring and sustaining compliance in subcontracting factories is often difficult, as they tend to rely on unpredictable orders and are commonly not subjected to buyers’ regulations and audits.” It also said that “buyers often do not subscribe to Better Work Jordan assessments for subcontracting factories”. This approach by buyers (brands) is potentially the Achilles Heel in their efforts to eliminate abuse as the prevalence of abuse in subcontracting factories is usually far greater than in first tier factories.

## Remediation

We asked brands what processes they expect suppliers to follow when violations are identified, and how it verifies corrective action has been taken. We asked them to explain specifically how they addressed the violations that they had identified.

All brands described their general approach to remedying violations, including corrective action plans in partnership with BWJ. **Gap Inc.** provided information about how each specific violation that had been identified had been addressed. For example, in cases where workers had been charged recruitment and medical fees, “the vendor was required to reimburse the workers immediately, or as a commitment, to be paid during settlements”. **New Balance** and **Columbia** also provided information on the training provided to factory supervisors and middle management following allegations of harassment and verbal abuse. However, they did not explain how remedy was provided to the workers that had been abused. **PVH** said it took seriously any findings of standards being violated and talked generally about its approach to remediation, but provided no specific information about how it had applied this in relation to any issues in Jordan. **PUMA** also explained its general approach to remediation. **Hanes** referred to their “dedicated compliance person” who is based in Classic Fashions, their major supplier, but did not provide any further detail other than stating that “[r]emediation is overseen in real-time”.

Given the resources that brands are saving through the BWJ programme, brands should be looking not only at how they can remedy individual violations but also at how they can work to identify the root causes of these issues and collaborate on collective solutions.

## Worker voice

We asked brands how they ensure effective engagement with workers in their Jordanian supply chain. **PVH**, **New Balance** and **PUMA** referred to BWJ engagement with workers during assessments, which include confidential interviews away from management, the establishment of Performance Improvement Consultative Committees (PICCs) with representatives from each nationality in the factory as well as management, and a BWJ grievance mechanism accessible to workers in their language. No brand referred to a grievance mechanism outside the BWJ process specifically for Jordan, although **PUMA** did say it has a global worker hotline that factories are required to inform workers about. **New Balance** also said that it was establishing a global grievance email where any workers or third parties can directly contact **New Balance** with concerns. **Gap Inc.** explained that due to the profile of workers in their supply chain they have deemed it unnecessary to work with Arabic speakers for an effective engagement with workers in its Jordanian supply chain but that they always ensure any engagements with workers including interviews are done by staff that speak the local language or engage an interpreter. They added that most factory assessments are conducted by BWJ who allocate assessors to the factory based on languages spoken by the workers. **Columbia** noted that it had supported the establishment of PICCs through BWJ and said it had “leveraged Better Work interviews of workers”. It also said it collaborated with other brands (using the same factories) to use interpreters and review worker interviews after their audits. **Hanes** said that having a person on site in



Classic meant it could “conduct frequent and confidential worker interviews” and engage interpreters where necessary. However, it did not explain how it engaged with workers from the other factory it was sourcing from.

No brand explained how it engaged with workers below the first tier (however, some brands, for example **New Balance** says it only has tier one suppliers in Jordan) and it is clear that the vast majority of engagement with workers is through BWJ. Although it is positive that BWJ is conducting confidential interviews with workers, and brands noted that BWJ spoke a number of languages, it is not clear that this is sufficient for brands to really understand the concerns of workers making their clothes. Migrant workers who live in factory-dormitory compounds are isolated and vulnerable. The leadership of the garment union is restricted to Jordanians only and there is therefore little opportunity for this group to speak with a collective voice. Brands should be looking for ways to ensure these workers are empowered to speak not only to them but also to represent their interests to all stakeholders.

## Syrian refugees

**Gap Inc.** and **Hanes** were the only brands reporting that Syrian refugees are currently working in their supply chains. In both cases the supplier was Classic Fashion, which employs 40 refugees, and plans to take on more. Given the structural issues that have so far meant very few Syrians have opted to work in the garment sector we find this unsurprising at this time.

**Gap Inc.** was the only company that pointed to active steps to integrate Syrian refugees into its supply chain. It detailed its partnership with CARE Jordan to set up a “technical training centre to provide sewing skills”. It said this programme had so far trained 150 Syrian women inside their refugee camp. The aim of the programme to train these women to employment in the sector. Although **PUMA** said it is not operating in Jordan, it pointed to its efforts to integrate refugees into its supply chains in Turkey and said it would be willing to do the same in Jordan should it source from there in the future. **PVH** said it was “mapping the efforts of [its] suppliers in both Jordan and Turkey to support the recruitment and integration of...Syrian Refugees into factories and their neighbouring communities”. However, it did not refer to any specific initiatives by **PVH**.

We asked brands how they were planning to safeguard the rights of Syrian refugees as they enter the garment workforce. **Gap Inc.** referred to its “Foreign Contract Worker” guidelines. While it admitted that the policy did not address Syrian refugees specifically, it said the scope and intent would apply to them. **PVH** also referred back to its supply chain codes and also said it will work with BWJ and other brands to help integrate refugees. **Hanes** referred to the fact it already had Syrian refugees in supplier factories and added that they will be treated the same “regardless of nationality”. **New Balance** said it would apply the principles of its “Code and Standards to ensure that Syrian workers are well informed of their rights, wages and benefits.” **PUMA** said as it has no active suppliers this was not relevant to them, and **Columbia** did not answer this question.

While it is positive that many brands have guidelines that apply to foreign nationals, refugees have different vulnerabilities even than migrant workers. Although Syrian refugees are not a big part of the workforce at the moment, the sheer numbers of Syrians in Jordan, and the investment from the EU and others, means that this is not likely to be the case for long. Brands should be thinking now about how they ensure the rights of these vulnerable workers are protected. Brands have an opportunity to collaborate upstream to increase refugee participation in their supply chains. There is a great deal to learn from European brands’ experience of Syrian refugees in Turkish apparel factories where abuse is substantial. Complacency around this issue could well lead to serious abuses in the future.

## Business model

We asked brands how they are evaluating the impact of their purchasing practices (essentially how brands buy including the price they pay and how they order), on the ability of suppliers to ensure decent working conditions, including a living wage. **Gap Inc.**, **New Balance** and **PVH’s** answers indicate



that they have initiated some practical steps to help mitigate negative impacts. These were almost exclusively focused on supply forecasting for first tier suppliers – a welcome approach that can reduce risk of abuse in tier one and cascade to deeper tiers. **PVH** was the only brand that explained how it sought to engage teams across its business to encourage responsible practices, and to help suppliers plan production more effectively through improved supply forecasting. It also says it looks at the “root causes” of abuse, which include their own business practices and provides training to internal teams on labour rights issues. **Hanes** said because of its significant relationship with its major supplier “its sourcing and procurement teams work very closely with Classic in placing volume with them”. **Columbia** said that it had recently created guidelines on purchasing practices for its global operations and that this helped to mitigate negative impacts. **PUMA** did not provide an answer to this question as they do not have active suppliers in Jordan. However, the Fast Fashion Index 2017 reported that **PUMA** was one of [only four out of 100 brands](#) that was reporting publicly on their progress to achieving a living wage for workers in their supply chain (the other three brands were not included in this survey). **Gap Inc.** and **New Balance** also referred to participation in the [Better Buying](#) project, and that as part of this they had invited suppliers from three other countries to provide feedback on purchasing practices and that they would seek to incorporate this into their core operations in the future.

**New Balance** was the only brand that mentioned the issue of worker pay, although this was only in relation to discrimination and living wage. It explained how it worked through BWJ to equalise payments between Jordanian workers and migrants. However, there was no indication that this involved making any changes to its purchasing practices such as increasing payments to suppliers. None of the brands explained how they evaluated or measured the impact of their policies or purchasing practices on workers’ rights and none mentioned price as an issue, such as whether they had looked at how much they need to pay their suppliers to ensure that the workers making their clothes could be paid a living wage in Jordan.

### Freedom of Association

We asked brands how they ensured freedom of association for all workers in their Jordanian supply chains. Many brands noted the limitations on freedom of association in Jordan, where only one union is allowed per sector. **Gap Inc.** mentioned engagement with the ILO and BWJ. It did not refer to how it engages with the legally approved garment union. **New Balance** noted that under BWJ, suppliers have to establish PICCs (discussed above) and said that this monitors remediation processes and acts as a channel for raising worker concerns to factory management.

**PVH** highlighted the collective bargaining agreements (CBA) which have been signed by the Jordan Garments, Accessories & Textiles Exporters’ Association (JGATE), the Association of Owners of Factories, Workshops and Garments (AOFWG), and the General Trade Union of Workers in Textile, Garment & Clothing Industries in 2013, 2015 and 2017. The CBAs have certainly been positive for workers – particular highlights include the introduction of a unified contract which seeks to prevent the worker being deceived in the recruitment process, eliminate wage discrimination between Jordanian and migrant workers, and offers provisions making it easier for workers to terminate employment (see further details [here](#)). However, in BWJ’s most recent [annual report](#) it highlights that 89% of factories were found to be non-compliant in implementing some aspect of the 2015 CBA. In five factories, between 40-60% of workers were unaware of the CBA. Freedom of association is a key enabling right for workers to obtain access to decent work. Given the low rate of compliance and the non-compliant labour laws, this is an area where brands should be utilising their power and influence over factories to improve performance.

Another way in which factories could use their influence is with the Jordanian Government. The garment sector represents 19% of Jordan’s exports, which means that brands hold an extremely important and influential position. Brands should be working collectively to call on the Jordanian Government to reform its labour laws to improve worker rights and particularly to allow workers to join trade unions of their choosing.

# WHAT SHOULD BRANDS DO?

## Stakeholder Engagement:

- Brands should use their influence with factories to ensure that the full provisions of collective bargaining agreements are implemented without delay and particularly that all workers are aware of their rights.
- Brands should take a collaborative proactive approach to combatting abuse in their supply chain. They should ensure that the whole of their Jordanian supply chain (including second and third tiers) is covered by BWJ or their own monitoring and assessment processes and ensure that they are accessing and acting on reports for subcontractors as well as the factories they are directly contracting with.
- Brands should form partnerships with local labour and migrant organizations as well as the national garment union that can alert them to risks and find more sophisticated ways to engage with workers that encourage them to report abuses through tailored grievance mechanisms without fear of reprisals.
- All brands sourcing from Jordan should engage fully with the [ILO Fair Recruitment](#) Initiative and support moving to zero fees as a matter of urgency.

## Policy and Practice:

- Brands should develop a refugee protection plan in partnership with local migrant and labour groups to ensure that the rights of these workers are protected as they enter the workforce.
- Brands should ensure they have a specific policy protecting the rights of migrant workers that covers recruitment and makes it clear that recruitment fees or fees for work permit renewals are not permitted. They should ensure that they apply these policies taking into account the specific context in Jordan and they should develop tailored training to ensure that these standards are fully understood by their Jordanian suppliers. It is important to work collectively to tackle abuses that occur during the recruitment process in Jordan by developing an approach that tackles issues in each major “sending” country as well as common issues in factory processes such as the charging of fees.
- Brands should collaborate to review the impact of their collective purchasing practices on conditions of vulnerable workers in Jordan. Brands can learn from ACT and the Bangladesh Accord regarding what can be done to protect workers. In particular, brands should ensure that their purchasing practices do not exacerbate risks for vulnerable workers.
- All brands should increase transparency of their operations in Jordan and globally. We urge all brands not already doing so, to publish a complete list of their tier one factories globally.

## Advocacy:

- Brands should work with the ILO, BWJ, and national workers’ organisations to persuade the Jordanian Government to reform labour laws. In particular workers should be permitted to form and join unions of their choosing, and labour laws should be overhauled to ensure that there are improved protections for migrant workers and refugees.

# APPENDIX 1: TRANSPARENCY RECORDS OF BRANDS

We looked at the wider transparency records of the brands surveyed to understand if they had made efforts to provide some of the information we were asking for elsewhere. We checked if they had disclosed information to the Corporate Human Rights Benchmark (CHRB) and KnowTheChain, and their score in the 2018 Fashion Transparency Index. We also checked whether they had publicly

available supplier codes covering core labour rights (ILO conventions), a policy on migrant workers covering recruitment and fees, and whether the brand had disclosed their a list of their first tier suppliers. The brands that responded tended to have better records on supply chain transparency generally.

Responded	Brand	CHRB	KTC	Fashion Transparency Index Scores	Supplier code	Policy on migrant workers	Full disclosure of 1 <sup>st</sup> tier factory list
	Columbia	N/A	Yes	22%	Yes: <a href="#">Standards of Manufacturing Practices</a>	No, but in development.	<a href="#">Yes</a> : and <a href="#">Transparency map</a>
	Gap	Yes	<a href="#">Yes</a>	54%	Yes: <a href="#">Code of Vendor Conduct</a>	Yes: <a href="#">Code of Vendor Conduct</a> , p.15-18 AND <a href="#">Foreign Contract Workers and Recruitment standard</a>	<a href="#">Yes</a>
	Hanes	Yes	<a href="#">Yes</a>	24%	Yes: <a href="#">Global Code of Conduct</a> , <a href="#">Global Standards for Suppliers</a> , <a href="#">Global Human Rights Policy</a> and <a href="#">GSS Protocol</a>	Yes: <a href="#">GSS Protocol</a> p.17	No
	New Balance	N/A	N/A	29%	Yes: <a href="#">New Balance Code of Conduct</a>	Yes: <a href="#">Standards Manual "Sprint" Version</a> , p.4-6,10,24,i	<a href="#">Yes</a>
	PUMA	N/A	N/A	56%	Yes: <a href="#">Social Standards</a>	Yes: <a href="#">Sustainability Handbook - Social Standards</a> , p.30-31	<a href="#">No</a> : List covers only about 80% of sourcing volume.
	PVH	N/A	<a href="#">Yes</a>	38%	Yes: <a href="#">A Shared Commitment</a>	Yes: <a href="#">Supplier Guidelines</a> , p.41, 50-52, 101-103	<a href="#">Yes</a>
	Target	No	N/A	35%	Yes: <a href="#">Vendor Code of Conduct</a>	Yes: <a href="#">Labour &amp; Human Rights Policy</a> , under 'Migrant Labour'	<a href="#">Yes</a>
	American Eagle Outfitters	N/A	N/A	15%	Yes: <a href="#">Supplier Code of Conduct</a>	No	No
	Ann Inc.	N/A	N/A	Loft brand: 29%	Yes: <a href="#">Code of Conduct for Merchandise Suppliers</a>	Yes: <a href="#">Code of Conduct for Merchandise Suppliers</a>	<a href="#">Yes</a>

Brand	CHRB	KTC	Fashion Transparency Index Scores	Supplier code	Policy on migrant workers	Full disclosure of 1 <sup>st</sup> tier factory list
Carhartt	N/A	N/A	Not Scored	Yes: <a href="#">Workplace Code of Conduct</a>	No	No
Costco	No	N/A	15%	Yes: <a href="#">Supplier Code of Conduct</a>	Yes: <a href="#">Supplier Code of Conduct</a> , p.3	No
JC Penney	N/A	N/A	16%	Yes: <a href="#">Supplier Principles</a> and <a href="#">here</a>	No	No
Lands' End	N/A	N/A	21%	Yes: <a href="#">Global Compliance Requirements</a>	Yes: <a href="#">Global Compliance Programme, Guidebook to Program Requirements</a> , p.19-20 AND <a href="#">Global Compliance Program Requirements</a>	No
Nike	Yes	<a href="#">Some</a>	36%	Yes: <a href="#">Code of Conduct</a>	Yes: <a href="#">Code Leadership Standards</a> , p.6-8 AND <a href="#">Code of Conduct 2017</a> (also <a href="#">here</a> p.2)	Yes: <a href="#">Nike Manufacturing Map</a>
ONE Jeanswear Group	N/A	N/A	Nine West, Jessica Simpson 0%	Yes: <a href="#">Standards for Contractors and Suppliers</a>	Yes: <a href="#">Standards for Contractors and Suppliers</a>	No
Ralph Lauren	N/A	<a href="#">Yes</a>	14%	Yes: <a href="#">Operating Guidelines</a>	No: The <a href="#">Corporate Responsibility Report Fiscal 2017</a> available <a href="#">here</a> describe their Foreign Migrant Worker (FMW) Standards but we could not find these online	No
Sears	N/A	N/A	Not Scored	Yes: <a href="#">Global Compliance Requirements</a>	Yes: <a href="#">Human Rights Policy</a> , p.2 AND <a href="#">Global Compliance Programme, Guidebook to Program Requirements</a> , p.19-20	No
Talbots	N/A	N/A	Not Scored	Yes: <a href="#">Code of Conduct</a>	Yes: <a href="#">Supplier Code of Conduct</a>	No
Under Armour	No	<a href="#">Yes</a>	22%	Yes: <a href="#">Supplier Code of Conduct</a>	Yes: <a href="#">Monitoring and Assessment</a> , p.2	No: <a href="#">List covers only about 70% of sourcing volume.</a>
VF Corp	Yes	<a href="#">Yes</a>	46%	Yes: <a href="#">Global Compliance Principles</a>	Yes: <a href="#">Facility Guidelines</a> ( <a href="#">see also</a> ), p.6-8	<a href="#">Yes</a>
Walmart	No	N/A	25%	Yes: <a href="#">Standards for Suppliers</a>	Yes: <a href="#">Standards for Suppliers</a> , p.4	No

### **About Business & Human Rights Resource Centre**

Business and Human Rights Resource Centre is an international NGO that tracks the human rights impacts (positive & negative) of over 7500 companies in over 180 countries making information available on its eight language website. We seek responses from companies when concerns are raised by civil society. The response rate is over 75% globally.



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