

What's changed for Syrian refugees in Turkish garment supply chains?

6 months on: A second survey & analysis of company action to address exploitation & abuse

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**Business & Human Rights
Resource Centre**

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 6500 companies in over 180 countries making information available on its nine language website. We seek responses from companies when concerns are raised by civil society. The response rate is over 85% globally.

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Executive Summary

Almost 3 million refugees have fled to Turkey to escape war and bloodshed in Syria – this influx creates huge challenges for government, businesses and the local population. Refugees seek security for themselves and their families. With under-resourced humanitarian assistance, jobs and wages are critical to families' well-being. The garment industry in Turkey has the potential to provide some of this decent work, but exploitation of refugees in the supply chains that produce clothes for Europe's high streets appears endemic. There is a gulf in action between a few brands, such as **NEXT** and **New Look**, taking leading steps to eliminate abusive exploitation, and a long tail of laggard-brands who fail to recognise they need to act. However, since our first report six months ago, more companies are beginning to take welcome steps to curb the suffering of refugee-workers, but much more needs to be done and far faster.

In July we visited Istanbul to investigate the situation first hand. What we found confirmed discrimination, wages far below the minimum, and child labour. Abusive conditions remain the norm for these vulnerable workers. [Recent reports](#) corroborate this.

This latest research tracks the progress of the garment sector in tackling this issue since our [February 2016 briefing](#) which reviewed the responses of an initial 28 brands. We again approached the original 28 brands and 11 new brands, asking a total of 38¹ to respond to the same set of questions, developed with input from the Ethical Trading Initiative, ITUC, and Fair Labour Association. We received responses from 26 out of 38 brands (68%) to our questionnaire compared with 10 out of 28 (36%) in January.

“We don’t expect to be able to live like we did in Syria, but we need to have a life”

Syrian refugee garment worker, July 2016

There have been welcome improvements in some brands' action and more brands are responsive to concerns. Around half now take some form of targeted action to tackle key risks and develop specific plans to remedy abuse and discrimination of refugees, in our last report only a handful of brands could demonstrate this. Only three brands report detailed remediation policies in place: **NEXT**, **New Look**, and **Mothercare**. Just over 50% of responders to the survey now say they expect suppliers to help unregistered Syrian refugees obtain work permits when detected. 13 brands also detailed how they were working with suppliers to train them on this issue. Sadly, the majority of brands still fail to demonstrate they are taking serious steps beyond their existing social compliance programmes, usually focused on announced audits of the first tier of suppliers, which are inadequate to meet the challenge. These companies justify inaction by denying the existence of refugees in their supply chain – an assertion often based on the same [discredited auditing practice](#).

1 BHS was included in the original 28 brands but it entered liquidation at the end of August

Only nine² brands admitted detecting unregistered Syrian refugees in their supply chain. While this is up from the four in February, the evidence clearly points to unregistered Syrian workers being widespread, especially in second and third tiers of the supply chain. This exploitation remains undetected while many companies focus on carrying out announced first tier audits. These companies need to radically shift their approach to human rights risk assessment.

The exploitation witnessed is not unique to Turkey. Serious human rights abuses can be found wherever the global garment industry operates, especially fast-fashion brands. But the plight of Syrian refugees in Turkey has unfortunately served to expose the most damaging market forces at work in the global garment industry: vulnerable refugees fall victim to the drive for lower prices and increased margins. The exploitation of workers who make our clothes contrasts with the substantial profits that continue to be made by the industry. Without systemic change to purchasing practices, even the most ambitious action to protect Syrian refugees by individual brands will likely fall short.

A further risk is that, with rising scrutiny and criticism of the Turkish supply chain, there is talk of brands shifting their purchasing elsewhere. Brands should stay in Turkey where responsible sourcing can provide high quality clothes with decent work and wages for Turks and Syrians alike.

There is a real opportunity for international business to help bring greater prosperity and security to long-suffering refugees, and the Turkish communities who have welcomed them. Safeguarding vulnerable refugees in the garment workforce is a genuine challenge, but it is one that some brands have proven they are capable of rising to. The next steps by garment brands will be crucial.

Key recommendations:

The many companies that currently lag well-behind the leaders in the apparel sector can learn quickly from best practice and decisively act to eliminate exploitation of refugees. Brands sourcing from Turkey should:

- **Identify risk:** Work individually and collectively to identify key human rights risks for Syrian refugees, and map the location of risks in their common apparel supply chains.
- **Implement refugee protection strategy:** Learning from the best practice of leading brands, develop and implement a strategy to ensure refugees are protected, and communicate this robustly to their first-tier suppliers and sub-contractors in Turkey. This strategy should be developed in collaboration with other brands, civil society, trade unions, and refugee-support organizations, and should recognise the limitations of current auditing processes.
- **Collaborate to tackle wider issues:** Including to review and change purchasing policy and persuade the Government of Turkey to improve access to work for refugees. Brands should also join the ETI initiative on Turkey, look to support local civil society, and explore ways to ensure meaningful worker participation.

² Update: Marks & Spencer informed us in October that since its response to us it has also detected a Syrian worker in one factory

The company survey

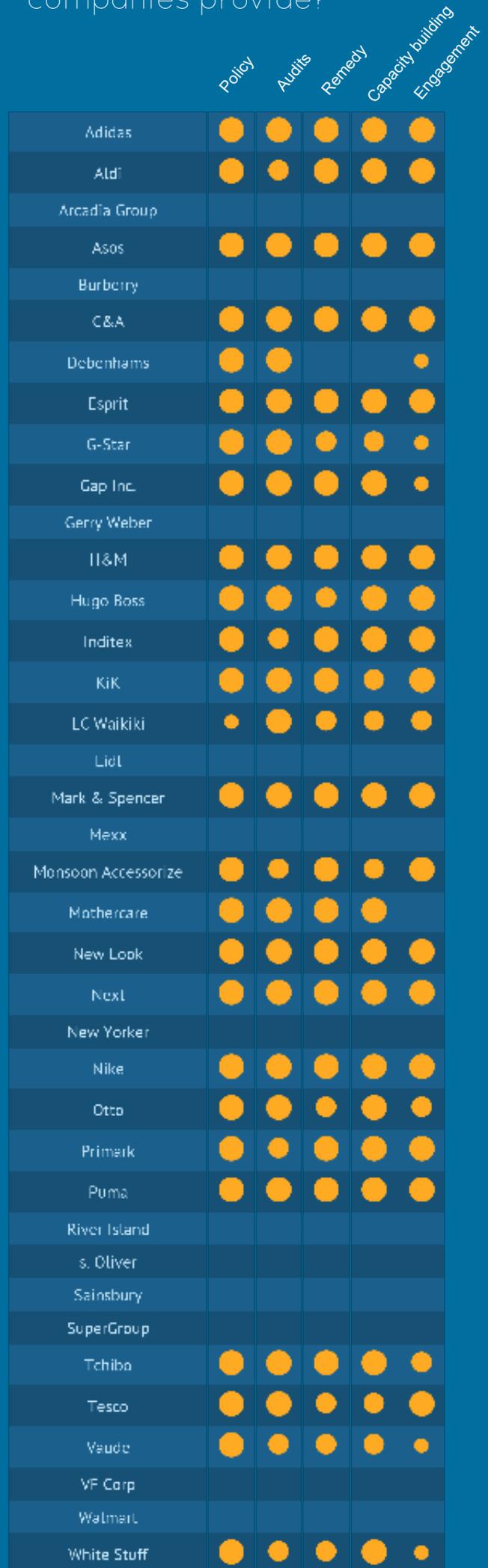
The questionnaire was sent to brands in June 2016. We received responses from brands in July and August and this report analyses these responses as submitted. As well as inviting the 28 who we initially approached to update their responses to our survey, we also approached an additional 11 companies sourcing from Turkey. The questionnaire was developed in consultation with trade unions (including the International Trade Union Confederation (ITUC), the Fair Labor Association (FLA), the Ethical Trading Initiative (ETI), and local advocates. We received responses from: **Adidas, Aldi, ASOS, C&A, Debenhams** (answered half the survey), **Esprit, Gap Inc., H&M, Hugo Boss, Inditex, KiK, L C Waikiki, Marks & Spencer, Monsoon, Mothercare, New Look, NEXT, Otto Group, Primark, Puma, Tchibo, Tesco, White Stuff, Vaude** and **G-Star Raw**. **Nike** declined to provide an update but had previously provided a full response to our survey in January.

Arcadia, Burberry, s.Oliver & VF Corp all declined to respond to the survey but referred back to the short generic statements they made in January.

BHS (which entered liquidation in August), **Gerry Weber, Lidl, Mexx, New Yorker, River Island, Sainsbury's**, did not respond. **Walmart** and **SuperGroup** declined to answer the survey but sent us short statements on their approaches.

We are pleased that more brands provided full and detailed responses to our questions indicating they are now seeing this as a crucial issue. Many brands that previously only provided a short statement, responded fully to the survey. We still did not receive significant disclosures from a number of brands and the quality of the responses varied. We were particularly disappointed regarding major supermarkets: **Sainsbury's, Lidl** and **Walmart** did not respond.

How much information did companies provide?



Continued exploitation of Syrian refugees in Turkish garment factories

As the bloody civil war in Syria continues Turkey is now [hosting over 2.7 million Syrian refugees, including an estimated 665,000 children, the majority of which are not in school](#). Our first briefing found that the sector had been slow to react to the large numbers of Syrian refugees being exploited in their supply chains. We were impressed that a small number of brands, such as **NEXT**, had grasped the scale of the issue and had initiated programmes to combat and remedy abuse. However, our review found auditing and monitoring processes used by brands were failing to detect abuse and not fit for purpose. The full findings can be accessed [here](#).

At the time of our first briefing, the Turkish Government had just published legislation allowing refugees to gain work permits with certain restrictions. We praised many brands for the key role they played in bringing this about. While this was undoubtedly a positive move we were sceptical that this development would on its own, provide adequate protection to these vulnerable workers. Early evidence suggests as few as [5,500 work permits have been issued](#) and therefore the vast majority of Syrian refugees continue to work without legal protections making them vulnerable to abuse. Given our initial findings that brands were not taking adequate action to protect vulnerable refugees and the continued reports of abuse and exploitation, we revisit the issue six months on to assess the progress being made.

Field visit to Turkey

We carried out a research visit to Istanbul at the end of July 2016. We met with labour rights advocates, trade unionists and Syrian refugees working in the garment sector. During visits to the garment districts in Merter and Esenler we observed the operation of the city's smaller garment workshops. Garment work is typically subcontracted to these workshops by larger factories.

Subcontracting is common in Turkey. **Esprit** acknowledged in its response to us that it is "*an integral part of the Turkish production model*". The workshops we saw typically had between 10-20 workers and we observed numerous examples of child labour and poor health & safety – including one factory on the first floor with a large hole in the wall.

We carried out interviews with Syrian refugee workers who were employed in these workshops. We heard accounts of Syrians being paid amounts ranging from 700-1,100 TL a month, just 43%- 67% of the gross national minimum wage of 1647 TL; employers making up excuses to fire workers after a few days' work without any pay for the hours worked; and being treated much more harshly for minor transgressions when compared to Turkish workers. The workers we spoke to explained that taking a single day off for illness meant they would financially struggle for the whole month and they could only cover their living expenses by living with many other Syrians in cramped conditions. We were told that Syrian child labour was widely used in workshops and these children were typically aged between 11-14 (both boys and girls). Children were paid less than Syrian adults and normally around 500-600 TL. We asked workers if they had tried to get work permits. They explained that the workshops wanted to employ them because they could pay them below the minimum wage. They said if they got work permits they would not be cheap to employ and would not be able to get work. To gain a work permit, a refugee requires the support of their employer – something only few will do as it would require payment of the minimum wage. We also heard how factory managers were firing Turkish workers and hiring Syrians.

We asked workers we spoke to if they could identify any brands from the clothes they had worked on. Workers identified many brands as being among the clothes that they had worked on, clearly indicating that this is a problem for a wide range of brands and demands action from the whole industry in Turkey, not just a few brands that have admitted they have detected the problem.

Our interviews with trade unionists and advocates working with refugees in the garment

sector revealed the extent of subcontracting and undeclared subcontracting in Turkey. Their analysis was that the price paid by brands was simply too low for most factories to make any sort of profit without using subcontractors to make the clothes at a cheaper rate. These subcontractors, not being subject to the brands' auditing and monitoring, can exploit workers and particularly Syrian refugees with even less scrutiny.



Amira's story

Amira fled Damascus 2 years ago and she and much of her wider extended family had worked in the garment sector in Istanbul to survive. She reported being paid as little as 700 TL a month, being spoken to abusively by employers and told she must work for free before being given paid work. Amira was so desperate for the money to help support her family she had no option but to agree to this. Amira has recently managed find better paid work out of the garment sector but she worries about her brothers and cousins who are still working for discriminatory pay in poor conditions. Some of her cousins very young and should still be attending school.

Policy

We asked brands if they had a specific policy prohibiting discrimination against Syrian refugees and how this was communicated to suppliers.

As was the case in February, most brands could not point to a specific policy on this point although most did detail how their existing discrimination and migrant worker policies would be applied to this situation. Brands that reported having a specific policy or shared a specific communication to suppliers on this issue included **H&M, Inditex, Mothercare, NEXT, New Look, Tchibo, Tesco** and **White Stuff** (up from three in January). We highlighted **NEXT's** action plan in our last briefing as an example of leading practice. This time they provided us with a policy that sets out the steps a factory must take in different possible scenarios, including where the refugee is registered for under 6 months, where the refugee is registered for more than 6 months but does not have a permit, and where there is no possibility of gaining a work permit. This demonstrates that the brand has a good understanding of the situation, has taken time to investigate the various possibilities facing suppliers since the work permit legislation and provides clear guidance.

Unfortunately, many other brands did not appear to have this in-depth appreciation of the situation. However, a few other brands also provided detailed guidance to suppliers. **Mothercare** shared a new policy that detailed expectations of suppliers, emphasised discrimination must not take place and set out the steps suppliers should take in different scenarios. **Mothercare** said that it plans to conduct training and awareness raising with suppliers in the future but that plans for this had recently been delayed due to the attempted coup at the end of July. **New Look** also provided a detailed action plan that it implements with a local NGO. The plan clearly sets out expectations of what suppliers must and must not do in relation to refugees including making sure that they are paid at least the Gross Minimum Wage¹ (while they do not have a work permit and cannot access social security) and are not dismissed while the appli-

cation for a work permit is pending. **New Look** has a small supply base in Turkey of only four first tier suppliers. Its approach contrasts with some other brands (with many more suppliers) that sought to emphasise in their responses that they considered their sourcing levels from Turkey to be low and suggested that their unilateral action was therefore less likely be effective in combatting abuse.

A number of other brands said that while they did not have a standalone policy or action plan, they had communicated their expectations to factories through meetings, conferences or other communications, and described some of the steps their approach includes. These companies included **ASOS, Hugo Boss, KiK, Vaude**. We are pleased to see more brands taking a proactive approach to this situation. Overall 10 brands (26%) could demonstrate specific communications to suppliers compared to just 3 (11%) last time. However, brands should go further in emphasising that suppliers will not be penalised if they notify them about Syrian refugees in their supply chain. Brands should also demonstrate that they would see this openness as a positive step from their suppliers and find other ways to incentivise it. At the moment it still seems that many brands are not prepared to grapple with the full issues and are happy to pretend a simple band-aid will fix a complex problem.

¹ Gross Minimum Wage means wage before deductions such as tax and social security

Audits & monitoring

Nine brands (**ASOS, C&A, H&M, KiK, LC Waikiki, Primark, New Look, NEXT, Otto Group**) (24%) reported detecting Syrian refugees (without permits) through their supply chain auditing and monitoring process. In October, we also received an update from **Marks & Spencer** confirming that since its response an audit had also revealed an illegal Syrian worker bringing it up to (26%). This figure is considerably larger than the four (14%) in our February briefing. Thirteen respondents to the survey: **Adidas, Debenhams, Esprit, Gap Inc., G-Star, Hugo Boss, Puma, Marks & Spencer¹, Monsoon, Mothercare, Nike, Tesco** and **Vaude** said that their auditing processes had not identified any adult Syrian refugees working without permits at supplier factories. **Inditex** and **White Stuff** did not answer the question directly. **Inditex** referred to its remediation process “*in case this situation occurs*”.

We welcome the transparency provided by a greater number of brands that have disclosed finding Syrian adults and children in supplier factories through their audit process – this demonstrates awareness by the brands, which is a key step to finding solutions. In our February briefing only two brands said they had detected Syrian child labour (**H&M** and **NEXT**). This time only two additional brands said they had also detected this problem (**LC Waikiki, Vaude; Esprit** said it had not found child labour but had detected a “juvenile” in 2013). We detailed in our [last briefing](#) how **H&M** and **NEXT** approached the remediation of Syrian child labour, which included safeguarding their education and making sure there was no income loss to the family. This time **Vaude** explained the action they had taken when Syrian child labour was discovered in 2013 through a Fair Wear Foundation (FWF) audit. **Vaude** explained that it started a dialogue with the other brands that were sourcing from that supplier and how the brands, the parents, a local NGO and the FWF set up a remediation plan. **Vaude** said this “*includes an agreement with the parents that they will send their children to school. In return they receive an income compensation (based on current minimum wage) and schooling cost*”.

¹ Marks & Spencer have since provided an update that it has identified a Syrian worker at one factory

financed by the involved brands.” This approach appreciates that the root cause of child labour for Syrian refugees is financial necessity. Brands will need to work together to tackle systemic issues facing refugees².

Our visit to Turkey including our discussions with workers, trade unionists and local advocates supports the view that the use of Syrian labour and Syrian child labour is widespread. The apparent failure of the majority of brands to detect this known critical risk continues to suggest that the auditing process being used by the industry is not fit for purpose.

As in February, we found that most brands were concentrating their auditing and monitoring efforts on the first tier. **Adidas, C&A, Debenhams, Esprit, Gap Inc., H&M, Hugo Boss, Inditex, New Look, NEXT, Marks & Spencer, Mothercare, Monsoon, Primark, Puma** and **White Stuff**, all said that they had audited 100% of first tier suppliers in the last year. However, the majority of these were either announced or semi-unannounced (when the supplier is given a time window for when the audit will occur but does not know the exact date). Companies with a high proportion of unannounced audits included: **H&M** (40% of first tier and 75% of second tier), **Inditex** (100%), **NEXT** (35% in first tier and 50% in second & third tiers).

² See further guidance for business by ILO & IOE [here](#)

Auditing practice

Primark: emphasised that it pays for the costs of its own audits saying “*this enables us to retain control of the audit protocol and process, and more effectively address risk by adapting the audit process as needed.*”

C&A: has disclosed all its production units (including those in Turkey) on its website. **Adidas, H&M, Gap Inc., Marks & Spencer, Nike & Puma** have also taken this transparency step.

H&M: have extended its audit & monitoring to cover 50% of its third tier (fabric & dye mills).

New Look said it was moving to unannounced audits by the end of the financial year. The use of announced or semi-announced audits makes it less likely auditors will detect serious compliance issues as factories can easily prepare or hide the most serious breaches before a visit.

Although most brands compliance efforts were concentrated on their first tier, there was a group of brands that audit a high percentage of sub-contractors below the first tier. These included: **Adidas** (100% of second tier announced), **C&A** (100% of second tier), **Debenhams** (100% of second tier are audited, third tier also checked through visits), **LC Wakiki** (72% of second tier audited 33% of those unannounced), **Puma** (100% of second tier 40% unannounced). **Inditex** says it does not distinguish between tiers in its compliance programme. It says in 2015, 1,114 audits were carried out in Turkey (across all tiers and processes). **ASOS** has so far audited 70% of second tier and plans to have 100% audited soon, **H&M's** audit programme covers 100% of its second tier factories although these are done in a two-year cycle and 50% of its third tier (fabric and dye houses) have been audited (announced). **NEXT** also confirmed it carries out audits in its second and third tiers and said that 120 audits had been conducted on these tiers between January and August 2016. A couple of brands reported plans to extend checks further down the supply chain. **Tesco** said that it had plans to extend "*checks to fabric mills, particularly those...closest to the south-east*". **Primark** also said that it is extending its audits to the second tier.

Nevertheless, it is clear that the oversight most brands have beyond their first tier, and the quality of information that audits reveal is not sufficient to detect serious compliance issues which are more likely to lurk deeper in the supply chain. The prevalence of subcontracting in Turkey (as in many other countries like Bangladesh) complicates this issue further. As a result, the audit and monitoring programme most brands use only serves to provide a false sense of security. In the worst cases it allows some brands to self-certify themselves as "ethical" or "responsible". If brands want to truly understand and detect their risks they will need to overhaul this system and collaborate closely with their competitors, workers and civil society including trade unions, NGOs and other experts. We are encouraged that leading brands increasingly appreciate the flaws of the auditing industry and tell us they are keen to move to a

more collaborative model of risk assessment and rigorous due diligence. The garment sector in Turkey provides a case study on why this is necessary and urgent - although these problems are far from unique to Turkey and can be seen wherever the sector operates.

Worker-driven Social Responsibility model

While this briefing centres on recognising good practice in the current context for Syrian refugees in Turkey, the goal for worker advocates, brands, and their suppliers should be more ambitious to be effective in the medium to long term. Effective supply chain reform requires meaningful worker participation and a legally-binding enforcement mechanism. This model is known as "worker-driven social responsibility", or WSR. It has five key elements: First, because only workers themselves have a first-hand understanding of risks they face at work, they should play a leading role in developing standards. Second, auditors should be completely independent of the industry and should rely primarily on confidential worker interviews. Third, workers should be educated about their rights, in trainings by worker representatives or others who are independent of the company and have workers' trust. Fourth, brands must provide both financial incentives so suppliers can afford the increased costs of compliance, and long-term sourcing commitments. Finally, these principles should be enforceable through a legally-binding contract between brands and worker representatives. This level of worker participation will require increased organization among Syrian refugees working in garment supply chains. For better or worse, it seems that Syrian refugees will be in Turkey for long enough that they will have the time needed to become organized to develop WSR. programmes to protect their workplace rights.

Undeclared subcontracting

We asked brands about their approach to undeclared subcontracting. A number of more advanced brands such as **Adidas, ASOS, C&A, G-Star, H&M, Inditex, KIK, New Look, Primark** and **Tesco** referred to carrying out capacity checks on suppliers. **Marks & Spencer** said it carries out quality inspections before stock is released from the production unit. **NEXT** explained how its decision to move to unannounced auditing was motivated in part to address the issue of undeclared subcontracting. However, many simply reiterated their policy banning the practice, the consequences they imposed, and said that auditors were trained to detect this. As most factories produce clothes for a number of different brands, capacity checks based on a brand's order are unlikely to flag up subcontracting risk. No brand shared a convincing comprehensive system for detecting and combatting this problem which is also a significant problem beyond Turkey. This is further compounded by the fact that most brands don't have a strong oversight of the second and third tiers. So even if their checks were working on the first tier they lose this control further down the chain. However, **Esprit** did at least acknowledge the scale of the problem, stating subcontracting was "*an integral part of the Turkish production model*" and it had found that taking a hard line on this issue led to it being concealed. **Esprit** said that it "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".

Finding a solution will require close collaboration across the industry. In addition, brands need to realise that their purchasing decisions and the driving down of price is in large part responsible for this practice. Due to Turkey's proximity to the European market and the relatively high skill level of the workforce, it is common for Turkish factories to be required to fulfil orders at short notice; we also heard accounts, from people working closely with the factories, of order volumes being changed drastically at the last minute. This unpredictability creates severe stresses for factories. In order to meet the demands placed on them and manage risk they subcontract much of the work; using either declared subcontractors or contractors that the brands are not aware of. Furthermore, we heard from many sources that it was hard for factories to make a profit at the price they were

being paid. They subcontract the work to smaller workshops who make the clothes at a lower cost, partly through worker exploitation. Brands can't simply treat this as a compliance issue with their suppliers – they need to examine their own business model to tackle the root cause.

Action taken when refugees are identified

In our February outreach most brands did not address this question. At the time they responded to the questionnaire there was still no legal avenue for refugees to gain the legal right to work, except in limited situations. We highlighted the approach of **NEXT** for making a clear commitment to keep refugees employed in its supply chain once they were detected, developing a remediation plan delivered with local NGOs to address any discrimination.

C&A, Primark and White stuff also said that they expect suppliers to help workers to obtain the correct documentation and suggested that refugees would remain in employment while this took place. **NEXT** was the only brand that sought to counter the fact that unregistered refugees could not receive social security benefits by prescribing that they must be paid at least the Gross Minimum Wage.

In January, legislation was introduced allowing refugees to obtain work permits six months after they registered in Turkey, this legal development together with the increased pressure on companies around this issue appears to have encouraged more brands to move away from a “zero-tolerance” approach and in some cases they actively support the employment of refugees. **ASOS, C&A, Esprit, Gap Inc., Inditex, KiK, LC Waikiki, Mothercare, New Look, NEXT, Otto Group, Primark, Tesco, Tchibo** and **White Stuff**, all said they expect suppliers to help Syrian refugees gain the right to work if they are found to be employed at supplier factories. **H&M** significantly shifted its approach from saying it terminates the relationship with a supplier that has been found to employ workers without a permit to saying that where they find migrant workers without a permit, “*we engage with expert NGOs in order to find the best solution for the worker*”. Although **Puma** said that it did not have any undocumented Syrian’s in its supply chain, it did say it was encouraging suppliers to employ Syrians with work permits and that the first three Syrian refugees had been employed with a core **Puma** supplier. **Adidas** also said it was working to encourage employment of Syrians with work permits. However, while this move by brands is certainly welcomed, the major problem remains the exploitation of those workers without a permit.

That many brands now communicate to suppliers an expectation that Syrian refugees remain

employed once detected and to provide assistance to get them registered, is a very positive development at a policy level. However, the number of work permits actually issued by the Turkish Government so far is extremely low so this new stance by the brands alone is unlikely to lead to improved conditions for the vast majority of Syrians working to make their clothes. In September research showed that [only 5,500 work permits had been granted to Syrians](#) so far. Although the figure is expected to rise, there appear to be serious concerns surrounding the excessive bureaucracy of the system for applying for permits making it extremely difficult for Syrians to realise their rights. [Refugees International’s research](#) suggests that the actual number that will ultimately benefit from work permits will be 40,000 although they also warn it could be as low as 20,000. The situation is further complicated by the fact Syrians can only make up 10% of an employer’s staff and the need for employer support for applications. Early indications suggest that the requirement of employer support is a significant obstacle contributing to low levels of applications so far. Our research suggests that factory managers are employing Syrian’s without the right to work precisely because they are able to pay them less if they are unregistered. They are therefore not incentivised to facilitate the regularisation of work status of refugees because having done so they will have to pay them the minimum wage and make contributions in respect of social security. This coupled with the fact that brands are seemingly unable to identify the use of Syrian refugee labour means that the existence of the possibility for Syrians to gain work permits is not a solution to the problem. Unfortunately, many brands do not appear appreciate this.

Again brands must consider how their purchasing practices and the low price they are paying to suppliers has created this environment; whereby suppliers can only make profits by exploiting workers themselves or subcontracting orders to factories that can exploit workers without scrutiny.

Capacity building & cascading standards through supply tiers

We asked brands about any capacity building on this subject that they had undertaken with their first tier suppliers and, given how widespread the practice of subcontracting is in Turkey (as it is elsewhere in the industry), how they were seeking to ensure standards were cascaded through their tiers.

Above and beyond communicating their policies to all suppliers, 13 brands were able to point to additional activities such as supplier workshops or meetings specifically on this issue including: **Adidas, ASOS, C&A, Esprit, H&M, New Look, Next, M&S, Inditex, KiK, Primark, Inditex, Tesco. Mothercare** and **Tchibo** both said that they had activities planned.

On the question of cascading standards through the tiers there was less evidence of action by brands. It was those brands that were already able to demonstrate a deeper monitoring process who could show the clearest action. For example, **Inditex** stated that it *“does not differentiate between tiers in its compliance programme as per its traceability and sustainability approach”*. **H&M** also said that its training *“cover[s] processing units as well. Therefore, [the] same procedure is applicable”*. **Primark** said it had increased its monitoring programme precisely in relation to this issue and is auditing the second tier to ensure standards were cascaded. **NEXT** said it has increased its team in Turkey by 25% in response to the situation with Syrian refugees. **C&A** referred to audits, visits and dialogue with suppliers and also detailed a new mobile technology tool that engaged worker voice. **Adidas** said it has extended audits to the second tier for this purpose. **New Look** said that it requires its suppliers to confirm in writing that they understand the Syrian refugee remediation plan and that they are required to share this with their suppliers and factories. **G-Star** (one first tier supplier) acknowledged that their *“policies and capacity building work needs to be strengthened on this specific topic in case our supply base increases in Turkey”*.

A number of brands including **Adidas, M&S** and **Vaude** referred to contractual terms obliging suppliers to ensure their suppliers comply with compliance standards. However, some brands did not detail any actions undertaken on this point, or merely said it was the responsibility of suppliers to pass on information or ensure

compliance. These are good principles to have established but brands should be wary of a simple reliance on contractual terms or a commitment from suppliers. This alone is not sufficient to ensure proper cascading of standards.

Remedy of abuse

Our interviews with workers and trade unions uncovered serious ongoing abuse of Syrian's in the garment supply chain including discriminatory wages and verbally abusive employers. When we asked brands earlier in the year whether they had a remedy plan in place to address this, only **NEXT** and **Inditex** could point to plans specific to the situation of Syrian refugees.

This time there is a clear indication that more brands are starting to recognise the need for a tailored approach given the vulnerability of this group of workers. Although many still referred to their normal remediation plans: **ASOS**, **Esprit**, **H&M**, **Inditex**, **Primark**, **Mothercare**, **New Look** and **NEXT** either said they had plans to specifically address the issues Syrian refugees are facing or were able to describe a tailored approach. **Monsoon** and **Otto Group** said they expected to implement plans in the future. However, only **Mothercare**, **New Look**, and **NEXT** referred to paying the Gross Minimum Wage while Syrian's were employed without a work permit and therefore unable to obtain social security benefits. **ASOS** said *"Our main goal is to achieve a minimum payment of 1300.99TL per month which includes the AGI family tax rebate minimum level."* **Esprit** said that health checks were part of the remediation plan and *"an agreement between the supplier and Esprit for the provision of medical care where necessary"*. **Adidas** said that while its suppliers don't employ any workers without the correct documentation, in instances where a worker has not been properly registered they would expect the supplier *"to provide private insurance for health and accident as an interim solution until the legal hurdles and hiring issues have been resolved"*.

We are pleased to see that more brands appreciate this practical problem that refugees are facing and are seeking ways to resolve it. However, we were disappointed that many brands did not address this point at all, or simply referred to the theoretical obtaining of work permits as being a remedy for this issue, suggesting that they had nothing in place to address the interim period before a Syrian refugee could obtain a work permit. As we know that there are serious delays in the process for Syrians

obtaining a work permit (if they can at all), it is then, even more important that brands have a plan for addressing this issue.

Brands need to build trust by demonstrating they are approaching the issue with the aim of improving the rights of Syrian refugees, not just that they are seeking to tick a compliance box by establishing a partnership. Only by doing this will they build enough trust to work with NGOs.

Stakeholder engagement

We asked brands if they were working with local NGOs or trade unions to carry out risk assessments and provide remedy to Syrian refugees when they are detected. In our earlier report we found that only **Inditex**, **NEXT** and **H&M** had established partnerships with specialist refugee focused NGOs. This time **Esprit**, **New Look** and **Primark**, also said they had formal arrangements with local partners. **ASOS** says it has access to local NGOs in an “informal capacity” and a number of other brands including **Gap Inc.**, **Mothercare**, **Otto Group** and **Tchibo** said that they were looking into establishing formal partnerships. Although we have highlighted working with local expert partners as essential to properly assess risk and implement a remediation plan, brands should not look at establishing this relationship as the end of the matter. They cannot “outsource” their due diligence or remediation. NGOs in Turkey are currently overwhelmed by the refugee crisis. During our visit to Istanbul we heard how many NGOs lacked adequate capacity and funding, and often had to deal with competing demands from UN agencies and brands. The Ethical Trading Initiative (ETI) have set up a working group looking specifically at how brands can improve due diligence processes and remedy abuse of Syrian refugees in Turkey. ETI are well placed to act as a bridge between brands and local NGOs to manage these challenges. Several brands mentioned membership of the ETI’s working group on Syrian refugees including **ASOS**, **C&A**, **H&M**, **Inditex**, **Primark**, **Marks & Spencer**, **NEXT**, **Tchibo**. **Monsoon** said it was considering joining the group. Given the scale of the issues all brands operating in Turkey (no matter the level of sourcing) and members of ETI, should be members of this group to ensure they are actively involved in finding an industry wide response to the issue.

Another issue for brands to be mindful of is that NGOs will also understandably be wary of brand’s motives unless they can demonstrate credibility and a commitment to a rights-based approach. Brands need to build trust by demonstrating they are approaching the issue with the aim of improving the rights of Syrian refugees, not just that they are seeking to tick a compliance box by establishing a partnership. Only by doing this will they build enough trust to work with NGOs.

We are encouraged that at least some leading brands are starting to take action on this and strongly encourage membership of the ETI working group on Turkey which closely involves the global union federation IndustriALL. Yet, we would like to see much faster action from the majority of brands. For example, many brands justified their lack of a remediation plan by saying that as they had not yet detected any Syrian refugees they had not yet felt it necessary to create a specific tailored plan. We have detailed above the danger of relying on audits to assume that exploitation of Syrian refugees is not present, and we therefore find this type of answer unsatisfactory.

Integrating Syrian refugees into Turkish trade unions will be vital in helping and empowering these workers. At the moment there are structural barriers to union membership for unregistered workers. In particular workers are unable to join unions without a social security number. We are pleased that the ETI (of which IndustriALL is a member) has [reported](#) it is looking at finding solutions to the problems Syrians face in representing themselves in the workplace. Companies serious about improving the rights of Syrians as well as unregistered Turkish workers should be looking at ways to work with trade unions to enable and encourage representation.

Recommendations

Business as usual is no longer an option. The many companies that currently lag well-behind the leaders in the apparel sector can learn quickly from best practice and decisively act to eliminate exploitation of refugees. Brands sourcing from Turkey should:

- **Identify risk:** Work individually and collectively to identify key human rights risks for Syrian refugees, and map the location of risks in their common apparel supply chains.
- **Implement refugee protection strategy:** Learning from the best practice of leading brands, develop and implement a strategy to ensure refugees are protected, and communicate this robustly to their first-tier suppliers and sub-contractors in Turkey. This strategy should be developed in collaboration with other brands, civil society, trade unions, and refugee-support organizations, and should recognise the limitations of current auditing processes. This should include:
 - Robust due diligence and monitoring to identify refugee workers, including in sub-contracting factories.
 - Zero tolerance of discrimination against Syrian refugees in wages and equity in broader terms and conditions
 - Steps to address the challenges facing workers before they are able to secure a work permit, including payment of at least the Gross Minimum Wage, recognising these workers do not receive social security benefits.
 - A plan which places clear expectations on suppliers to support refugees to secure a work permit and protect children found to be working in factories (including supporting them into education and compensating for income loss).
- **Review and change purchasing policy** - make adjustments to ensure greater certainty and predictability is provided to suppliers (to prevent undeclared subcontracting), and that the prices being paid enable fair wages. Effective change in the industry demands a joined up approach from all brands.
- **Engage through ETI:** All apparel brands who are members of the ETI and source from Turkey should join the ETI initiative on Turkey and persuade the Government of Turkey to issue more work permits and remove the bureaucratic barriers hampering the issuing of work permits.
- **Support to civil society:** Explore ways to collectively support the work of local NGOs, trade unions and refugee support groups, recognising that they are a critical part of the solution and can play a key role in helping brands monitor conditions.
- **Worker-driven social responsibility:** Explore ways to ensure meaningful worker participation and be open to entering into legally-binding agreements with groups representing workers, in line with international labour standards and a worker-driven social responsibility model.
- **Commit publicly to long term sourcing from Turkey:** This will provide the economic security and enable the systemic changes necessary in the industry that will benefit Syrian refugees and Turkish workers alike.

