

Questions for garment brands re Syrian refugees in Turkey

Policy:

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

According to the Worker's Rights section of our Code of Conduct, Migrant Workers shall have exactly the same entitlements as local employees. In addition to this, no employee shall be discriminated against in employment or occupation on the grounds of sex, race, color, age, pregnancy, sexual orientation, religion, political opinion, nationality, ethnic origin, disease or disability. (Refer to ILO Conventions 100 and 111). Please check the attached H&M Code of Conduct as a reference. Every supplier should sign this document before starting to work for H&M.

H&M also sent a letter to our suppliers to inform them that no migrant workers without work permit shall be allowed to work in our approved units. It will lead to termination of the unit if we identify any worker without work permit.

In addition, our specific policy for Syrian refugees as an ETI member, and as a member of the Turkey garments working group within the ETI, is as agreed in the ETI November 2014 Position Statement. Please also check this statement attached.

Audits/risk assessment:

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

H&M has 72 active Suppliers & 210 Units located in Turkey.

3. How many have been audited since 1 Jan 2015? What percentage of audits have been unannounced?

All 210 units audited and/or HIGG assessed in 2015. 40% of these visits were unannounced.

4. Does your company carry out audits beyond the first tier? If so what percentage of second & third tier Turkish suppliers have been audited since 1 Jan 2015 and what percentage of these audits have been unannounced?

Tier 2 units (processing units) are always audited by H&M. However, due to our audit cycle of two years between the head audits, seventy five percent of them were audited unannounced 2015. We started to audit Tier 3 (Fabric mills and Dye houses) in 2014. 60 Tier 3 units (50%) have been audited as announced so far.

5. Do the audit & monitoring teams have Arabic-speakers who have received special training tailored to the situation of Syrian refugees, and do they speak with the workers confidentially?

H&M use surveys in different languages, including Arabic, to understand the conditions in the work place. We handle audits with our internal team and they receive training on special cases related to migrant labour. Moreover, we are in contact with NGOs such as ASAM (Association of Solidarity with Asylum Seekers and Migrants) and CYDD (Association for the Support of Contemporary Living) in case we need to interview Syrian Refugees in their mother tongue. Confidentiality is always the crucial rule during our audits/assessments and the same rule is valid with the 3rd parties we are working with.

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

According to H&M's Code of Conduct, all suppliers and other business partners are obliged to keep H&M informed at all times of where each product is being produced, including subcontracting and homework. H&M issues a Letter of Concern after the 1st undeclared subcontracting case and if there is a second case within 2 years the business relationship is terminated. We also provide training to our own colleagues and our suppliers on this in order to avoid undeclared subcontracting. We also have strict processes and systems for capacity and order management which helps prevent undeclared subcontracting. Last, our focus on close supplier relationships and not using any agents as middlemen also reduces the risk.

- 7. Has your company identified supplier factories employing Syrian refugees in 2015? If the answer is yes please state how many factories, if possible.**

YES, 4 units. Currently, no Syrian Refugees work in our approved units.

- 8. Has your company identified supplier factories employing Syrian child refugees in 2015? If the answer is yes please state how many factories, if possible.**

YES, 1 unit. After identifying child labor, we informed CYDD (Association for the Support of Contemporary Living) to get their support on the remediation activities. CYDD contacted the families of the children and created the action plan aligning with our policy by identifying the most suitable education option based on the needs and aspirations of the children.

Remediation:

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

H&M terminates its business relationship if a supplier employs a migrant worker without work permit. If the Syrian Refugee has the work permit, we ensure that they receive the same entitlements as the local workers.

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

H&M asks the suppliers to prepare a corrective action plan in case of discrimination/abuse against any worker including the Syrian Refugees. We review the action plan and follow up closely to ensure the effective implementation.

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

H&M is in contact ASAM (Association of Solidarity with Asylum Seekers and Migrants) for Syrian Refugee Cases. For child labor cases, we work with CYDD (Association for the Support of Contemporary Living).

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

H&M ensures that Syrian Refugees who work in our approved units hold valid work permit. This means that they will receive the same entitlements as local workers. Since we do not have any Syrian Refugees who currently work in H&M approved units, we do not have any action plan to ameliorate this issue.

Capacity building

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

During Supplier Meetings, we shared the details of our policy regarding Syrian Refugees with our Tier 1 suppliers and requested them to inform all their Tier 2 suppliers. We also train Tier 2 and Tier 3 suppliers during sustainability trainings.

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

We regularly audit subcontractors and check the working permits for migrant workers according to our Full Audit Program. In addition to this, we request written confirmation from our suppliers to ensure the implementation of Syrian Refugee policy in their subcontractors. In addition to our first tier suppliers, our audits is also covering all processing units in our tier two and a large share of our tier three suppliers.

Stakeholder engagement

- 15.** Does your company engage with local civil society groups and trade unions on this issue, for instance, in negotiating a policy position & carrying out risk mapping?

Yes, H&M works with other Brands such as Inditex, local groups such as ASAM and NGOs such as FLA and ETI on this issue. (FLA is a non-profit organization that combines the efforts of business, civil society organizations, and colleges and universities to promote and protect workers' rights and to improve working conditions globally through adherence to international standards. The Ethical Trading Initiative (ETI) is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe.)

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

No. Since we do not have any Syrian Refugees work in our approved units, we have not started any engagement activity on this subject. However, we continuously conduct our regular assessments for health and safety checks in our units.

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

No. Since we do not have any Syrian Refugees work in our approved units, we have not started any engagement activity on this subject.

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

Yes. Through FLA and ETI, we signed a letter to the Turkish Government to expedite the process related to legal framework for Syrian Refugees and we continue to work closely with these organizations. H&M also joined a meeting with the Head Advisor of the Prime Minister of Turkey and representatives of other relevant governmental institutions who is in charge of Syrian refugee crisis on January 12th. The meeting was organized by FLA and we shared our concerns about delay on work permit regulation alongside with other participant Brands from ETI and FLA. We received the details of draft regulation and encouraged the government representatives to pass the regulation as soon as possible.

Other information

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