



Syrian refugees in Turkish garment supply chains

An analysis of company action to address reports of serious exploitation & abuse

Briefing Note | February 2016

Pitiful wages, child labour and sexual abuse is reported to be the reality for some Syrian refugees working without permits in Turkey, posing a major challenge for the garment brands that source from the country to supply Europe's high streets. This report summarises the responses of 28 of Europe's largest clothes brands who were asked to explain how they are protecting Syrian refugees in their supply chain. A few are taking decisive action, but many are doing too little.

As the seemingly intractable conflict in Syria approaches its fifth year, 2.2 million refugees are estimated to be living in Turkey. However, only 4,000 have been given the right to work by the Turkish Government since 2011, as it struggles with a domestic unemployment rate of 10%. Between 250,000 and 400,000 are estimated to be working illegally in Turkey. These workers lack legal status, making them vulnerable to abuse and exploitation.

After concerted pressure by brands, the government passed welcome legislation on work permits. But it comes with restrictions that could mean many refugee-workers remain illegal and vulnerable to abuse. This presents a major challenge for the garment industry given that Turkey is one of the largest exporters of textiles in the world, the majority of its exports being sold by European brands.

In December 2015, we approached 28 major garment brands with [specific questions](#) on how they are dealing with this issue. The questionnaire was developed in consultation with trade unions, the Fair Labor Association (FLA), the Ethical Trading Initiative (ETI), and local advocates.

The responses varied in quality, and it is notable that a significant number of brands failed to engage meaningfully with us as yet. Only a few brands appear to have engaged with the extent and the complexity of these issues in their Turkish supply base; even fewer report taking principled and pragmatic action to protect these vulnerable workers. Key findings were:

Specific policy lacking: Only three brands shared

specific policy communications to suppliers regarding the treatment of refugees that prohibited discrimination and provided support to these workers.

Out of sight out of mind - auditing processes not fit for purpose: Brands are generally conducting announced or semi-announced audits on their first tier suppliers, with less scrutiny further down their supply chains. Only 4 brands said they had detected Syrian refugees in supplier factories. Six brands said they had not detected any refugees, and the majority have not yet responded to this specific question.

Lack of engagement with local civil society partners: Only three brands report having an active programme of engagement with local partners such as refugee focused NGOs, who have expert knowledge of the needs of this vulnerable group to prevent and remedy abuse.

Good government engagement: It is a major achievement, that the brands successfully lobbied the Turkish Government both directly and through the FLA and ETI for work permits for Syrian refugees.

Key recommendations

Develop an action plan: Brands should develop an action plan in consultation with unions & refugee NGOs which sets out and communicates clear policies that prohibit discrimination and provide support to Syrian refugees. It should prevent automatic dismissal.

Increase scrutiny: Brands need to increase the scrutiny of their supply chain beyond the first tier in order to detect exploitation and undeclared subcontracting. In addition to extending the scope of the suppliers subject to audit, brands should move quickly to 100% unannounced audits.

Collaborate with partners: Brands should continue to work collaboratively to respond to this issue. They should forge links with expert Turkish partners and trade unions who can assist them in identifying risk and providing remedy. These partners should have expertise in assisting women and children refugees in particular.

Background

In recent years there has been an increasing focus on working conditions in garment supply chains in South East Asia. Turkey, the [third largest textile exporter](#) to the European Union and the sixth largest globally in 2013, has received far less attention. Over the last months we have seen an increasing number of [worrying reports](#) of abuse and exploitation of Syrian refugees in Turkish factories. In response, we began an [outreach programme](#), engaging major western brands to identify how they are working to ensure that Syrian refugees are protected in their supplier factories.

The brands have had a major success in January 2016: after concerted lobbying, the Turkish Government has in the last two weeks published legislation that allows refugees to gain work permits – a primary source of refugees' vulnerability. However there are significant restrictions (see details below) and as the [ILO points out](#), this is unlikely to prevent all exploitation of refugees. Migrant workers are always a group particularly vulnerable to exploitation. It will also be important to ensure that the influx of Syrian refugees who can work legally does not undermine already low wages in the sector and facilitate wider exploitation. Nevertheless, the avenue for refugees to gain work permits is a positive move, and should give brands the opportunity to work openly and collaboratively - with each other and their suppliers - on this serious and ongoing issue.

Who responded?

We received responses to the questionnaire from adidas C&A, H&M, Inditex, NEXT, Nike, Primark, Puma White Stuff, and KiK (access [here](#)).

Arcadia Group, ASOS, BHS, Burberry, Debenhams, HUGO BOSS, Marks & Spencer, and Superdry declined to respond to the questionnaire, but sent us brief statements setting out their approach to supply chain management and this issue (access [here](#)).

GAP, New Look, Otto Group, Tchibo, and LC Waikiki have indicated that they will respond to the questionnaire shortly.

Monsoon & VF declined to fill out the questionnaire. Monsoon added that they have only a small number of suppliers in Turkey and therefore felt the information they could provide would not be meaningful.

Esprit, River Island, and s. Oliver have not yet responded to us.

What information did companies provide and how much did they disclose?

	Policy	Audits	Remedy	Capacity Building	Engagement
adidas	●	●	●	●	●
C&A	●	●	●	●	●
H&M	●	●	●	●	●
Inditex	●	●	●	●	●
NEXT	●	●	●	●	●
Nike	●	●	●	●	●
Puma	●	●	●	●	●
Primark	●	●	●	●	●
KiK	●	●	●	●	●
Whitestuff	●	●	●	●	●
Sent a general statement					
ASOS	●	●			●
Arcadia	●	●			●
Debenhams		●			●
Burberry		●			
Marks & Spencer		●			
HUGO BOSS	●				
BHS		●			
Superdry	●				
Not yet responded					
GAP			Indicated it will respond		
New Look			Indicated it will respond		
Otto Group			Indicated it will respond		
Tchibo			Indicated it will respond		
LC Waikiki			Indicated it will respond		
Esprit					
Monsoon			Declined to respond		
River Island					
s.Oliver					
VF			Declined to respond		

Key Findings

Policy

We asked brands if they had a statement specifically prohibiting discrimination and exploitative practices against Syrian refugees.

Although all the brands that responded to the questionnaire reported having policies that prohibited discrimination within their normal supplier codes of conduct, only **NEXT**, **Inditex** and **White Stuff** shared with us specific policy communications made to suppliers regarding the support and protections that should be provided to Syrian refugees in their factories. **NEXT** has a “Syrian Refugee Action Plan” which contains clear dos and don’ts for suppliers. It makes clear that no Syrian should be expelled from working in the factory and specifies that Syrian workers should be afforded equal treatment and be paid at least the gross national minimum wage. The action plan also sets out that health and safety information and training should be given in that worker’s language. **White Stuff’s** communication states that employment of undocumented workers is a breach of their code of conduct and national law. It also emphasises that discrimination will not be tolerated and encourages suppliers to disclose where undocumented workers are present in the supply chain. Crucially, it does not threaten suppliers with sanctions if they disclose such workers but directs suppliers to assist these workers in obtaining the proper documentation.

Blind Belief?

Despite the risks, most brands appear not to have developed specific policies, practices and checks that identify, protect and support Syrian refugees in their supply chain. A number of brands also failed to respond to our request or sent short statements that did not detail their monitoring and auditing processes. Others cited zero tolerance policies on the employment of undocumented workers as evidence that they do not exist in their supply chain.

Given the scale of reported abuses and exploitation, companies need to strengthen the methods they use to detect abuse and take decisive action to combat exploitation of vulnerable Syrian workers in a principled way. Leadership by **NEXT** and **C&A** demonstrates that this is both urgent and practical.

Inditex did not provide us with a written policy but did detail how it had communicated its approach on Syrian refugees in its supply chain during a supplier conference, and said that this included a zero tolerance approach to exploitation.

Some brands referred us to ETI’s November 2014 position statement on the rights Syrian refugees in Turkey’s garment sector (access [here](#)).

Audit & Risk Assessment

Only 4 brands, **C&A**, **H&M**, **NEXT** and **Primark**, reported identifying any Syrian refugees in supplier factories during their auditing and monitoring process in 2015.

C&A (87 first tier suppliers) stated that it had uncovered 2 cases in 2015, with 6 workers identified at one factory and 4 in another.

H&M (72 first tier suppliers, 210 factories) said it identified Syrian refugees in 4 factories and Syrian child labour in 1 factory.

NEXT (22 first tier suppliers, 40 factories) said it identified Syrian refugees in 10 factories and Syrian child labour in 2 factories.

Primark said it had identified Syrian refugees in a “*small number of factories.*” It did not disclose its number of first tier suppliers in Turkey, but stated it made up about 5% of their total volume.

White Stuff (11 first tier suppliers) did not explicitly answer this question, although it stated that where refugees are found “*we ask that the factory management facilitate and help the worker obtain their legal documents while keeping them employed.*”

adidas (5 first tier suppliers), **Arcadia Group**, **Burberry** (2 first tier suppliers), **KiK** (36 first tier suppliers), **Nike**, and **Puma** (7 first tier suppliers) all expressly stated that no undocumented Syrian refugees were identified in their supply chain. All other brands remained silent on this question.

This is clearly a difficult issue for brands, as it is illegal under Turkish law for factories to employ refugees without a work permit, and the new work permit scheme is yet to be tested. Notwithstanding this, [reports](#) indicate the use of refugee labour is widespread, so there appears to be a disconnect between what is going on in factories and what many brands are aware of or report publicly. In the cases where brands have identified Syrians, these were often reported as one-off incidents.

This suggests that the audit process brands are using has not been sufficiently adapted to provide transparency in this complex situation. For example,

only a few brands reported using Arabic speakers as part of their audits specifically in response to the refugee influx. The responses also reflected known problems with social audits. The vast majority of respondents to the survey said they had audited a high proportion of first tier suppliers in the last 12 months; **ASOS, Burberry, C&A, H&M, M&S, Nike Primark, Puma and White Stuff** said they have audited 100% of their first tier. While **Inditex** and **NEXT** did not answer this question directly, the number of audits they report carrying out indicates they also have 100% coverage.

However, most audits were announced or “semi-unannounced” (where suppliers know they will be audited within a given time period - often between two and six weeks). If factories know audits are expected it may mean compliance issues are being hidden. Companies which reported carrying out high percentages of unannounced audits include **Inditex** (158 first tier suppliers – 100% unannounced audits) **Nike** (100% of first tier - 6 suppliers) and **Debenhams** (90% - although it does not disclose how many suppliers are audited in total and did not fill out the questionnaire). **NEXT** stated that while only 5% of its audits in 2015 were unannounced, it has decided that due to problems associated with announced audits all audits will be unannounced beginning in 2016.

While some brands increasingly audit and monitor below the first tier (including **NEXT, Inditex, and H&M**) others report much lower levels of scrutiny. The fact that suppliers further down the supply chain are not subject to the same level of scrutiny may mean that there are undetected compliance issues, including the possibility that Syrian refugees are being exploited, undetected by the brands’ monitoring processes. Indeed supply chain experts [warn](#) that the most “*critical sustainability risks are found deeper down the supply chain.*”

Another significant risk factor is [undeclared subcontracting](#). This problem was illustrated in the aftermath of the Rana Plaza tragedy. Many brands were unaware that their clothes were being made in that factory until their labels were uncovered following the collapse of the building. We asked brands how they approach this issue. Most brands failed to address this directly. Some relied on the existence of a policy forbidding the practice and the consequences if undeclared subcontracting was discovered. Only a few brands detailed their detection methods. Specifically, **adidas, C&A, H&M, Inditex, KiK** and **NEXT** explained the related checks they carry out. Some detailed how they internally cross-check whether the orders given to a supplier meet the capacity the supplier has allocated to their brand and whether the capacity given by the supplier is correct. Others referred to how auditors are

trained to detect this and how they treated this breach of their code. So while it is clear that some brands are developing more sophisticated detection methods around this issue, subcontracting remains a major risk for brands in Turkey as elsewhere.

NEXT’s Syrian Refugee Action Plan

This was the only specific action plan that was shared with us by brands. It provides clear dos and don’ts for when Syrian refugees are identified. It makes clear that factories should not expel any Syrian workers, that Syrian workers must not be subjected to threats, and that they should not obstruct access to remedy. It also instructs suppliers to:

Ensure Syrian workers are afforded equal treatment and are provided with at least the gross national minimum wage

- Provide health & safety information/training in workers’ own language
- Provide details of NGOs working with Syrian refugees (it lists two)

See NEXT’s Syrian Refugee Action Plan [here](#).

What action are brands taking when refugees are identified?

Our questionnaire asked brands what process they followed when Syrian refugees were found working in supplier factories. We asked specifically whether the refugees remained employed if they were detected through the brand’s monitoring process.

Despite recent changes in Turkish Law, this will likely remain, sensitive and complex for brands. As a result, only a few brands responded to this specific question. However, from looking at these answers it appears that brands may be starting to move towards a clearer position that starts to address some of the practicalities of the situation. **C&A** said that while it acknowledged that it expects suppliers to comply with Turkish law, it wanted to be sensitive to the very difficult situation that the refugees are in, and therefore they were “...*encouraging the factories that employ them, to take and support all legal means to obtain their residence and work permits.*”

NEXT provided their specific “Refugee Action Plan.” Under this plan Syrian refugees are to remain in employment and be paid at least the gross national minimum wage. It also described the steps it took when

Syrian child workers were identified. These steps focus on “targeting [the] child’s schooling without any income loss,” and, “includes payment of legal minimum wage to the child’s family, to the mother preferable, until the child reaches the working age.”

White Stuff also stated that while factories were prohibited from using undocumented migrant workers, where they did find refugees they were asking that “the factory management facilitate and help the worker obtain their legal documents while keeping them employed.” **Primark** also followed this approach, stating that where workers did not have the right to work, suppliers were responsible for assisting and supporting their workers to obtain the correct documentation. They stressed that workers would remain employed while documentation is sought.

Even though **Puma** said its suppliers do not employ Syrian refugees due to their illegal status, they did say that in the event a Syrian refugee is found working in a supplier factory, the “[s]upplier will not dismiss Syrian refugee in case of identification, and employment will continue until Syrian refugees will leave the supplier based on their choice.” It further stated that “Core suppliers are encouraged to hire 2 or 3% Syrian refugees with equal opportunities with the local workers. However the suppliers do not want to hire illegal workers.”

Inditex emphasised that they do not believe in a “cut and run” approach when breaches of its code are identified. Instead it says it collaborates with a local NGO (Refugee Support Centre) on remedy, and it starts the registration process to obtain work permits for undocumented Syrians. However, during this period the workers do not continue working at the factory “in case it is not possible to get work permits for workers...”

However, some companies felt that this was an issue of legal compliance and could not be worked around. **H&M** responded that they terminate the relationship with a supplier if they are found to employ a worker without a work permit. In its response **adidas** reiterated that its suppliers are not allowed to employ undocumented refugees. We will be following how brands react in light of the new legislation.

Remedy of abuse

We asked brands if they had a remedy plan that addresses instances of discrimination/abuse against Syrian refugees in their supply chains.

Although most brands were able to talk about their normal remediation process for discrimination, only **NEXT** and **Inditex** described a specific plan with steps to address abuse, discrimination and exploitation of

refugees. **NEXT** requires suppliers to pay an undocumented Syrian worker at least the “gross minimum wage”. This addresses the fact that Syrian refugees without a work permit cannot access social security services and employers were taking advantage of their illegal status to avoid social security payments. **NEXT** was the only company that had sought to mitigate this problem through specific measures.

Inditex said that it had developed a remediation plan with a partner (Refugee Support Centre). This plan included 3 main elements: (1) Education (on refugee workers’ rights and Turkish/English language), (2) Monthly payments to workers for a determined period of time (not less than agreed salary), and (3) Registration process to work legally. However, as noted above, if registration is not possible the worker will not continue to be employed at the factory.

We also asked brands whether they were working with NGOs or trade unions to provide a remedy to Syrian refugee workers if they are discovered. Unfortunately most brands could not point to a specific partner. However, **Inditex** (details above), **H&M** and **NEXT** did report working with refugee-specific NGOs. **NEXT** stated it is working with an NGO which is one of UNHCR’s implementing partners in Turkey to deliver remedy services and training to Syrian refugees, as well as developing its action and remediation plans. It also detailed a new programme it is developing for Syrian refugee women.

H&M also pointed to its engagement with NGOs focused on refugees and child refugees: ASAM (Association of Solidarity with Asylum Seekers and Migrants) and CYDD (Association for the Support of Contemporary Living). **Primark** also said that they were in discussions with a local partner in Turkey who will help them provide services, including helping workers obtain the right to work; they stated that they believe having the correct documentation is the first line of protection for refugees.

Many brands could play a stronger role in the welfare of Syrian workers in their supply chain by developing specific plans with local civil society experts and trade unions to ensure they are providing adequate remedy and support. As more of these workers will be entering the workplace legally, this is especially important in the coming months.

Engagement with Government & civil society

We asked brands about how they were engaging with other stakeholders on this issue, including civil society and trade unions, to carry out risk assessments and support refugees in the workplace on issues like health

& safety. We also asked them if they had engaged the Turkish Government on the issue of work permits – the lack of which are a key source of vulnerability of refugees.

adidas, ASOS, Burberry, C&A, Debenhams, H&M, Inditex, NEXT, Nike, Primark, Puma, Superdry, and White Stuff all cited engagement with either the Ethical Trading Initiative and/or the Fair Labor Association. Both organisations have been leading engagement with brands on this issue and successfully lobbied the Government on work permits. Engagement included signing a joint letter to the Turkish Government petitioning them to provide the legal right to work for Syrians. **C&A** and **Primark** also referred to specific meetings with Government representatives as recently as January in which they again lobbied the government successfully to issue work permits.

The concerted work of the ETI, FLA and direct pressure from the brands finally led to the Turkish Government announcing it would issue work permits to Syrian refugees in mid-January 2016. Brands should be credited for their part in bringing this about.

While the brands' engagement with the Turkish Government, ETI and FLA is very positive (particularly the recent pressure), there was less evidence of engagement with local civil society and trade unions. The vulnerability of this group of workers poses complex problems that brands will be unable to address on their own. Local trade unions and civil society groups are key groups that brands need to engage with in order to properly understand and address risks to workers.

What impact will work permits have?

The decision by the Turkish Government to allow Syrian refugees to apply for work permits is a welcome move. Giving refugees legal status should mean they will emerge from the informal workforce with new legal rights and protections (see publication in Turkish of the regulation in the official gazette [here](#)). However, as Numan Ozcan, Director of the ILO's Turkey office [points out](#), *"It would be unrealistic to think of work permits for Syrian refugees as a magical wand that will solve all problems"*. The legislation does not ensure a work permit for every Syrian refugee in Turkey in all circumstances. First, a refugee will have to wait 6 months after registering in Turkey under ["temporary protection status"](#) and the work permit will be restricted to the [city in which they first registered](#) – which will not necessarily be where the Syrian refugee wishes to reside or seek work- particularly if many register in border towns where work opportunities are limited. These restrictions mean it is highly likely that there will

continue to be a supply of desperate Syrian workers willing to work in exploitative conditions.

Secondly, Syrians will only be able to make up 10% of an employer's staff (although there is some flexibility in certain cases). Nevertheless this threshold could mean that there will remain a significant number of refugees still in the informal workforce as there will doubtless be instances where the supply of cheaper and desperate Syrian labour is in excess of this quota.

There may also be additional complications to how the permits will operate in reality. The regulation states that Syrians may work in cities where they are allowed to reside and have registered. Currently Syrians are supposed to be able to reside in any city because their numbers are so huge, while other refugee groups are more restricted. However, in practice the local governments in certain cities have decided Syrians cannot reside there – for example the [tourist city of Antalya](#). It remains to be seen how this will play out.

The move to grant Syrian's work permits should also be seen in the context of the widespread problem of "informal" workers in Turkey. As the ILO points out, [informal working is the norm for the rest of the Turkish population too](#). Indeed a Clean Clothes Campaign [report](#) on Turkey from 2012 estimated that there were 1.5 million informal workers in the garment and leather industries compared to just 508,000 registered workers. Informal workers are cheap labour for factories and the temptation to continue to use unregistered workers will not be eliminated by this regulation. It is also unclear that work permits will overcome the problem of Syrian child labour which according to reports is prevalent.

While Turkey must be commended for taking so many refugees during the crisis, there will naturally be tensions with the local population, particularly while domestic unemployment levels remain high. Brands must be alive to all of these issues and guard against abuse, exploitation and wage depression. Collaboration both within the industry and with civil society and trade unions will be key to ensuring vulnerable workers are protected.

What should brands do?

All brands should take the following steps in relation to Turkish suppliers to tackle exploitation:

1. Carry out a risk assessment - in partnership with NGOs and trade unions - of the entire Turkish supply chain, specifically looking at exploitation of Syrians (not limited to 1st & 2nd suppliers).

2. Reform monitoring and auditing processes in order to detect abusive practices. Specifically:

- Ensure Arabic speakers are part of every audit team
- Move to unannounced audits
- Ensure all tiers of the supply chain, including “non-core” processes, are subject to auditing and monitoring

3. Develop an action plan in partnership with civil society and trade unions to reduce the risk of, and combat, abusive practices. This should include:

- Instructions to suppliers that Syrian refugees are not to be dismissed even if they are undocumented
- Clear policy of non-discrimination and amelioration of the fact undocumented workers cannot receive social security benefits (see NEXT’s practice of providing for payment of the gross national minimum wage)
- Identifying appropriate civil society partners, including NGOs specialising in refugee issues and trade unions, that can assist with remedy services such as support to gain a work permit
- A specific plan for action when Syrian children are identified which includes working with appropriate partners to provide support, ensuring no income loss to the family and guaranteeing access to education
- Raise supplier capacity on this issue – develop training and support for suppliers to aid implementation of the action plan

4. Continue to work collaboratively within ETI & FLA, and forge links with local civil society and unions to find solutions, share best practice across the industry and lobby the Turkish Government to improve the legal framework for refugees.

About us

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 70% globally.

We encourage brands that have not yet completed our questionnaire and those that have sent us statements to fill out the questionnaire to make their approach to these issues transparent.

If any brand would like to send us additional information it is welcome to do so at any time.

For more information on our work on labour contact the author of this briefing:

Danielle McMullan, Senior Researcher:
mcmullan@business-humanrights.org