

FWF Guidance for Members:

Risks related to Turkish garment factories employing Syrian refugees

Updated January 2017

FWF is in ongoing dialogue with stakeholders, government representatives, UN agencies and other MSIs working in Turkey regarding best practice for brands sourcing in Turkey. FWF will periodically update this guidance as the situation evolves.

Note to FWF member brands: This guidance document is published in line with FWF's Brand Performance Check system's 'Enhanced Monitoring' policy as outlined in indicator 2.7.

I. Background

As the Syrian refugee crisis enters its sixth year, Turkey now hosts an estimated 2.75 million Syrian refugees, the largest number of any country.¹ Half of the Syrians in Turkey are under 18 years of age, and more than 1 million are under the age of 15.² Around 300 000 people are being assisted by formal camps, however the majority of Syrians are now living in towns and cities across Turkey.³

The number of refugees, the length of their stay, now measured in years, and an ongoing shortfall in support from the international community (e.g. only 66% of the resources requested by the UN in 2016 were donated⁴), continues to put strain on Turkish relief systems, and poses enormous difficulties for refugees. Despite these challenges, Turkey has established a strong asylum framework through the *Law on Foreigners and International Protection and the Temporary Protection Regulation.* Efforts continue to address the immediate humanitarian needs of refugees, and to support longer-term needs by offering health care and education, and by publishing regulations that provide a legal pathway for Syrians to gain access to the labour market.

The *Regulations Concerning Work Permits of Foreigners under Temporary Protection* entered into force on 15 January 2016. Under this law, Syrian refugees are legally able to obtain a work permit, though in practice many obstacles remain in implementation of the law. A total of 13 298 permits were issued to Syrian workers in 2016 for all industries,⁵ but with stakeholders estimating the number of Syrians working in the garment industry at between 250 000 and 400 000, the risks to undocumented workers remains high.

¹ <u>Syria Regional Refugee Response Interagency Information Sharing Portal</u> (12 January 2017 Update)

² UNICEF Syria Crisis 2016 Humanitarian Results Report

³ Regional Refugee & Resilience Plan 2016-2017 Turkey

⁴ Syria Regional Refugee Response Interagency Information Sharing Portal (12 January 2017 Update)

⁵ Anadolu Agency. <u>Turkey issues work permits to over 73,500 foreigners</u>. 18 January 2017.

II. Risk assessment

FWF's own investigations and consultations with stakeholders both indicate that the large number of undocumented Syrian refugees present a number of risks. Brands sourcing from Turkey should be aware of these risks, and take steps to mitigate them. FWF is by no means advising brands to leave Turkey, given the importance of the industry to millions of garment workers, but extra steps should be taken to ensure that the rights of Syrian refugees are respected at work.

Government statistics count 1 million people as registered to work in the apparel industry;⁶ they also estimate that up to 1.5 million unregistered workers are also working in the sector.⁷ Given the estimated number of refugees working in the garment industry, undocumented Syrian workers may now comprise more than 10% of the entire industry workforce. It is therefore likely that undocumented Syrian refugees are working somewhere in the supply chains of many brands, particularly at unauthorised subcontractors. Brands should be aware of the following points:

Risks and commonly reported problems

- Undocumented Syrian refugee workers have few protections and little recourse against mistreatment. The widespread failure to pay legal minimum wages (payment of as little as 50% of legal minimum has been reported), social security, and other legally-mandated benefits remains a major concern.
- The presence of hundreds of thousands of child refugees living in families with no regular source of income presents significant child labour risks. A sharp increase in child labour in Turkey has been reported by stakeholders since the arrival of the Syrian refugees.
- The highly-vulnerable status of women refugees raises the risks of gender-based violence and sexual exploitation at work. Such risks are often difficult to detect via audits, and women are often reluctant to report mistreatment. However, a recent report by the Turkish Medical Association highlights the risks to women refugees.⁸ FWF members should be aware that hidden risks may exist in their supply chains.
- Reports indicate that a large majority of undocumented Syrian refugees do not work in the first-tier suppliers that brands contract with directly, but rather at (mostly unauthorised) subcontractors hired by first-tier suppliers. Subcontractors may be used either to cope with production peaks, for specialised production processes (e.g. embroidery or screen printing) or simply as a way to lower costs. Risks to Syrian refugees are highest at subcontractors,

⁶ Social Security Institution, <u>Monthly Statistics Bulletin</u>, January 2016 figures.

⁷ Republic of Turkey Ministry of Science, Industry and Technology, <u>Action Plan and Strategy Paper for Textile, Garment, and Leather Industry 2015-</u> 2018, p.20.

⁸ Turkish Medical Association. <u>War, Migration and Health: The Experience of Turkey.</u>

which are informal or unregistered businesses, often with dangerous and unhealthy working conditions, exploitative management and no government oversight.

• As refugees have spread out all over Turkey, brands should assume that production in all areas of Turkey is at risk of code violations related to the mistreatment of Syrian refugees. However, special attention should still be given to factories near the Syrian border.

III. Relation of common risks to FWF's Code of Labour Practices

No exploitation of child labour

In Turkey, employment of children younger than 15 years of age is prohibited.⁹ Workers aged 15 to 18 can be employed only in special conditions and work must not interfere with school for those pursuing secondary education (e.g. high school). In any case, juvenile workers may not work more than 40 hours per week. A copy of the personal identification card, showing a worker's age, is among the documents which must be kept in all employees' personnel files.

A legally-binding employment relationship

Workers without the legal right to work cannot enter into a legally binding employment relationship. The lack of a legal employment contract puts workers at high risk for abuse and exploitation, because they have no recourse to the law if their rights are violated and have no access to related provisions such as social security, health care etc.

Since 2014 a system has been in place to provide Syrian refugees with temporary personal identification cards. The other two main pieces of legislation relevant to Syrian refugees are the 2015 *Regulations Amending the Regulations on the Application of the Act on Work Permits for Foreigners* and the 2016 *Regulations Concerning Work Permits of Foreigners under Temporary Protection* entered into force. More information on compliance with these laws is provided below.

There is no discrimination in employment

A number of international treaties (including International Labour Organization (ILO) Conventions 100 and 111 on discrimination and equal remuneration) state that no discrimination may take place in employment on the basis of race, colour, sex, religion, political opinion, national extraction or social origin and remuneration must be equal. The ILO convention on Migrant Workers (ILO C143) also states that migrant workers, regardless of legal employment status, enjoy the same human rights as any other workers. This means that it is never acceptable to offer undocumented refugee workers lower pay, unsafe conditions or to otherwise discriminate against them.

⁹ Children who are fourteen years old and have completed their primary education may be employed in 'light work' that will not 'hinder their physical, mental and moral development' According to Turkish law, the textile and garment industries DO NOT meet this requirement; therefore all textile and garment workers should be at least 15 years of age.

Payment of a living wage

While FWF focuses on work towards a *living* wage over time, FWF expects immediate compliance with *legal minimum wages* for all employees, in all situations.

Safe and healthy working conditions

FWF has received numerous reports of serious safety violations at unauthorised subcontractors employing refugees. Basic issues, like fire safety, are often ignored.

IV. What should members do now?

Prevention and due diligence steps

A. Registration for work permits and general risk awareness and management

FWF members should ensure that all suppliers have a policy in place for registering Syrian refugee employees, and that all Syrian workers are enrolled in the process. Bringing workers into the formal economy can significantly reduce the risks of a wide range of discriminatory and abuse work situations.

Under current regulations, the following points apply to the registration process:

- Applicants for work permits must first register for temporary protection identification cards.
- Work permits are valid for the same city (or in some cases province) where the identification card was issued.
- There is a six-month waiting period between receipt of the temporary protection identification card and eligibility to apply for a work permit.
- Employers must file for the permit on behalf of the employee via <u>www.turkiye.gov.tr</u> or <u>www.calismaizni.gov.tr</u>.
- An annual fee of 558 Turkish Lira/€135 per worker must be paid for registration.
- In general, the number of Syrian workers should not exceed ten percent of the number of Turkish workers in a factory.

Detailed information and guidelines about applying for work permits are available (in Turkish) at: http://www.calismaizni.gov.tr/media/1038/gkkbasvuruk%C4%B1lavuzu.pdf and http://www.calismaizni.gov.tr/media/1038/gkkbasvuruk%C4%B1lavuzu.pdf and http://www.calismaizni.gov.tr/media/1038/gkkbasvuruk%C4%B1lavuzu.pdf and http://www.calismaizni.gov.tr/media/1035/gkkuygulama.pdf. The Fair Labour Association has produced an English version of the guidelines.

Members should be prepared to have a discussion with suppliers regarding the costs associated with registering Syrian refugees and bringing them into the formal labour market. There may be a need to support factories with some costs, such as the annual registration fee. Under no circumstances should the vulnerability of refugees be used to deny them their basic human rights. FWF considers arguments like "paying refugees half the minimum wage is better than them having no income" to be unacceptable and no justification for exploitation. As a member, you should ensure that suppliers understand your expectations for treatment of workers according to the Code of Labour Practices.

Normally, FWF recommends that all suppliers should be visited at least once per year by member staff to assess risks. FWF continues to strongly encourage members to schedule visits to Turkish suppliers and their known subcontractors at least annually. Suppliers who appear to be at particular risk of violations related to Syrian refugees – or at risk of using unauthorised subcontractors – should be scheduled for a high-quality audit focused on these risks. Members should also investigate whether other audits have recently been conducted, and whether they identify risks. As many Syrian refugees are working in subcontractor factories, FWF encourages members to ensure they are included whenever main suppliers are audited.

When selecting new suppliers, appropriate due diligence regarding undocumented refugees and subcontractors is important. This is especially true for factories close to the Syrian border, where large numbers of Syrian refugees are living.

B. Child labour

As a preventive step, FWF members sourcing in Turkey should consult with their current or prospective suppliers to emphasise that employment of underage workers is in violation of the FWF Code of Labour Practices.

C. Subcontractors

FWF members should ensure that all authorised subcontractors are identified and are included in their monitoring systems. All standard FWF procedures (e.g. posting of Code of Labour Practices, option to participate in the Workplace Education Programme, etc.) also apply to subcontractors.

Suppliers should clearly understand that the use of unauthorised subcontractors is not acceptable, due to the high risk of rights violations.

In additional to audits, there are some 'common sense' steps that members can take to reduce the risk of unauthorized subcontractors. If factories provide services (e.g. embroidery, screen printing, packaging) but the equipment for those services is not on-site, then members should assume subcontractors are being used, and should ask factories to identify their locations.

D. Agents and intermediaries

Members should also ensure that any agents or intermediates working on their behalf are aware of the risks outlined here.

E. Supplier consolidation

FWF encourages the consolidation of supplier bases. A smaller number of suppliers makes a robust monitoring system much more feasible, reduces unknown risks, especially at the 'long end' of a supply chain tail, and increases leverage at the remaining suppliers – which means members have more influence and legitimacy in discussions around improved working conditions.

F. Training, WEP and educational materials

Members should enrol suppliers in FWF's Workplace Education Programme, which includes information for managers on labour laws, including those relevant to Syrian refugees. In addition to the existing programme and materials in Turkish, FWF has established an Arabic-language version of its worker helpline. Worker information sheets in Arabic, with contact information for the helpline, should be distributed to all suppliers and subcontractors. Worker information cards in Arabic are distributed during audits and WEP trainings, and are available for members to distribute during factory visits.

Remediation

Remediation of Code violations related to undocumented refugees is likely to be complex. Best practice recommendations continue to develop, and members are encouraged to contact FWF staff for advice on the latest developments should they need to begin a remediation process.

A. General points on remediation

- Members have the responsibility to remediate unfair treatment of Syrian workers, whether found at their suppliers, or authorised or unauthorised subcontractors.
- FWF policy does not allow members to immediately terminate business relationships when problems are found. Members are expected to remain engaged with suppliers and to work to fix problems. Business relationships may be terminated only after consultation with FWF.
- Given the complexity and sensitivity of the situation, any remediation efforts with suppliers or subcontractors, should involve consultation with FWF and with legitimate local stakeholder organisations.

B. Remediation of registration, pay issues, harassment, and other forms of discrimination

- If undocumented workers are found via audits or other means, they should be enrolled in the process to obtain work permits.
- All workers should receive at least the full legal minimum wage for regular hours they have worked and the legal overtime premium for overtime hours. Under Turkish law, a normal workweek for adult employees is 45 hours; adults may work a maximum of 270 hours of overtime per year.

- For guidance on remediation strategies for sexual harassment or gender-based violence, please refer to the FWF/ITCILO <u>Resource Kit on Gender-Based Violence in Global Supply</u> <u>Chains</u>, and contact FWF directly.
- As the laws covering these issues are relatively new, and the situation continues to develop, FWF strongly advises members to contact FWF directly before starting on any remediation process, to discuss the most recent developments.

C. Remediation of child labour

• The <u>FWF Child Labour Policy</u> should be implemented if child labour is found. This includes ensuring that children are removed from the workplace, enrolled in school, and that financial support is provided to the child's family until the child reaches legal working age. Please refer to the policy for details. Steps should be taken to ensure that any Syrian children involved in a remediation process are enrolled in education appropriate to their needs. Local, specialist advice should be sought in such cases. Members are advised to contact FWF if they have any questions regarding remediation of child labour.

D. Subcontractors

• Violations of the Code of Labour Practices which are found at subcontractors must be remediated to the same standards as direct suppliers. Responsibility for the remediation should be shared between the members, the supplier, and the subcontractor.

Cooperation with other brands

Given the high risk levels and complexity of remediation, FWF strongly encourages members to cooperate with other brands sourcing from Turkey, particularly on the prevention and remediation of issues related to Syrian refugees. FWF encourages members to openly publish or permit the sharing of their supplier data for remediation and prevention purposes via FWF. FWF can facilitate the sharing of data with FWF members and with other organisations such as Fair Labour Association and Ethical Trading Initiative to help identify risks, share audit data, and share remediation. Such sharing can help to both increase the effectiveness of interventions, and to share the workload and costs of remediation when necessary.

V. Relevant Brand Performance Check system indicators

As has been the case over the past few years, FWF will continue to pay particular attention to members' human rights risk mitigation efforts in Turkey related to the following indicators from the 2016 edition of the Brand Performance Check Guide:

1.4 Member conducts human rights due diligence at all new suppliers before placing orders

1.5 Production location compliance with the Code of Labour Practices is evaluated in a systematic manner

- **1.9** Member company actively responds if production locations fail to pay legal minimum wages
- **2.5** Percentage of production volume from production locations that have been visited by the member company in the previous financial year
- 4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices

5.1 Level of effort to identify all production locations

Remediation of issues found through audits or reported to the FWF Worker Complaint Helpline will be assessed via the relevant Brand Performance Check system indicators: e.g.:

2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure.

Member adherence to this guidance document, and overall prevention, risk-management and remediation efforts in Turkey related to Syrian refugees will be evaluated as part of indicator **2.7 Compliance with FWF risk policies.**

VI. Resources for brands sourcing from Turkey

- FWF's updated Turkey Country study February 2017.
- FWF/ITCILO Resource Kit on Gender-Based Violence in Global Supply Chains.
- The FWF Child Labour Policy
- Fair Labour Association (FLA)'s issue brief on Syrian refugees in Turkey.
- FLA's English translation of the Work Permit Guidelines.
- FLA's Report on Child Labour
- ETI's www.ethicaltrade.org/resources/basic-labour-and-social-security-laws-in-turkey
- Ethical Trading Initiative's <u>blog posts on responses to the refugee crisis</u>.