

Questions for garment brands re Syrian refugees in Turkey

October 2016

Company: C&A

1. Does your company have a policy specifically prohibiting discrimination & exploitative practices against Syrian refugees? How is this policy communicated to vendors in Turkey?

Not specifically. Even though current Syrian Refugee conditions are not highlighted in the C&A Code of Conduct, we require that ALL workers employed in contract factories for C&A are treated with dignity and respect.

Regarding exploitation our requirements around legal rights to work under Regular Employment fulfils this principle: “Suppliers must engage with workers on the basis of a recognized employment relationship established through national law and practice. Suppliers must not try to avoid the legal obligations arising from such a relationship.”

Moreover, in clause 2.7 of the Code of Conduct, “Suppliers must give special consideration to the rights of those most vulnerable to abusive labour practices, such as women, home workers, agency workers, temporary workers, and migrant workers.”

For both clauses our audit teams have specific training and competencies to detect deviations from our requirements. In addition, we have specifically trained our auditors to detect the presence of refugees, and how to specifically apply these principles to the situation.

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

There are 87 1st tier Turkish suppliers sourcing from Turkey.

3. How many have been audited since in the last year? What percentage of audits have been unannounced?

In the C&A supply chain, all of our 1st and 2nd tier suppliers are in scope of our SSC audit programme. All audits were semi announced with a 6 week window for follow-up and annual audits and 1 week window for initial audits as per C&A guidelines. The reason that lies behind this procedure is ensuring all factories have the relevant documentation at the production floor. At the same time, 6 weeks window period is wide enough to be understood as half unannounced.

In Turkey, by the end of July 2016, 100% of our suppliers would have been audited at least once since 1st March 2015. We have carried out 220 audits within 2015. In 2016 we have carried 88 audits so far.

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

Yes. All 2nd tier factories, printing units, embroidery units and wet processing facilities are in scope of our SSC audit programme. Please refer to question #3 for audit announcement details.

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?

Yes. In our SSC (Sustainable Supply Chain) team, we have native Arabic language speaker who is part of the Development team under the SSC based in Turkey.

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

We are aware that undisclosed subcontracting is a potential risk and hence is not allowed in our supply base. Our supplier Code of Conduct states in Managing Performance:

“Suppliers must obtain approval from C&A for all production units, whether owned or subcontracted, prior to the start of production. The use of any unauthorised production unit is strictly prohibited. Suppliers may not subcontract any part of the production process without prior written consent from C&A, and only after a) the subcontractor has agreed to comply with the Code of Conduct, and b) the subcontractor has passed an audit”. We have specific questions around this element in our questionnaire and all of our auditors are trained to detect and manage such cases.

In order to guarantee the above statement, both SSC and quality teams equally share information and work in a collaborative manner with regards to undisclosed subcontracting issues. SSC auditors are also able to review production & planning records of C&A supply chain randomly during their visits.

C&A has informed all its suppliers regarding consequences arising from the confirmation of an undisclosed subcontractor facility. Both the factory and the supplier are penalized

with an unsatisfactory rating (where the account is suspended and no new order placement can be done.

Furthermore, C&A has disclosed all their production units in their webpage. Included in this list are the Turkish factories. We hope this is another step to shed some light into the Turkish supply chain.

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

Yes. There have been two cases identified in 2015. There are 6 workers identified in one factory and another 4 workers in another unit. Both units were located in Mersin Free Trade Zone. One of these Syrian workers identified, have managed to obtain his work permit with the support of C&A. During 2016 there has not been any other Syrian workers identified in the factories working for C&A.

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

No. We did not identify a factory employing Syrian child refugees neither in 2015 nor 2016 or before in the factories supplying product to C&A.

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

Throughout the supply chain, it has been clearly communicated that C&A will not accept illegal working conditions for any workers in any factory.

However, we recognize that the process to follow can be complex and delicate. On one hand, C&A must ensure that all factories and suppliers comply with Turkish laws and legislations – therefore, we cannot accept workers without proper documentation.

At the same time, we must be sensitive to the very difficult situation that the refugees are in. Therefore, because they are not technically eligible to legally work in the country unless they obtain a legal residence and work permit, we are encouraging the factories that employ them, to take and support all legal means to obtain their residence and work permits.

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.

No. C&A doesn't have special remediation plan of discrimination / abuse against Syrian Refugees. What we have however, is a procedure to follow in any worker abuse is reported regardless the worker nationality. Once new law that is regulating work permits for Syrian refugees are on board, we will be specifically checking any possible discriminative and abusive practices in factories.

So far, we did not observe any discriminative and abusive practice against identified two cases in C&A supply chain in 2015. Nevertheless we are expecting all workers shall be treated equally in our supply chain.

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

C&A has been actively working with the Ethical Trading Initiative (ETI) on the ground in Turkey. We believe that a collective approach has more impact and leverage than individual and uncoordinated activities. Thus, the ETI holds global unions as well as important number of NGO such as Oxfam International amongst others. Within the framework of the ETI, several activities have been undertaken. For Example we have been part of ETI working group of Syrian Refugees. In this group local representatives discussed possible approaches and impacts on the ground and shared their practices. Finally, majority of ETI brands together with FLA and FWF brands discussed Syrian Refugee crisis in Turkey last March in a joint conference. Together with other brands, C&A has supported the that that was sent out to Prime Minister afterwards, suggesting urgent need of regulation with this regard. Biggest gain of ETI-FLA-FWF collaboration is to lobbying government to regulate work permit.

At the moment, we do not have a bilateral agreement with a local NGO or trade union in this field, however we have already identified two local NGO's that are operating under UNHCR, as potential stakeholders to engage within the short future.

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

As stated in question 10, we are demanding that all factories and suppliers comply with Turkish laws and legislation where Social Security benefits are included. In the two cases we observed in 2015, the process to obtain residence and work permits for the Syrian workers has been initiated. When the process is concluded, these workers will be entitled to receive their Social Security benefits as any other legal worker in Turkey.

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

Yes. C&A local teams are constantly engaging with its factories and suppliers to highlight requirements upon this critical topic. During supplier the 4 supplier conferences, held during 2015, the Syrian refugee issue has been broadly discussed. During 2016, 2 additional supplier conferences have been held to ensure all our suppliers and their factories are up to date of the current C&A policy, legal situation and status quo. Moreover, C&A was also one of the supporting brands to issuing Workers' Rights Leaflet for Syrian Refugees.

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

As mentioned in the above question, we have a continuous dialogue with our suppliers and factories. We update them regularly about our requirements either via collective and individual meetings. Moreover, due to the auditing process, we visit their units at least on a yearly basis. We are also utilizing a mobile phone technology based monitoring tool is in use for workers in collaborating with C&A Foundation / LaborVoices to monitor working standards.

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?

From the beginning of the Syrian refugee crisis in Turkey, C&A was very much concerned about tracking current conditions together with different stakeholder groups. C&A is an active participant of the Brands Round Table in Turkey where possible risks and

approaches are being discussed collectively across the industry. Via this round table we had chance to engage with biggest garment exporting association in Turkey to escalate expectations on behalf of the associated brands. C&A has also supported an official letter sent to the Head Advisor of Prime Minister Mr. Muhammed Murtaza Yetiş together with ETI, FLA and FWF to underline the importance of the government acting on filling gaps in the current regulation promoting the need for the refugees to attain work permits.

C&A is also collaborating with other active brands, associations, NGOs for Syrian refugee crisis. Furthermore, we have supported ETI work on the ground in Turkey by actively participating in the round table meetings together with NGOs such Clean Clothes Campaign, local unions, representatives from Ministry of Labour. During these round tables, we expressed our concerns with regards to the Syrian refugees situation. C&A was also one of the supporting brands to issuing Workers' Rights Leaflet for Syrian Refugees.

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

Yes. Although we have only identified 2 cases where refugees were working in factories providing C&A products, we have been actively engaging with International and local unions under the ETI umbrella in order to positively influence a better outcome for crisis. While we haven't worked directly with a local trade union in Health and Safety related aspects, we are not closing the door to potential partnerships if we feel there can be impactful in our supply chain.

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

Yes. The C&A Foundation has been working with important organization on the ground to support education and relief projects for refugees. As an example, C&A Foundation is extending its support to refugees by earmarking EUR 1 million to help make meaningful donations to local organisations capable of providing rapid aid to refugee families.

A special focus is been given to those countries most severely affected by the influx of refugees, such as Germany, France, Austria, Italy, Hungary, Croatia, Serbia and Turkey.

This latest initiative compliments the ongoing efforts of C&A Foundation and C&A to support refugees. Through their 3-year, multi-million Euro [partnership with Save the Children](#), C&A Foundation and C&A are supporting mothers and children in humanitarian crises and the work with refugees has been a cornerstone of the programme.

For example, one of the projects has been helping to empower Syrian refugees with a fund of EUR 500,000 to provide access to skills training so they can start their own income-generating initiatives.

C&A is convinced that joint efforts are needed to cope with the refugee crisis and will continue to work through its partners and retail businesses to support communities

At the same time, we are in the process of mapping out potential stakeholders together with the C&A Foundation to submit funding proposals for local organisations that support refugees and their families.

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

Yes. As previously explained in question number 15, C&A has also supported an official letter sent to the Head Advisor of Prime Minister, Mr. Muhammed Murtaza Yetiş together with ETI, FLA and FWF to underline the importance of the government acting on filling gaps in the current regulation promoting the need for the refugees to attain work permits.

Moreover, on 1st January, we joined a meeting in Ankara with Mr. Muhammed Murtaza Yetiş once again, to escalate need of legal framework for Syrian refugees. As a result of it, the Turkish Government has announced that there will be a proper regulation framework by which Syrian Refugees will be eligible to attain work permits.

C&A will continue engage with the Turkish Government together with the rest of the industry to support the process. As an example, C&A Foundation is supporting Ministry of Labour in Turkey on two areas: A) Public Service Announcements by which ministry would like to highlight right of Syrian workers and child labour issue. B) Setting Up Info cast system for Syrian refugees and integrating this into current hotline system of Ministry of Labour.

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

Following the intention to increase the transparency of all the activities that we do, we have included in our annual report a special deck around the efforts done to protect the most vulnerable where Syrian refugees are included.

<http://materialimpacts.c-and-a.com/sustainable-supply/safe-and-fair-labour/protecting-the-most-vulnerable/>

Furthermore, C&A aims to increase transparency in our supply chain. Creating long lasting and powerful relationships with our suppliers will allow us to source the highest quality products and build trust and increased ownership of our suppliers' environmental and social responsibilities. Transparency leads to accountability—we are focused on understanding the human rights conditions in our supply chain to demonstrate that we are managing them effectively. Thus, we have disclosed the names and addresses of our suppliers' first-tier factories. These factories are the actual location where C&A merchandise is manufactured. In the future, we will expand the disclosure to include first-tier production units in Brazil and Mexico. Additionally, we will disclose second-tier production units, like laundries, embroiders, printers and key fabric dyeing mills, globally.

Our objective of disclosing our suppliers' factories is threefold:

1. Increases worker voice and creates a direct connection to C&A as a buyer of goods from supplier's factories
2. Supports relevant stakeholders in understanding our current production locations when questions arise about social responsibility in our supply chain
3. Eventually allows our customers to understand where their clothing is made, to make informed purchasing decisions

<http://materialimpacts.c-and-a.com/supplier-list/>

Moreover, it is also worth to have a look at the C&A Foundation annual report:

<http://annualreport2015.candafoundation.org/>