



TENT

# How to Sustainably Include Refugees in Your Company's Supply Chain and Mitigate the Risk of Forced and Child Labor



The Tent Partnership for Refugees encourages companies to economically integrate refugees by including them in their core business operations — including by mobilizing suppliers and vendors to hire refugees, or sourcing from businesses that employ refugees.



Tent has developed research in partnership with leading forced labor non-profit Verité to explore why and how companies should proactively include refugees in their supply chains to mitigate against the risk of forced and child labor.

**Read the full report [here](#).**

## Why do refugees end up in situations of forced labor?

Refugees flee their countries because their lives, safety, or freedom have been threatened. When refugees arrive in a new host country, it is crucial they find work to earn a living for themselves and their families. In many major refugee hosting countries like Bangladesh and Pakistan, refugees don't have the legal right to work — this means they often end up working

in dangerous, unregulated jobs where they are at greater risk of exploitation. However, even in countries where refugees do have the right to work — like in Turkey or Lebanon — they are often pushed into jobs that put them at risk of working in unsafe conditions, earning lower wages than local workers, or being forced to work to pay off debt.

## Why should your company take proactive steps to tackle refugees' vulnerability to forced labor in your supply chain?

### THERE IS GEOGRAPHIC OVERLAP BETWEEN COUNTRIES THAT HOST LARGE NUMBERS OF REFUGEES AND COMPANIES' GLOBAL SUPPLY CHAINS

Today, there are over 30 million refugees around the world. Low- and middle-income countries, like Colombia, Turkey, and Bangladesh, host 85% of all refugees globally. These countries are also places where multinational companies have considerable supply chain operations, and their suppliers are likely already coming into contact with refugee populations. As supply chains become more globalized, this overlap will only increase and it will become even more important for companies to ensure refugees are not being exploited along their supply chain.

### CONSUMERS REWARD COMPANIES THAT GO ABOVE AND BEYOND ON FORCED LABOR PRACTICES

Companies must mitigate the risk of forced labor and refugee forced labor to meet compliance standards. Many countries have enacted legislation that aims to hold companies accountable for forced labor violations that occur under their watch — a violation could cost the company its reputation and hundreds of millions of dollars in fines. But compliance is not the only reason to mitigate against forced labor — consumers increasingly expect companies to go above and beyond to ensure their products are produced responsibly. Companies that have ethical and transparent supply chain practices and proactively mitigate forced labor will gain loyal customers — and their spending power.

### DID YOU KNOW?

**72%**

of consumers aged 34 and under say that they would pay more for goods produced responsibly

**1/3**

of UK consumers would stop buying a product if they learned that its production involved modern slavery

# How can your company take action to prevent refugee forced labor in your supply chain?

## 01

### Map risk, assess, and adapt due diligence processes



**Map** your supply chain by identifying where your suppliers are located and assessing the scale of refugee populations in those countries (which Tent can support you with), you can better understand the risk of refugee forced labor in your supply chain.



**Assess** the risk of refugee forced labor in your supply chain. Once you know where refugees are located in relation to your suppliers, carry out risk assessments based on country, refugee population, and suppliers to identify issues that can pose or increase the risk of refugee forced labor.



**Adapt** your company's safeguarding policies and systems to respond to these risks - take steps to modify your company's due diligence, monitoring, and reporting systems to ensure they're responsive to the risk of refugee forced labor.

**For more best practices on how to map and mitigate your company's risk of refugee forced labor, read the full report [here](#)**



#### **CASE STUDY: H&M GROUP**

Understanding the risk of exploitation that informally hired refugees face in the Turkish textiles sector, H&M developed a program to proactively encourage its Turkish suppliers to responsibly hire more refugees. While over one million refugees in Turkey are eligible for work permits, many of them work informally in the textiles industry, subject to poor working conditions and low wages. H&M teaches refugee workers and their managers about Turkish labor laws, healthy and safe working conditions, and compensation policies. H&M also created a workers' grievance mechanism so refugee workers can report complaints in their own language.

H&M has strengthened its relationships with upstream supply chain partners by contributing to a more diverse and peaceful workplace for its suppliers, which in turn ensures a stable supply chain that supports H&M's operations. Suppliers have relayed positive feedback about the program, acknowledging they can now confidently hire refugee workers. By 2021, 430 refugees were employed in H&M's Turkish supply chain, meaning they are insured, employed in a safe work environment, and paid according to Turkish law.

## 02

### Take proactive steps



**Encourage your suppliers in major refugee-hosting countries to proactively hire refugees.** Suppliers may hesitate to employ refugees, in part out to avoid the risk of noncompliance with the due diligence requirements of their multinational buyers. But ignoring refugee vulnerabilities or simply blocking refugees from employment will only push risk deeper into companies' supply chains, where they are more exposed to the risk of forced labor. In countries where refugees can work legally, including in Turkey, Colombia, and Jordan, companies should consider promoting a refugee hiring program with key suppliers and industry bodies, including investing in recruitment and training for new refugee workers.



**Advocate for refugees' right to work** in countries where refugees do not have the right to work, or where their right to work is limited, such as in Bangladesh or Malaysia, companies should advocate for the refugees' right to work. Governments are much more likely to change their policies towards refugees if they feel pressure from leading brands that are investing in their countries. To support existing advocacy efforts for refugees in supplier countries, companies can connect with local advocacy organizations and industry associations.



#### **CASE STUDY: ADVOCATING FOR REFUGEES' RIGHT TO WORK IN TURKEY WITH THE ETHICAL TRADING INITIATIVE (ETI) AND THE FAIR LABOR ASSOCIATION (FLA)**

In 2014-2015, when Syrian refugees began arriving in Turkey, they did not have the legal right to work and were forced into informal jobs in Turkish factories. Companies with suppliers in Turkey were concerned about reports of illegally employed refugees in their supply chain. Without the legal right to work, workers were subject to exploitative and precarious conditions, meaning the employer was potentially violating the law. In response to this, global brands with supply chains in Turkey including H&M, Adidas, and Nestle joined efforts with two industry associations — the Ethical Trading Initiative (ETI) and the Fair Labor Association (FLA) — to advocate for refugees' right to work. ETI and FLA, in partnership with these companies, led the advocacy effort that urged the Turkish government to take action. In January 2016, the Turkish government passed the right to work under the Regulation on Work Permits of Foreigners under Temporary Protection, which granted Syrians with temporary protection status the right to apply for work permits.

**To find out more about how to include refugees in your company's supply chain, reach out to the Tent team at [info@tent.org](mailto:info@tent.org)!**