

Hewlett-Packard

Company Supply Chain

Foreign Migrant Worker

Standard Guidance

Document

April 27, 2016
Version 1.1



**Hewlett Packard
Enterprise**



This guidance document was developed by Hewlett Packard Company in consultation with Verite, an international nonprofit that promotes safe, fair, and legal working conditions, and has specific expertise in combatting forced labor in supply chains. This guidance document was intended to help suppliers consider available best practices as they made any necessary changes in their operations to comply with the *HP Supply Chain Foreign Migrant Worker Standard* issued November 10, 2014.

Hewlett-Packard Company separated effective November 1, 2015 into HP Inc. and Hewlett Packard Enterprise. Both HP Inc. and Hewlett Packard Enterprise share the same strong commitment to eradicating risks of forced labor and human trafficking in our supply chains. Both companies started post separation with identical standards upholding the rights of foreign migrant workers. References to the *HP Supply Chain Foreign Migrant Worker Standard* in this document mean the Hewlett-Packard Company Supply Chain Foreign Migrant Worker Standard as issued in November 2014. References to *HP* mean the Hewlett-Packard Company. Each company's current Supply Chain Foreign Migrant Worker Standard can be found at:

[HP Inc.](#)

[Hewlett Packard Enterprise](#)

The contents of this document are for consideration only, and not intended to establish mandatory requirements or act as a substitute for the requirements contained in the *HP Inc. or Hewlett Packard Enterprise's Supply Chain Foreign Migrant Worker Standards*. If you have any questions at any time about the current standard please contact your partner or relationship manager.



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Definitions

A **foreign migrant worker** is an individual that migrates from his or her home country to another country for specific purposes of employment.¹

Recruitment agents shall mean private employment agencies (PEA), labor recruiters, labor brokers, and any other third parties involved in the recruitment, selection, hiring, transportation, and/or in some cases management of foreign migrant workers in either sending or receiving countries.

Sub-agents are any third parties used by a recruitment agent to help facilitate the recruitment, selection, hiring, and/or transportation of foreign migrant workers.

Sending country is the foreign migrant worker's country of origin and citizenship.

Receiving country is the country where the supplier's facility or business operation is located and where the foreign migrant worker is working.

Native language is the language of the foreign migrant worker's country of origin or a language that the foreign migrant worker speaks and understands.

¹ Excludes foreign workers with permanent residency and/or professional employees on short or long term international assignments. Professional employees are defined as those engaged in work that is predominantly intellectual and varied in character as opposed to more routine mental, manual, mechanical, or physical work; such work involves the consistent exercise of discretion and judgment in its performance and is of such a character that the output produced or the result accomplished cannot be standardized in relation to a given period of time.

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1 Introduction

HP suppliers are expected to meet HP's EICC Code of Conduct provisions, HP specific standards, as well as applicable national and local legal regulations governing all workers, without exception. While HP's EICC Code of Conduct contains our expectations for the proper treatment of all workers, we also recognize that individual worker groups, including foreign migrant workers, are particularly vulnerable and require additional protection.

Unfortunately, the current systems of recruitment and management of foreign migrant workers often put these workers at risk for forced labor and human trafficking. We are issuing *HP's Supply Chain Foreign Migrant Worker Standard* to better address those specific risks and to strengthen and uphold the rights of these workers.

We acknowledge that many of our suppliers engage in leading practices in managing their foreign migrant workers. However, for other suppliers there are significant gaps in practices and we believe we need to clarify our expectations and set higher standards to protect these workers in our supply chain.

We know the new requirements will create the need for changes in operations for some suppliers. This best practice guidance document is designed to help you think through various options as you transition your human resources practices to comply with the new *HP Supply Chain Foreign Migrant Worker Standard*. Each section of the guidelines describes the rationale for HP's new requirements and provides guidance and tools for you to reference as you transition your operations.

2 Transitioning to Direct Employment

Based on independent research and audit results, foreign migrant workers who are employed through outsourced employment relationships are often found to be more vulnerable to exploitation than those employed directly by suppliers. While many suppliers undertake extensive monitoring of the recruitment agents employing and managing their workers, many violations remain difficult to detect and address. Until there are significant structural reforms to the recruitment agent systems in both sending and receiving countries we believe that direct employment by suppliers is necessary to offer greater protections to foreign migrant workers.

This means that with respect to HP suppliers, all foreign migrant workers must be employed and paid directly by the supplier, not by agents, sub-agents, or third parties. Recognizing that many suppliers rely on recruitment agents, at least in part, to handle on-site management of foreign migrant workers, there will be a need for a transition period to move all new and existing foreign migrant workers to direct employment.

There are three main tasks suppliers should undertake to prepare for this transition:

- Identify and work with recruitment agents that are capable and willing to only recruit workers, rather than act as their employer once placed at the supplier's facility;
- Perform as much direct recruitment and selection of foreign migrant workers as possible; and
- Increase the capacity of the supplier's human resources (HR) organization to take over the full range of HR support functions previously performed by recruitment agents.

The following sections will provide additional detail on each of these tasks.

2.1 Identifying and Engaging Recruitment Agents

Suppliers may currently work with one or many recruitment agents in both sending and receiving countries. The larger the site's operations and the greater the number of foreign migrant worker nationalities present on the site, the more brokers, agents and sub-agents will be involved in the labor supply chain. Some of the recruitment agents may only perform recruitment and selection while others may also directly employ the workers and provide their housing and transportation to and from the facility and the workers' accommodations.

- Begin by identifying and engaging those recruitment agents that are willing to only recruit workers, and not serve as their employer in the receiving country. Suppliers should begin the process by reviewing the requirement to transition to direct employment with their existing labor providers and gauge their willingness and ability to serve as recruiters only. Recruitment agents that currently offer the full range of services may be less willing to change their business model to one where they only provide recruitment and selection of workers for your company. If current recruitment agents are unwilling or unable to only conduct recruitment then suppliers should start the process of identifying new recruitment agents. If there is a need to select new recruitment agents, please consult the recruitment agent screening process described in Section V.

- Suppliers should consider providing performance incentives for recruitment agents based on their performance in both recruiting workers that meet your operational needs and in complying with your social responsibility requirements. A fee premium or increase in volume could be offered, based on:
 - Worker retention rate
 - Worker performance
 - Results of post-arrival worker interviews
 - Consistent compliance with applicable legal and Code requirements
- Current recruitment agents may also serve as owners or managers of worker accommodations. In transitioning to direct employment suppliers needs to decide if recruitment agents should continue to be contracted to provide worker accommodation or if, like employment, housing should also be provided directly. There are potential advantages and disadvantage to both approaches. Direct management or ownership of dormitories will allow greater control over their facilities and maintenance, but may prove impractical, especially for ones located at a distance from the facility. If the decision is made to continue outsourcing this service, suppliers should develop appropriate systems to frequently evaluate foreign migrant worker accommodations including the management of the facilities.
- In many cases, worker transportation to and from the facility and housing is either provided by, or managed by, recruitment agents. Suppliers should consider managing this service directly to ensure better oversight of the safety and conditions of the bus service - both vehicles and drivers. Similar to the decision about outsourcing accommodations, if a supplier decides to keep this as an outsourced service, there should be an appropriate monitoring system in place to evaluate the safety and conditions of the vehicles and the appropriate behavior of the drivers.

2.2 Perform Direct Hiring Where Possible

Hiring foreign migrant workers directly gives suppliers greater control over the recruitment process, including both fees paid by workers and the skills and capabilities of the workers hired and it is recommended that suppliers conduct direct hiring where feasible. However, direct hiring presents a number of challenges that suppliers should understand and evaluate relative to their own business needs and constraints.

- Direct hiring would require that company HR staff either be based in, or frequently visit sending countries in order to perform the final selection and contracting of foreign migrant workers. Some suppliers may not currently have HR staff available to perform this function, and would thus need to build those capabilities. If a supplier wishes to pursue this approach, it is recommended to begin this process with the sending countries that provide the most workers for the facility.
- In most cases direct hiring would also require a supplier to engage directly with sending country recruitment agents who are responsible for recruiting workers from remote areas within the sending country. Locating supplier HR staff in the sending countries (as described above) would enable that staff to have the most direct oversight of sending country recruitment agents. This would provide better assurance of sending country recruitment agent performance. With employees in the sending countries, the supplier can closely manage the sending country recruitment agents' communication of the 'no fees' policy, use of objective job descriptions, and using only the supplier's worker contract terms and conditions to prevent recruitment deception. Alternatively, HR staff can travel frequently to the sending country, most importantly during the selection and interview processes.

As with receiving country recruitment agents, it is critically important that sending country agents be properly screened and selected (please refer to Section V).

2.3 Increase Human Resources Capacity at Supplier Site

In addition to taking on a greater role in the recruitment and selection of foreign migrant workers, the following HR and supervisory functions for previously outsourced workers will need to be evaluated for transition to the supplier's own HR staff:

- Employee communication and training – including the capability to communicate in all the native languages of the workforce. This includes pre-departure and arrival training, skills training, day-to-day work instruction and coaching;
- Cultural integration;
- Administration of foreign migrant worker grievance processes;
- Payroll administration (working hours, wages, benefits, social insurance, other allowable deductions);
- Employee development and performance management;
- Discipline and termination; and
- Repatriation (could be outsourced to recruitment agents under strict control)

Production supervisors and managers already have general skills in performance management, employee development and taking disciplinary action. However, they will likely not be able to speak the languages of the foreign migrant workers and may not have the necessary awareness of cultural norms. This may require additional training for supervisors so that they understand how to manage a culturally diverse workforce.

Most of the necessary changes, however, will require suppliers to increase the capacity and capabilities of its Human Resources functions to accommodate the additional workload of managing timekeeping and payroll for a much larger worker population.

Recommended actions:

- Training for managers and supervisors on appropriate management techniques (performance management, disciplinary action, employee motivation, etc.) for a multi-national, multi-cultural workforce.
- Ensure that there are human resources and/or production staff on all work shifts that speak the native languages of all the foreign migrant workers in the facility.
- Ensure that the grievance process is staffed with individuals who can speak the native languages of the workforce.
- Implement a single timekeeping system for use by both local and foreign migrant workers.
- Expand the capacity of the payroll and benefits function to administer the additional workload of managing wages and benefits for the foreign migrant worker population.
- Reduce the number of receiving country and sending country recruitment agents to the lowest practical number to help ensure greater control over their activities and performance.

For suppliers who rely extensively on outsourced temporary foreign migrant workers, you may also need to evaluate your manpower planning processes to account for potentially longer lead times to hire foreign migrant workers.

3 Transitioning to a ‘Supplier Pays’ Recruitment Fees Model

Many foreign migrant workers are required to pay significant fees associated with their recruitment and employment which can put them at risk for exploitation and prevent them from protesting poor conditions or quitting their jobs. It also puts them at a disadvantage relative to local workers. Many suppliers currently pay for some or all of the costs associated with hiring and managing foreign migrant workers. However, many do not, leaving the burden of the costs to be borne by the workers themselves, thereby increasing the risks of forced labor.

Per the new *HP Supply Chain Foreign Migrant Worker Standard*, the full costs of recruitment, selection, hiring and transportation must be borne by suppliers. A full list of fees and costs expected to be paid for by suppliers can be found in the Appendix of the Standard.

For some suppliers this requirement will represent a significant change from current practice and will shift costs from the workers to suppliers. It will also entail a transition period during which newly hired workers do not pay fees, while those already employed may have already paid recruitment fees and other expenses to obtain their jobs. This is a delicate transition and there are a number of things to consider in making this shift in practice.

The following sections provide guidance to consider on how to manage this transition period.

3.1 Repayment of Recruitment Fees to Current Workers

As new foreign migrant workers that have not been charged recruitment fees begin to arrive at your facility, current workers may feel that they deserve the same. To minimize any potential unrest or impact on productivity and worker retention, it is recommended to consider the following potential options for the at least partial repayment of fees incurred by your current foreign migrant workers.

Potential Repayment Options:

- Full repayment of all fees and expenses paid;
- Repayment of all fees and expenses paid that exceed 30 days base wages;
- Repayment of all fees and expenses paid that exceed 60 days base wages; or
- No repayment of fees

Potential Repayment Structuring Options:

- Supplier responsible for repayment for all legally allowed fees;
- Recruitment agent(s) responsible for any fees that exceeded legal limits/sending and receiving country MOUs;
- Only fees for which workers can provide receipts (including loans/liens) will be repaid;
- Repayment is amortized over the balance of the foreign migrant worker’s existing employment contract;
- Repayment can be partially subsidized by eliminating deductions for food and housing for the balance of the worker contracts; and/or
- Any interest levied on loans to cover initial fees paid by foreign migrant workers is not repaid

There are many potential benefits as well as potential negative impacts to evaluate with respect to each possible approach. The potential benefits include: higher worker satisfaction, workers more likely to stay through the duration of their contracts to receive repayment of fees (if amortizing balance over remaining contract term), and greater likelihood of workers seeking out contract renewals.

However, there are potentially substantial costs associated with repayment and it may be difficult to accomplish. Repayment of fees amortized over the remaining period of the employment contracts can help spread this cost over time.

There are trade-offs between the various options. The greater benefits will likely accrue where more costs are repaid, but the costs are also higher so each supplier should consider the best option for their operations. Whichever option is selected (including no repayment of fees) suppliers should communicate clearly with all workers about the changes and rationale behind the change to minimize resentment and/or misinformation.

3.2 Establish a New Recruitment Agent Fee Structure

For suppliers who do not currently pay for some or all of the costs of recruitment, selection and hiring, you will also need to amend or execute new agreements with current recruitment agents to transfer the responsibility of those fees from the workers to you. In order to ensure that you are paying recruitment agents a fair price for their services, you will need to have an inventory of the fixed costs of sourcing foreign labor and determine an appropriate mark-up to cover the recruitment agent's overhead and profit.

- Make a country-by-country inventory of the legally required fees charged for:
 - Passport
 - Visa
 - Work and/or residence permits (including renewals)
 - Pre-deployment medical exams or other requirements for employment by sending country
 - Receiving country medical exams
 - Security deposits or bonds
 - Levy or other government required fees
 - Insurance
 - Contributions to worker welfare funds or government provided benefits in sending countries

Listings of legally required fees are available on the web sites of many sending and receiving countries

- Determine the average costs of transportation from airport to supplier facility or provided accommodations
- Establish a 'per worker' charge for skills testing, final interviewing and selection, pre-departure training, and other necessary but not legally-required functions. If feasible, a preferred alternative would be to have employees of your company be located in or travel to the sending countries to perform these functions.
- Determine a fair price for recruiting foreign workers (advertising, preliminary interviewing, obtaining government approvals, verifying identity documents, arranging transportation, etc.). This will require very frank and open conversations with your existing recruitment agent(s), and may not be possible in all cases. However, recruitment agents that have a sincere intent to meet the requirements of your company and your customers will be more willing to share this information. Consider using the recruitment agent(s) most transparent with this information, even if the price is higher than others.
- To further encourage recruitment agent cooperation, you should consider offering price incentives based on the quality of the workers provided, grievance rate for violations of the 'no fees' policy and your social responsibility standards, etc.

3.3 Monitoring Recruitment Agent Compliance with New Fees Policy

The new fees policy may be a major change from the current practice of some suppliers and it will take time before recruitment agent fee structures are fully transitioned to the supplier pays model. Both during and after the transition it will be important that suppliers closely monitor the shift in the fees policy to make sure workers are not also charged fees during their recruitment process. The following are recommended practices to monitor that workers are not being charged unauthorized fees during their recruitment process:

- Require recruitment agents, including sending country recruitment agents and sub-agents to:
 - Provide you with an itemization, including receipts, for all expenses they incur in the recruitment process
 - Provide workers with receipts for any expenses they incur in their recruitment
- Routinely compare the expenses incurred by recruitment agents with those contained in your contracts with those agents. Ask them to justify any discrepancies.
- Interview all foreign migrant workers upon arrival at your facility to learn what, if any, fees and expenses they incurred. Determine if they were provided with receipts and ask them to show them to you.
- Triangulate the agreed-upon expenses with the itemization provided by the recruitment agent and the information provided by newly arrived workers. If the review determines that workers paid unauthorized fees and expenses, ensure that the recruitment agent reimburses them.
- Use your monitoring information to reinforce the ‘workers do not pay for their employment’ policy and, if necessary, require changes in the recruitment practices by agents.

4 Transitioning to Workers Holding Their Own Identification Documents

In order to safeguard employee freedom of movement, suppliers, recruitment agents and other third parties are no longer allowed to hold original foreign migrant worker identification documents, passports, travel papers, or other personal documents. There are only two exceptions to this. The first is the very short term need upon arrival in the receiving country for the documents to be made available to government officials for processing of work permits and visas or for renewals. The documents must be promptly returned to the workers after processing. The other exception is if document retention by the employer is mandated by law. There are very few countries that fall under this exception.

One reason often provided for the retention of worker documents by recruitment agents or suppliers is that workers do not have a safe place to store them as accommodations arranged for foreign migrant workers may not have safe, secure storage for workers' documents. However, it is the responsibility of suppliers to ensure that each foreign migrant worker is provided with an individual, secure, lockable storage locker or lock box for their documents and other personal valuables. At a minimum, this storage must be provided in supplier provided worker accommodations so that workers are able to come and go freely during non-work hours and on days off. As there have been cases where immigration officials have demanded to see foreign migrant worker identification documents at the work site, suppliers should also consider providing similar lockable storage at the work site so that workers can carry their documents back and forth between their accommodation and the facility.

For suppliers who currently hold, or allow recruitment agents to hold worker passports, this may represent a significant change for your current foreign migrant worker population. To facilitate the transition you should consider providing the foreign migrant workers with a brief training so that they understand why the site is changing its policy including:

- Why their passports are being returned to them, including the requirements per the EICC Code of Conduct, HP policies and any applicable laws;
- Depending on the country, the legal reasons they should carry their identification with them whenever they leave the worksite or accommodation grounds; and
- The importance of keeping their documentation safe and secure, including how to keep track of the key or combination for their storage area.

It is recommended that suppliers keep photocopies of all foreign migrant worker identification documents in a secure location at your facility if you do not do so already. This is particularly important for obtaining replacement documents in the event a worker was to lose his or her originals, or have them stolen, or if a worker is detained by local authorities.

5 Identifying, Screening and Selecting Recruitment Agents

Although suppliers directly engage their receiving country recruitment agents, they often rely on those receiving country agents to identify and engage sending country recruitment agents and sub-agents. In many cases, suppliers conduct detailed screening of their in-country agents, however many do not conduct screening of sending country recruitment agents. Given the role of both sending and receiving country agents in the recruitment process it is important to know the entities which are involved in the recruitment process for your workers and to have controls and monitoring in place to minimize forced labor risks.

Additionally, there are often linkages between public sector corruption and trafficking in persons for labor exploitation. Suppliers that use recruitment agents may be at risk of potential liability with anti-corruption laws if those recruitment agents engage in bribery or other corrupt activities in the process of recruiting foreign migrant workers to be employed by the supplier. The risk is particularly high where recruitment agents interact with foreign officials to obtain work and travel permits, visas, or other government issued documents.

There is currently no ethical brokerage system in most sending countries. It is therefore important that suppliers take a more active and direct role in the identification, screening, selection and management of sending country recruitment agents. The following provides key elements to consider when screening and selecting both sending and receiving country recruitment agents.

5.1 Key Issues of Concern in Screening and Evaluating Recruitment Agent Candidates

This section introduces some key issues that should be included in the screening of recruitment agent candidates, including:

- Business profile;
- Organizational/management culture and values;
- Managing the supply chain;
- Processes for recruitment, selection and hiring; and
- Recruitment fees

For each topic area, the need and context for screening is explained, followed by a list of information to gather, and key red flags and risks to look out for. The goal is not only to provide some instructions for the screening process, but also to indicate how your company can later use the information from the screening to determine and manage social responsibility risk in the labor supply chain.

5.1.1 Screening Area: Recruiter Business Profile

Why are you screening the recruitment agent's business profile?

You are entering into a partnership with an external agent that will be undertaking vital functions on your behalf, the performance of which will influence the competency and quality of your workforce. Therefore you will want to know as much as possible about the recruitment agent's track record and experience in different

locations and for different services, and its capacity to provide the particular services that you require. You will also want to confirm that the recruitment agent is operating legally in all countries where it offers services. Finally, obtaining a list of the recruitment agent's other clients will allow you to seek references regarding the recruitment agent's performance and ways of working.

How do you identify a potential recruitment agent?

In the absence of a brokerage certification system, the best approach is to begin by asking for referrals from in-country recruitment agents that you trust and from current foreign migrant workers. Just as foreign migrant workers can give you critical information to uncover unethical receiving and sending country agents and sub-agents, they can also lead you to those agents that the workers trust and that may be able to meet your company's as well as HP's requirements. Both receiving and sending country governments may also be able to provide recommendations for recruiters and agents, but due to endemic corruption of government officials in sending countries, such referrals should be accepted with caution. Additionally, many countries post lists of licensed recruitment agents on their web sites.

It is recommended that company staff identify and screen recruiters and agents in both the receiving and sending country, rather than handing off these critical tasks to the receiving-country recruiter.

What information do you need to get?

- Business History and Background
 - Length of operations
 - Business size and volume
 - Geographical reach
 - Expansions/changes in size, volume, reach
 - Existing or past regulatory actions or civil and/or criminal legal cases and their outcomes
- Ownership
 - Ownership structure (e.g., public, private, family-owned)
 - License to operate, registrations, certifications
 - Names and nationalities of owners
- Nature of Services
 - Description of all services provided to companies
 - Description of all services provided to workers (e.g., provision of vocational or language/cultural training)
 - Countries of operation
- Client Engagement
 - Name and number of clients
 - Relationship history
 - Volume of business
 - Services provided to each client
- Government Relations
 - Describe any engagement with governments, including government accreditation programs, etc.

What are some common risks and red flags?

- The ownership structure circumvents or is not in compliance with law (e.g., presence of foreign owners in countries where foreign ownership is not allowed by law).
- The recruitment agent is not legally registered in all countries of operation.
- The recruitment agent or its owners have been subject to existing or past regulatory actions or civil and/or criminal legal cases.
- Ownership of other businesses (e.g., a money-lending agency or a medical clinic) that jobseekers are required to use in order to get the job. This becomes an issue especially if the cost of these services is excessive when compared to prevailing market rates.
- Marketing of free services to employers, or the charging of unusually low fees. This could be a red flag that the recruitment agent is earning the bulk of its revenue through charges to jobseekers.
- Companies listed as clients cannot be contacted, and/or other vague or conflicting information. This is a red flag for transparency issues in terms of engagement.

Figure 1 Red flags for recruitment agent business structure

5.1.2 Screening Area: Organizational/Management Culture and Values

Why are you screening the recruitment agent's organizational structure and management culture/values?

As an employer you will want to know whether the recruitment agent has the capacity to deliver effective and efficient services that meet both your business requirements (e.g., quality of workers, timely turnarounds) and your social responsibility requirements (e.g., no fees, transparency in contracts). You will want to understand whether the recruitment agent's organizational culture and values mirror your own, especially in terms of their commitment to address forced labor, debt bondage, and trafficking; and whether these values are communicated to all staff, and embedded in staff recruitment, development and performance management systems. You will also want to obtain assurance that the recruitment agent will be willing and able to commit to transparency and continuous improvement for the duration of your partnership.

What information do you need to get?

- Organizational Structure
 - How work is organized (by functional area, by industry, by geographic area)
 - The reporting structure and accountabilities for different functional areas
 - Staff sizes per functional area/geographic location; staff recruitment and retention; staff development and training, etc.
 - How business partners/agents/subcontractors are selected
- Management Culture
 - Guiding principles and values of the recruitment agent, and the mechanisms for integrating these principles into business processes
 - Client's Code of Conduct awareness and implementation
- What has the recruitment agent done to implement any Code of Conduct requirements of its clients?
 - Who is accountable for that Code of Conduct performance?

- Are there examples of changes in the way the recruitment agent has managed the business to better meet its clients' Code of Conduct requirements? What are they?
- Reporting mechanisms and procedures for corrective action

What are some common risks and red flags?

- The recruitment agent does not have full-time staff, or is understaffed, or staff do not have the appropriate competencies for undertaking core processes (e.g., worker recruitment, selection). Any of these scenarios is a red flag that subcontractors may be involved.
- Staff, when interviewed, have no knowledge of processes for ensuring the avoidance of forced labor in the performance of their functions.
- Responsibilities to implement the client's requirements are not clearly communicated agency-wide or indicated in job descriptions.
- There are no sanctions or rewards related to staff performance on social responsibility standards.
- There are no mechanisms to report violations by staff of clients' Code of Conduct
- Other clients reported an inability of the recruitment agent to meet Code of Conduct standards
- There is a preponderance of vague or conflicting information that could be reasonably construed as indicating a transparency issue.

Figure 2 Red flags for recruitment agent organizational/management culture and values

5.1.3 Screening Area: Managing the Labor Supply Chain

Why are you screening how the recruitment agent manages its supply chain?

The more agents and sub-agents a recruitment agent employs, the higher the risk of forced labor in the recruitment, selection and hiring chain. From a business perspective, multiple layers can also lead to inefficiency and confusion in fulfilling the requirements of your job order. This, in turn, can result in the deployment of workers to your facility who do not have the necessary job qualifications. A long chain of sub-agents can also be a red flag for worker indebtedness, since sub-agents could be charging jobseekers for their services.

You can mitigate these risks through direct involvement in the screening and selection process for sending country agents and sub-agents. The objective is to achieve full visibility into the processes managed by sending country agents, and to establish mechanisms for monitoring their performance.

You will want to understand the nature of the recruitment agent's business relationships with its sending country agents, including who is accountable for each piece of the recruitment, selection and hiring processes, and whether there are controls (and incentives) in place to ensure that sending country recruitment agents do not introduce any vulnerability to forced labor and trafficking into these processes.

What information do you need to get?

- A list and profile of agents, sub-agents or business partners in both receiving and sending countries;
- The nature and length of relationships with sub-agents and partners, including functions, roles and accountabilities;
- The receiving country recruiting agent's screening and selection process for sending country agents and partners, including any consideration of legal and ethical standards;

- Contractual requirements for sending country recruitment agents and partners, including any legal and ethical requirements; and
- The performance management mechanisms in place to manage/oversee the functions of sending country recruitment agents and sub-agents.

What are some common risks and red flags?

- Jobseekers go through multiple layers of sending country recruitment agents and sub-agents before being selected and deployed.
- The recruitment agent has no contractual agreement with its sending country counterparts.
- Where the recruitment agent does have contractual agreements with sending country agents, such agreements do not specify legal accountability or client's Code of Conduct compliance.
- The recruitment agent is unable to demonstrate that it pays its sub-agents for their services, or the sub-agents work on a commission basis.
- The recruitment agent does not provide its sub-agents with a schedule of the limited fees and expenses that can be charged to workers, and/or does not have a mechanism for enforcing a 'no fees' policy.
- The recruitment agent does not regularly review its sub-agents' performance on business and social responsibility standards.
- Where a system of performance review is in place, this system has obvious gaps (e.g., no capacity or resources to conduct on-site evaluation at the point of recruitment).
- There is no mechanism for jobseekers to safely report complaints regarding sub-agents; or, where such mechanisms are in place, jobseekers report that they are not useful or effective.

Figure 3 Red flags for recruitment agent management of their sub-agent supply chain

5.1.4 Screening Area: Process for Recruitment, Selection and Hiring

Why are you screening the recruitment agent's processes for recruitment, selection and hiring?

Selection, recruitment and hiring are core human resource functions that help companies to hire the right worker for the job at the right time. When these functions are outsourced to an inadequate recruitment agent, there is a risk of hiring workers that do not have the adequate skills for their job. Outsourcing these functions also carries risks of forced labor and human trafficking.

To mitigate these risks, you should seek to have a full understanding of the ways in which your recruitment agents goes about recruitment, selection and hiring processes. Beyond that, you will want to make sure that the recruitment agent has effective controls to ensure that jobseekers are not exploited or placed in vulnerable situations.

What information do you need to get?

To start you will want the recruitment agent to describe a typical recruitment, selection, hiring and deployment cycle. For each step in the process, the recruitment agent should indicate who is responsible for the various functions, the time each step typically entails, the documentary requirements involved, and any constraints or challenges that are faced. The recruitment agent's description should include the following elements:

- Process for securing government permits and requirements (internally and/or on behalf of the supplier company)
- Manpower requisition/job order
- Manpower pooling
- Recruitment
- Screening and selection (tests, interviews)
- Hiring and contracting
- Processing of travel documents
- Schedule of all fees charged
- Pre-departure orientation and training
- Deployment
- Documentation requirements upon arrival in receiving country

Figure 4 Red flags for recruitment agent recruitment, selection and hiring procedures

What are some common risks and red flags?

- An absence of standardized recruitment and selection procedures.
- Job descriptions that are not well defined, which could lead to the hiring of workers not well-suited to the job.
- The manpower pooling process begins even before the job order has been approved. This entails several risks: the skills of the applicants may not meet the requirements of the eventual job order; jobseekers will be made to wait for a job that is as-yet non-existent; and jobseekers who are from out-of-town may incur unanticipated living expenses while waiting for the job order that could force them into debt.
- Pre-departure training and orientation that does not include an explanation of the terms and conditions of the work, or the employer pays policy or other legal or ethical standards.
- Contract substitution or supplemental contract agreements that add terms and conditions to the job that are inconsistent and less favorable than those described to workers at the time of recruitment.
- Confiscation of passports and other travel documents, which would prevent a jobseeker from seeking the services of another recruitment agent if s/he so desires.

5.1.5 Screening Area: Recruitment Fees

Why are you screening the recruitment agent's policy and procedures on recruitment fees?

There is always a risk that a recruitment agent charges jobseekers fees, or forces jobseekers to pay for services at amounts or interest rates that are excessive. In such cases, workers provided by that recruitment agent may be entering a situation of debt bondage or forced labor even before they arrive at your facility.

It is difficult to determine a recruitment agent's fee practices, or whether a recruitment agent routinely violates the "employer pays" standard, because such fee-charge violations rarely have a paper trail, or the paper trail is "doctored up" to hide illegal fee charges. In many instances, workers are often the only source of information regarding violations of this requirement so it is important that a recruitment agent has a policy in place that provides workers with a safe means for reporting violations directly to you, and that there is a credible and well-communicated procedure to investigate and respond to such reports.

What information do you need to get?

- A description of how the recruitment agent ensures compliance with the “employer pays” policy (e.g., the “no fees” policy is included in work contracts, and sanctions are in place for noncompliance);
- A list of expenses normally charged to jobseekers;
- Mechanisms for jobseekers to report violations of the “employer pays” policy on recruitment fees; and
- Procedures for refunding fee overcharges

Exploring the above topics with recruitment agent candidates as part of a screening process (described in the following section) will help companies to make smart and careful choices in outsourcing recruitment and hiring. Starting conversations like these in the screening process will also signal to recruitment agent candidates that you are serious in your commitment to legal and ethical practices in recruitment and hiring, and you expect the same from your recruitment agent. This will hedge against surprises and miscommunications on such issues down the road.

What are some common risks and red flags?

- There is no written commitment by the recruitment agent to adhere to the employer-pays policy
- There is no effective and safe procedure for workers to report ethical violations by internal staff or subcontractors of the employers-pay policy (e.g., workers are coached to lie about fees and expenses)
- Jobseekers are charged a reservation fee and/or deposits
- Fees are charged to workers for processing of deployment documentation
- Jobseekers are charged fees for mandatory skills training
- Jobseekers are charged fees for recruiter-owned or -operated accommodations during the pre-deployment period

Figure 5 Red flags for recruitment fees

5.2 Criteria for Screening and Evaluating Recruitment Agent Candidates

When developing a due diligence process for screening recruitment agents, a supplier should consider the following key elements:

- The criteria for screening recruitment agents is clearly defined and incorporates all legal requirements in the country of operation and social responsibility requirements of the supplier as well as HP’s EICC Code of Conduct and HP’s Supply Chain Foreign Migrant Worker Standard.
- A methodology for evaluating recruitment agents against the screening criteria.
- The approval process for new recruitment agents is defined and includes a method for rating recruitment agents, the pass/fail conditions, and who will make the final decision on selecting a recruitment agent.

In this process, the supplier should obtain enough information to have reasonable confidence that the recruitment agent will be able and willing to comply with the HP Supply Chain Foreign Migrant Worker Standard.

5.2.1 Defining the Evaluation Criteria

In order to evaluate recruitment agents, you should define a set of requirements that complement your company’s legal requirements (compliance to law, license to operate) and technical requirements (ability to

source workers within a timeframe and budget). For example, your company will want to know about the recruitment agent's policies or approach to preventing forced labor, its approach to manpower pooling, etc.

To determine criteria, you should undertake a careful review of the legal requirements in both the sending country and receiving country. You should also review your company's Code of Conduct and HP's policies including the HP's Supply Chain Foreign Migrant Worker Standard.

Once the screening criteria have been defined, each criterion should be paired with indicator(s) that serve to measure whether the criterion is being met. For example:

Sample Criteria	Sample Indicators
Compliance with legal standards	<ul style="list-style-type: none"> • The recruitment agent is fully licensed. • The recruitment agent has no record of legal sanctions in the past three years. • The recruitment agent uses only fully licensed sending country recruitment agents
Compliance with social responsibility standards	<ul style="list-style-type: none"> • The recruitment agent formally expresses a commitment to uphold the company's social (labor and ethics) standards. • The recruitment agent has written policy and commitment statements that address social (labor and ethics) standards.
Compliance with standards on recruitment fees and expenses	<ul style="list-style-type: none"> • The recruitment agent has a policy stating that workers are not charged recruitment fees. • The recruitment agent has a procedure for verifying that workers are not charged fees by sending country agents (e.g., worker interviews, a plan for periodic worker surveys, receipt review, etc.).
Compliance with standards on employment contracts	<ul style="list-style-type: none"> • The recruitment agent has a policy to ensure that worker contracts meet legal, company, and HP specific requirements.

Table 1 Sample Evaluation Criteria

5.2.2 Conducting a Screening Interview

When conducting a screening interview, the recruitment agent should be asked to describe how they are able to meet this set of selection criteria. In the table below are some examples of questions that could be asked.

Sample Criteria	Sample Indicators
Compliance with legal standards <ul style="list-style-type: none"> • The recruiter is fully licensed • The recruiter has no record of legal sanctions in the past three years • The recruiter uses only fully licensed sending country recruitment agents 	<ul style="list-style-type: none"> • Does the recruitment agent have a valid license to operate? • Has the recruitment agent been subject to any labor and ethics regulatory actions where monetary penalties were assessed? <ul style="list-style-type: none"> – Where formal corrective actions were mandated by the issuing government agency, can the recruiter provide documentation to show that violations have been corrected or are on-track for correction? • Does the recruitment agent agree to adhere to the legal requirements of the sending and receiving countries, and to register its agreement by signing a contract or memorandum-of-agreement with the company to this effect? • Can the recruitment agent provide a listing of the sending country recruitment agents it uses, including copies of their current government-issued licenses?
Compliance with social responsibility standards	<ul style="list-style-type: none"> • What is the scope and coverage of the recruitment agent's labor and ethics policy? • Does the recruitment agent's labor and ethics policy have executive management endorsement?

Sample Criteria	Sample Indicators
<p>The recruiter expresses a commitment to uphold the company's social (labor and ethics) responsibility standards</p>	<ul style="list-style-type: none"> • Does the recruitment agent have a formal no-fee policy on recruitment fees and expenses? • Do the sending country sub-agents used by the recruitment agents also have formal no-fee policies on recruitment fees and expenses? • Do the recruitment agents' policies on recruitment fees and expenses have executive management/ownership endorsement? • Where in your recruitment, selection and hiring process do you think the risk of noncompliance to the no-fee policy is highest? • What operational controls have you put in place to minimize these identified risks and to ensure that workers are not charged fees? For example: <ul style="list-style-type: none"> – Policies and procedures are in place to implement the no-fee statement per HP's requirements. – Evidence of a safe procedure for workers to report violations by recruiter staff or sending country recruitment agents of the no-fee policy. Such a procedure should include an investigation and response to reports of violations. – A policy and implementing procedures that prevent the use of illegal sending country recruitment agents. – If the receiving country recruitment agent uses sending country agents, a procedure to ensure these parties are paid by the receiving country agent for their services and that they sign and comply with the client's no-fee policy. – If workers are being recruited from remote or interior regions, the recruitment agent has staff (under their own payroll) in these areas.
<p>Compliance with standards on employment contracts</p> <ul style="list-style-type: none"> • The recruiter has a policy to ensure that workers' contracts meet legal, company and HP requirements 	<ul style="list-style-type: none"> • Are the terms of worker contracts and the contracting process itself consistent with sending and receiving country laws? • Does the employment contract include terms and conditions that are consistent or aligned with the HP Foreign Migrant Worker Standard? • Are workers provided copies of their contracts in their native language before departure from the sending country?

Table 2 Sample screening questions

5.2.3 Evaluating the Results and Making a Selection Decision

After recruitment agent candidates have been screened, the responses should be analyzed using a transparent methodology for evaluating recruitment agents against screening criteria. Such a methodology should define how candidates will be evaluated, by whom, and the process by which a final decision will be made and a contract issued.

One approach is to use a rating system that assigns each criterion a weight and performance score. This allows you to score each recruiter candidate's performance on each criteria, while also giving appropriate emphasis to the areas of compliance that are most important to your company.

The results of such a rating process allows for the performance of all candidates to be cross-analyzed and compared with ease, which will then allow you to rank and compare candidates.

Example Recruiter Rating System			
Criteria	Weight (%)	Score (0 - 100)	Performance Rating (weight x score)
Compliance with legal requirements	20		
Compliance with social responsibility standards	30		
Compliance with standards on recruitment fees and expenses	30		
Compliance with standards on employment contracts	20		
Total	100%		

Note: Weights given to the above criterion are provided as an example. Companies should determine their own weighting systems based on their policies and (where relevant) those of their customers.

Table 3 Example Recruiter Rating System

Once the successful recruitment agent candidate has been selected and hired, suppliers can use the information from this due-diligence selection process as baseline data for managing and monitoring the performance of the agent(s).

6 Managing Recruitment Agents

6.1 Introduction and Key Issues of Concern

This section provides an introduction to the rationale and purpose of assessing recruitment agent performance on a regular basis, who should conduct it, and an overview of what information should be gathered. It also provides some detail as to the key areas of concern in a recruitment agent assessment.

The purpose of a recruitment agent performance assessment is to verify whether or not the agent is performing according to the legal, ethical, and social responsibility requirements defined by the company.

The recruitment agent performance assessment is a key element in the systems approach to social responsibility. Companies need visibility into how their recruitment agents operate, and a way to measure recruiter performance against their Code of Conduct and consistent with HP requirements. Performance assessment is especially critical where the protection of foreign migrant workers against human trafficking and forced labor is concerned.

Having an assessment procedure in place gives your company an objective basis for management decisions, and helps protect against hidden abuses. It also drives recruitment agents toward performance effectiveness and continuous improvement, and toward meeting agreed upon goals related to business and social responsibility.

It is recommended that a designated monitoring team, preferably from the human resources department, should perform the assessment. Members of the team should be knowledgeable in the company's social responsibility program and trained to conduct a thorough, objective assessment. Alternatively, an independent third-party auditor may be engaged.

Assessment of the recruitment agent should be conducted on an ongoing basis, beginning with interviews of foreign migrant workers when they arrive at the facility. Assessments should also be conducted prior to contract renewal or in advance of a subsequent deployment of workers. Where problems are found, follow up assessments to evaluate the success of any remediation procedures should be performed.

The actual performance assessment itself requires a process of triangulation – gathering and analyzing information from all of the following sources, where possible and relevant:

- Agency management officers and personnel;
- Foreign migrant workers;
- External stakeholders, such as government agencies accrediting recruitment agents and NGOs that work with trafficking victims;
- Documents, including:
 - Business records - license, registration, etc.
 - Fees and payment records
 - Worker documentation
 - Grievance records
- Actual observations during physical inspections;
 - Living and dining areas (where recruiters provide such facilities)
 - Offices of the recruiter agency

Key Issues of Concern

This section can act as a guide for a supplier's facility, recruitment agent or a third-party monitor in assessing functional areas of recruiter performance that can become sources of risk and noncompliance to standards on forced labor.

This tool introduces some key issues that should be included in the recruitment agent assessment, including:

- Recruitment fees
- Pre-departure orientation and training
- Loans, deposits and deductions

For each topic area, the need and context for screening is explained, followed by a list of information to gather, and an articulation of key red flags and risks to look out for.

In addition to the issues articulated below, you should also follow up on the issues raised during the initial recruiter screening, to ensure that processes have not changed and no additional risks have been introduced. Because the issue of recruitment fees is perhaps the most critical, where the risk of trafficking and forced labor is concerned, it is repeated in both sections of this Toolkit.

6.1.1 Assessment Area: Recruitment Fees

Why are you assessing the recruitment agent's policy and procedures on recruitment fees?

It is important that you communicate clearly to your recruitment agent which fees cannot be charged jobseekers. Oversight must also be in place to ensure that the recruitment agent abides by these rules.

It is difficult to find hard evidence of violations to the "employers pay" standard, because such fee-charge violations rarely have a paper trail, or the paper trail is "doctored up" to hide charges. Workers are often the only source of information regarding violations of this standard. It is important that workers have a safe means for reporting violations directly to you, and that there is a credible and well-communicated procedure to investigate and respond to such reports. It is also important to levy penalties for violations of the employer pays policy, and to reimburse workers for any fee overcharges.

What information do you need to get?

- A description of how the recruitment agent ensures compliance with the "employers pay" policy (e.g., the policy is included in work contracts, and sanctions are in place for noncompliance).
- A list of expenses charged to jobseekers.
- Mechanisms for jobseekers to report violations of company policy on recruitment fees.
- Procedures for refunding fee overcharges.

What are some common risks and red flags?

- There is no written commitment by the recruitment agent to adhere to the employer-pays policy
- There is no effective and safe procedure for workers to report ethical violations by internal staff or subcontractors of the employers-pay policy (e.g., workers are coached to lie about fees and expenses)
- Jobseekers are charged a reservation fee and/or deposits
- Fees are charged to workers for processing of deployment documentation
- Jobseekers are charged fees for mandatory skills training
- Jobseekers are charged fees for recruiter-owned or -operated accommodations during pre-deployment period

Figure 6 Red flags for recruitment fees

6.1.2 Assessment Area: Pre-departure Orientation and Training

Why are you assessing the pre-departure, orientation, and training of foreign migrant workers?

By assessing the pre-departure orientation and training of foreign migrant workers, you will be able to understand how foreign migrant workers are informed about your company's policies and employment conditions; whether these policies and conditions are explained to foreign migrant workers in a language that they understand; and whether foreign migrant workers will likely understand your policies and conditions.

You also need to check if the information provided to the foreign migrant workers during the pre-departure process is similar to that they receive prior to their start of employment in the facility.

It is recommended that the pre-departure training be conducted by a representative of the company. However, this may not always be possible and recruitment agents may retain some training responsibilities.

What information do you need to get?

- Pre-departure Program;
 - Areas covered
 - Documentation
 - Training Materials
 - Hand-outs, worker copies of training materials
 - Skills assessment or skills gap assessment
- Languages spoken by the workers
- Training Fees;
 - Training costs
 - Who is responsible for training costs?
- Trainers;
 - What qualifications do the trainers have?
 - Is training run by recruitment agent staff or is it outsourced?

6.1.3 Assessment Area: Loans and Deposits

Why are you assessing fees, loans and deposits?

Excessive or illegal fees heighten foreign migrant workers' vulnerability to forced labor. In order to have a clear picture of the vulnerability of your workforce to debt bondage and forced labor, you will want a full accounting of all fees and loans to which foreign migrant workers are subject. To determine workers' vulnerability it is important to understand the purpose, legality, and methods of levy for each of the items. In addition, you will want to know how workers repay these fees.

What information do you need to get?

- Fees and loans due to recruitment agents
 - What is the schedule of payments?
 - What are the terms of repayment?
 - What is the fee schedule or line items for the fees?
 - What out-of-pocket payments to facility or to recruitment agent is the worker required to make?
- Deposits
 - Security bond or deposit
 - Schedule of payments
 - Terms of payment
 - Terms for returning deposit to workers

What are some common risks and red flags?

- Workers are induced or encouraged to take loans from the recruitment agent(s) to pay fees;
- Workers are required to lodge deposits before taking up employment;
- Workers are ill-informed about the terms or the full amount of loans; or
- Automatic deductions for loan payments are made against workers' salary.

Figure 7 Red flags for loans and deposits

7 On-Site Management of Foreign Migrant Workers

This section spells out some of the most common compliance violations seen in the on-site management of foreign migrant workers. In some cases, these violations come about as a result of the outsourcing of management functions to recruitment agents. In other cases, the violations may stem from choices made by managers at the facility itself. Either way, there are clear steps that you can take to mitigate the risk of such compliance violations, and to promote good practice in the management of foreign migrant workers in your facilities. This section matches those good practices and management controls with the compliance risks that they help to address.

Post-Arrival Requirements and Documents Processing	
Social Responsibility Risks	Best Practices to Manage Risks
<ul style="list-style-type: none"> • Inconsistent messaging • Training and communication may not be consistent with company policies and procedures • Training and communication may not be provided in a language the worker can understand • Orientation and training are conducted by recruitment agents instead of the suppliers' management representatives • Workers may have paid fees and expenses not disclosed to the company by the recruitment agent • Workers are reluctant to report fee payments or other rights abuses due to fear of retaliation • Workers may not have been provided the intended contract, in their native language, with all terms and conditions of their employment prior to their departure from the sending country 	<ul style="list-style-type: none"> • At a minimum, arrival orientation covers the following: <ul style="list-style-type: none"> – Company profile, policies & procedures – Protections provided by the company's and the HP's policies – 'Supplier pays' (no fees) policy – Legal rights and requirements – Worker feedback & communication – Discipline, termination and repatriation – Dormitory regulations – Confidential mechanisms for workers to report violations of company's policies and social responsibility standards by supplier staff or recruitment agents • There are clear procedures for on-the-job training • There is objective evaluation of worker understanding and training effectiveness • There are standard, measurable, and objective indicators and tools for skills training evaluation • Trainers and HR representatives speak the migrant workers' native language(s) • Newly arrived workers are interviewed to determine if they paid any fees or expenses to receiving country or sending country recruitment agent(s) and sub-agent(s) • Contracts held by newly arrived workers are checked to ensure they are in the worker's native language and match the terms and conditions of their employment

Wages and Benefits	
Social Responsibility Risks	Best Practices to Manage Risks
<ul style="list-style-type: none"> Underpayment, delayed payments Recruitment agents or the company could have access to workers' bank accounts resulting in: <ul style="list-style-type: none"> Forced savings; or Illegal deductions Workers could be uninformed or misinformed about wage rates and deductions No pay slips provided or not understood by workers Workers are ill-informed about the terms or the full amount of the loans or deductions Workers are induced or encouraged to take loans at usurious interest rates Automatic deductions for loan payments are made against workers' salary The company or the recruitment agent provides loans which have unreasonable terms of payments, leading workers to work longer hours to earn and pay off loans 	<ul style="list-style-type: none"> The company's wages and benefits comply with legal requirements and are consistent with terms and conditions in employment the contract There are policies on: <ul style="list-style-type: none"> No access to workers bank accounts Prohibition of forced savings Bonuses, allowances, and deductions Workers are only paid directly, at regular intervals, on-time, and in accordance with national law Clear and transparent information are provided about hours worked, wage rates and legal deductions, if applicable Wage deductions are appropriate and stay within legal limits. They are calculated with transparency and with worker knowledge and consent If wage advances and loans are provided to workers, the terms are such that these can be repaid within a reasonable amount of time (6 months), payments do not exceed 10% of net wages, workers make out of pocket loan payments themselves, and receipts are always provided The company (1) provides smaller loans that amount to no more than one to three months' base wages, (2) charges very low or no interest on the loan, and (3) establishes short installment/financing periods

Deposits	
Social Responsibility Risks	Best Practices to Manage Risks
<ul style="list-style-type: none"> Workers could be required to lodge deposits before taking up employment, and during employment 	<ul style="list-style-type: none"> There is a policy prohibiting deposits of any kind when workers take up employment, or at any time during their employment

Identity Document Retention	
Social Responsibility Risks	Best Practices to Manage Risks
<ul style="list-style-type: none"> Workers are required to surrender their passports and other key documents to the recruitment agent or employer Passports are taken without the workers' full and informed consent Passports are taken from workers for safekeeping, and workers are made to sign a waiver indicating their consent Workers are required to post a bond, or pay a deposit in order to retrieve passports Workers are misinformed about their right to secure their own documents Workers are not provided means to secure their own documents 	<ul style="list-style-type: none"> There is a policy prohibiting the withholding of passports Workers keep their passports with them throughout the recruitment and transportation process, except only when needed to obtain government documents and approvals Supplier conducts a post-arrival audit – to verify if worker passports are in the workers' possession A management representative is present at the airport or other port of arrival to meet new workers, to ensure that passports are not confiscated Newly-arrived workers are interviewed to verify that they were in possession of their identity documents throughout the recruitment and transportation process The company or dormitory owner/manager provides each worker with a secure, lockable locker/lockbox in the dormitory for safekeeping of identity documents and other personal valuables The company provides each worker with a secure, lockable locker/lockbox in the facility (work site) for safekeeping of identity documents and other personal valuables A periodic audit is conducted in the worker dormitories to ensure that passports are not being withheld from workers by dormitory management (if outsourced)

Dormitory and Housing	
Social Responsibility Risks	Best Practices to Manage Risks
<ul style="list-style-type: none"> It is logistically difficult or impossible for workers to secure their housing accommodations themselves Curfews are implemented in the dormitories, and workers are unable to enter or leave the premises freely There are penalties for staying out, or for not returning to the dormitory or housing facility at a designated time. Gates are closed at designated times Security personnel are instructed to restrict workers from leaving or entering the dormitory or housing facility 	<ul style="list-style-type: none"> There is a policy stating that workers are free to enter and leave their living quarters at all times. The policy is posted in the native language(s) of workers and is covered in orientation training The company does not require foreign workers to live in company-provided housing, unless required by law Workers are provided with individual keys or key cards to lock their rooms The company does not require or assign workers to live in dormitories or housing facilities that have unreasonable policies which curtail the workers' freedom of movement Any restrictions or curfews for security reasons must be justified with documented incident data

Dormitory and Housing

- | | |
|--|--|
| <ul style="list-style-type: none"> Inadequate maintenance and poor safety and health conditions in independently managed worker accommodation | <ul style="list-style-type: none"> Security personnel manning dormitory entry points are clearly instructed on their duties. Their role is to protect workers and their presence should not limit or impede the workers ability to enter or leave the premises Living quarters are kept safe, clean and hygienic, with adequate personal space and privacy, as defined by the EICC Worker Accommodation guidelines Methods for workers to report issues or grievances with the supplier and/or dormitory management are prominently posted in the native language(s) of workers in all supplier provided housing Regular safety and health inspections and preventive maintenance of worker accommodation supplemented by routine audits by the supplier |
|--|--|

Worker Feedback and Communication

Social Responsibility Risks	Best Practices to Manage Risks
<ul style="list-style-type: none"> Workers have limited direct access to supplier management Translators are not trained to handle worker grievances There is no immediate resolution and feedback Workers are afraid to report abuses by recruitment agents for fear of reprisals 	<ul style="list-style-type: none"> Establish an effective, confidential grievance process, that includes: <ul style="list-style-type: none"> Easy to understand procedures Mechanism to ensure worker confidentiality and anonymity All communication regarding grievance mechanisms should be in languages that workers understand Translators should be employed where necessary Multiple communication channels should be provided to ensure that workers will find an avenue with which they are comfortable registering concerns Procedure for management to follow-up on reported grievances that is communicated to workers Procedure that allows workers to report a grievance against a supervisor or recruitment agent to an impartial entity Procedure for workers to monitor the status of complaints Existence of an appeals system A policy that ensures that workers who report a grievance can do so without fear of penalty, dismissal or reprisal of any kind

Worker Feedback and Communication

	<ul style="list-style-type: none"> – Policy that provides workers with grievances access to additional support or advocacy (i.e. interpreters, counseling)
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Humane Treatment (Discipline & Termination)

Social Responsibility Risks	Best Practices to Manage Risks
<ul style="list-style-type: none"> • No due process • Punitive deductions are used as a disciplinary measure • There are penalties for early contract termination • Managers and supervisors are not adequately trained to implement the supplier's policy on discipline • Workers are not aware of the supplier's policy on discipline • Management does not document disciplinary proceedings 	<ul style="list-style-type: none"> • Develop clearly defined and standard rules and regulations, and clearly communicate to all workers, supervisors, and managers • Ensure the following in your disciplinary measures: <ul style="list-style-type: none"> – Progressive disciplinary actions (for example: verbal warning; written warning; suspension; termination) – Clearly indicated step-by-step implementation procedures for discipline and termination (reasonable notice) – An impartial, objective appeal procedures – No punitive fines and deductions – No physically abusive or humiliating discipline and termination practices – Are the same measures for local and foreign migrant workers • Provide workers who are under investigation with a translator who is selected or vetted by the worker • Train all managers and supervisors in positive management techniques • Develop a system for recording, tracking and documenting discipline and termination procedures