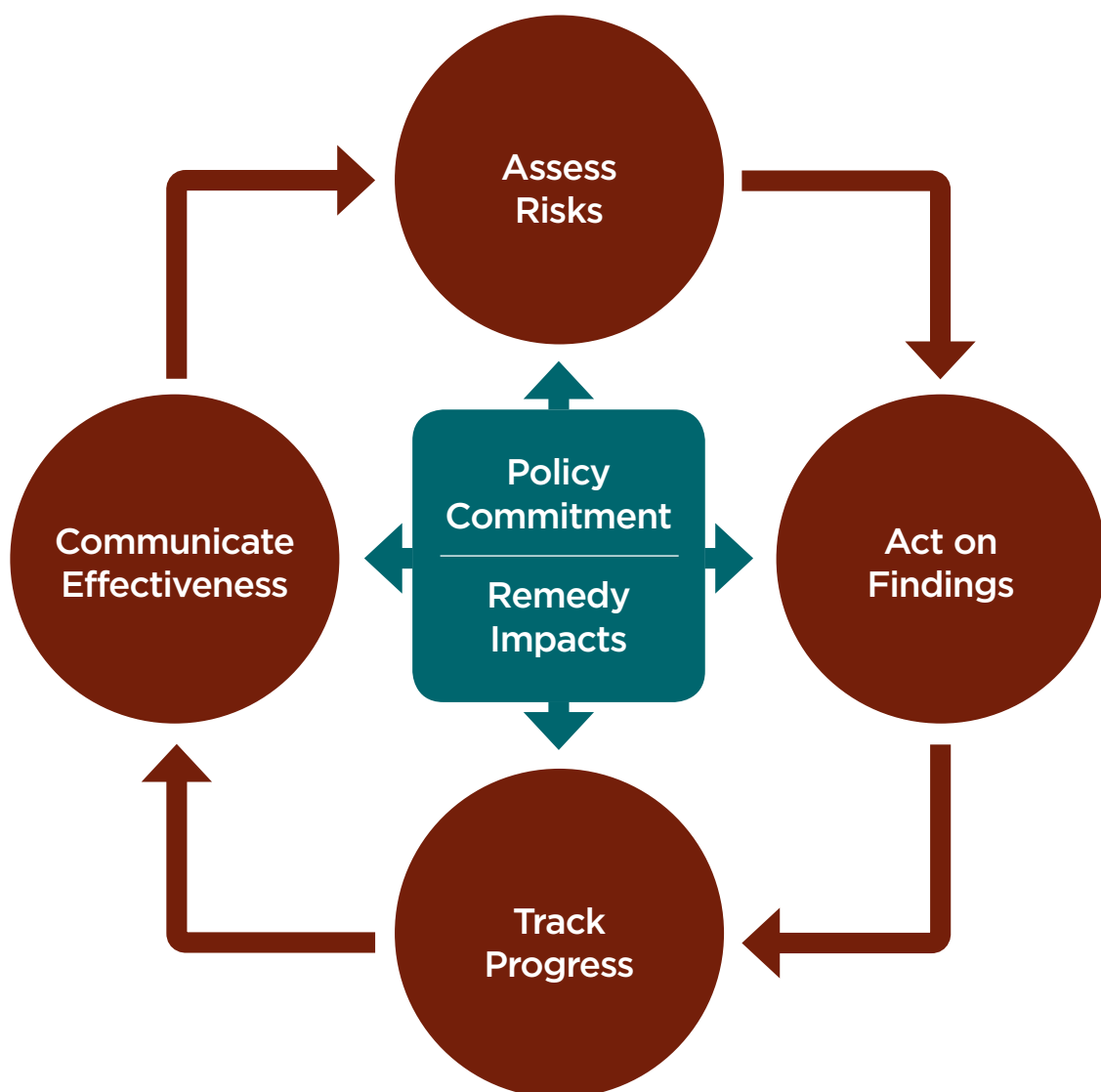


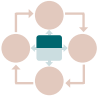
Six Steps to Responsible Recruitment

Implementing the Employer Pays Principle



Employer Pays Principle

No worker should pay for a job – the costs of recruitment should be borne not by the worker but by the employer.



1 Commit to and develop an EPP policy, then embed it across the company

Define the content:

- The policy commitment should reflect the Employer Pays Principle, that: No worker should pay for a job – the costs of recruitment should be borne not by the worker but by the employer.
- The commitment should state that migrant workers shall not be required to pay for their employment.
- The commitment should state that the costs and fees associated with recruitment, travel and processing of migrant workers from their home community to the workplace, including through to return when the relocation is not permanent, shall be covered by the employer.
- The commitment should state that the employer should pay the costs of recruitment directly to the extent possible. When not possible, or where the migrant worker is legally required to pay a fee or cost directly, the migrant worker shall be reimbursed by the employer as soon as practicable upon discovery.
- The commitment should clearly explain how it applies to the company's workforce (employees and contract workers) as well as the company's expectations of business partners.

Develop the policy:

- Evaluate existing policies on recruitment, the policies of peer companies and competitors, as well as international standards, including ILO Convention 181 (Convention on Private Employment Agencies).
- Draw on internal and external stakeholders and resources, and involve senior managers from the start.
- Develop a clear business case for adopting the EPP focused on: the human rights risk to recruited workers, legal compliance, brand reputation, and operational efficiency.
- Identify key gatekeepers / functional heads within internal company departments. Raise their awareness and secure buy in to get the policy adopted and implemented.
- Assign responsibility for the EPP policy, and secure sign off for the EPP policy at Board level.

Align the policy internally:

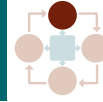
- Ensure other human rights and operational policies and processes are consistent and do not conflict with the EPP commitment.
- Ensure adequate support and resources for implementation of the EPP commitment, including through leadership, accountability, and appropriate incentives and disincentives.
- Develop, deliver or recommend training for managers and supervisors on appropriate recruitment and remedy processes, including responding to dilemmas and unforeseen circumstances.

Apply the commitment to business relationships:

- Reflect the policy within existing and future business partner guidance, contracts and on-going management.
- Be prepared to support existing suppliers / business relationships to implement the policy.

Communicate the policy:

- The EPP policy commitment should be publicly available.
- Communicate the policy internally to all workers (management, staff, business units, subsidiaries, and others).
- Communicate the policy externally to all business partners and others in the company value chain, including current and future / potential migrant workers.



2 Assess the risks of workers being charged recruitment-related fees

Be systematic:

- Assess the risk to migrant workers after being charged recruitment fees. This is distinct from assessing any risks to the business.
- These risk assessments should be regular and ongoing, undertaken whenever the risks may change, such as when starting a new business relationship or operating location, or facing a major change in operations or operating environment.
- Include recruitment as a focus area within audits and other due diligence processes.
- Ensure a range of internal and external sources are used to inform the assessments, including issues raised by NGOs or trade unions, news or expert reports, and cases arising via grievance mechanisms (see step 6).

Draw on Expertise:

- Assess relevant data – there may be relevant information available about worker retention, job suitability and performance that is linked to recruitment processes and the risks of worker-paid fees.
- Ascertain what information exists within suppliers / business relationships (e.g. are recruitment processes included in existing audits?).
- Through discussion with suppliers, workers, labour brokers, unions and NGOs, assess the average level and types of fees currently being paid by workers to secure their job, and ascertain when these fees are being paid and to whom.

Consult migrant workers and their legitimate representatives:

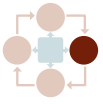
- Understand migrant workers' views about how fees and other impacts via the recruitment process affect them.
- Demonstrate you take the concerns of migrant workers seriously. This helps build mutual understanding and creates opportunities to work together to identify potential impacts and suitable ways to address them.

Understand your operating context:

- Identify countries/locations of operation with laws/regulations on migrant worker recruitment fees that are absent, weak or unenforced or which actively conflict with the EPP.
- Make a country-by-country inventory of the recruitment process and legally required fees.
- Develop an indicative recruitment pricing structure of what you believe to be the genuine costs of recruitment in each operating location.

Review your business relationships:

- Assess the risks of your company practices contributing to recruitment fees being charged by a business relationship.
- Assess the risks of being directly linked to the charging of a migrant worker recruitment fee in connection with company operations, products or services – including via a relationship one or more step removed from the company, such as deeper within the supply chain.
- Establish robust screening and selection processes for key business relationships, such as suppliers and sending and receiving country recruitment and employment agents, including assessing their ability to comply with the policy and whether additional oversight may be required.



3 Integrate and act on the risk assessments

Be systematic:

- Involve staff whose work raises potential impacts on workers in finding ways to address them.
- Identify ways to share learning across different operating sites / functions / departments about effective prevention and mitigation options.

Prioritise your responses:

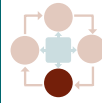
- Prioritise responses to assessment findings based on those that will result in the most severe impacts to workers.
- Determine severity according to scale (how grave the impact is), scope (how many workers are affected) and whether it can be effectively remedied.

Understand your responsibility

- A company's responsibility to act is determined by its involvement in a human rights risk or impact, not its ability to influence a situation.
- Where at risk of *causing* an impact directly, take the necessary steps to prevent it. For example, require recruitment agents to itemise, including with receipts, all expenses they incur in the recruitment process, and provide workers with receipts for any expenses they incur in their recruitment.
- Where at risk of *contributing* to an impact, take the necessary steps to avoid that contribution. Use your leverage with the party causing the impact to mitigate any remaining risk. For example, in the absence of ethical recruitment agencies in a country, undertake as much direct recruitment of migrant workers as possible.
- Where at risk of an impact on a migrant worker being *directly linked* to your company's operations, products or services through a business relationship, use your leverage with the party at cause to mitigate the risks.

Create and use leverage with business relationships:

- In each situation, think about the many forms leverage can take, whether via traditional commercial leverage, leverage through collective action with business partners and peers, or leverage via bilateral or multi-stakeholder engagement and collaboration with governments, civil society and other stakeholders.
- Initial steps to identify and build leverage could include:
 - Build into new supplier agreements the expectation for them to prevent, mitigate and remediate recruitment-related impacts on migrant workers.
 - Establish a clear labour cost structure with suppliers and / or recruitment and employment agents.
 - Identify key personnel at suppliers responsible for hiring decisions and gauge their willingness and ability to align with the EPP policy.
 - Where possible, reduce the number of recruitment agencies with which your supplier engages to enable more effective monitoring and targeting of training resources.
 - Consider carefully whether to terminate a relationship where fees and other impacts on migrant workers caused by the third party. It may be beneficial to continue to work within the business relationship to remediate the impacts and build their capacity to meet the Employer Pays Principle in practice.



4 Track progress

Be systematic:

- Monitor recruitment processes and identify unauthorised fees being paid by workers in order to understand the effectiveness of your responses to identified risks and impacts and what improvements need to be made to prevent recurrence.
- As with steps 2 and 3, Tracking should be ongoing, with the goal of continuous improvement in the implementation of the EPP policy.
- Identify and incorporate existing sources of information, such as via grievance mechanisms (step 6), employee surveys, wider audit and risk assessment processes, country analyses, amongst others.
- Determine whether the tracking of migrant worker fee impacts and responses will be standalone or integrated into other company tracking processes/systems.
- Draw on relevant internal and external sources to build as accurate a picture as possible, including both quantitative and qualitative indicators. For example, establish monitoring processes in addition to social audits, such as dialogue with worker organisations.
- Establish effective systems for verifying the information received.

Incorporate migrant worker perspectives:

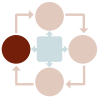
- Interview all foreign migrant workers upon arrival at the place of work to learn what, if any, fees and expenses they incurred during the recruitment and check any receipts.
- Follow up with further enquiries 3-6 months later when workers feel more secure in their employment.

Track through business relationships:

- Ensure that any supplier auditors being used are trained to include recruitment processes in their assessments.
- Compare and contrast recruitment arrangements at different suppliers to identify anomalies.
- It can be helpful to use the tracking process to reinforce to suppliers and other business relationships the importance of responsible recruitment to both yours and their business; to emphasise collaboration and capacity building, rather than policing and penalising their potential noncompliance.

Adjust processes and incorporate lessons learned:

- Use monitoring information to adjust processes in steps 1-3 to reinforce the EPP and, if necessary, require changes in the recruitment practices by key business relationships such as recruitment agents. Examples could include:
 - Policy: Clarifying lines of accountability internally; Incorporating tracking data into training and guidance for key functions/departments.
 - Assessing: Incorporating new risk areas identified in the tracking process; undertaking more in-depth risk assessments within key countries or operational areas.
 - Integrating & Acting: Creating or adjusting staff incentive schemes around responsible recruitment targets; Identifying where the most severe impacts to migrant workers are occurring to better target prioritisation;
 - Communication: Adjust the form or frequency of communications to ensure potentially affected stakeholders' awareness of your EPP commitment and processes.
 - Remedy: Spending more time on training and capacity building in specific countries, business units or partners where grievances are being raised.



5 Communicate on effectiveness and share lessons

Communicate with stakeholders:

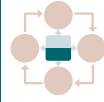
- Communication should focus on sharing information with stakeholders about the effectiveness of your EPP policy and due diligence process.
- Consider the various stakeholders that may be interested in understanding the effectiveness of the company's commitment to the Employer Pays Principle and what kinds of information they are interested in receiving. These could include business relationships, migrant workers and their legitimate representatives, staff, governments, civil society organisations, human rights and labour rights experts, amongst others.
- Be transparent and accountable about the effectiveness of the EPP policy and due diligence process.

Communicate meaningfully:

- The communication should be appropriate to the impact in terms of its form, frequency, accessibility and adequacy of information provided. For example, should the information be general or specific? Distinguish between the objectives of traditional public relations versus communicating about how the company addresses issues relating to its migrant workforce.
- Be sensitive to how stakeholders, particularly migrant workers, may access and use the information. For example, are site-level staff better placed to lead the engagement than central staff? Are there particular language, literacy, cultural or physical barriers involved?
- Seek opportunities to share lessons learned and pool information with other companies and stakeholders to contribute to raising standards in migrant worker recruitment within and across industries.

Report publicly:

- Report on progress of EPP implementation annually as part of human rights transparency and modern slavery reporting.
- Provide sufficient contextual and qualitative information to fully describe the risks and impacts migrant workers face and how they are managed.



6 Remedy recruitment-related impacts early and directly

Establish or participate in remedy processes:

- Develop and adopt appropriate and transparent procedures for receiving, escalating and resolving worker grievances, including ensuring confidential channels of communication for migrant workers to raise grievances regarding the recruitment process.
- Remedy means restoring migrant workers adversely impacted during the recruitment lifecycle to the situation they would have been in had the impact not occurred. Where that is no longer possible, compensation or other forms of remedy may be used to try to make amends. This is distinct from corrective action and other procedures focused on preventing recurrence, though this is also important.
- Ensure any grievance mechanism you develop or participate in satisfies the effectiveness criteria of the UN Guiding Principles on Business & Human Rights, that they are: legitimate; accessible; predictable; equitable; transparent; rights-compatible; a source of continuous learning; and, based on engagement and dialogue.
- Develop or review any mechanism in consultation with workers and their legitimate representatives, as well as staff, departments and other internal stakeholders to understand any cultural differences and build their support and buy in.

Be systematic:

- Ensure migrant workers know about and trust the mechanism, including ensuring decision-making processes, whether financial, legal or other, are clearly communicated in appropriate languages and formats.
- Inform ongoing due diligence processes with data and findings from the grievance mechanism(s).
- Review the effectiveness of the mechanism on an ongoing basis through regular reporting on the functioning of the mechanism(s) up to senior management.

Map and work with external remediation processes:

- Identify existing remediation processes that may help shape your own operational-level mechanism.
- Ensure you do not block or hinder, directly or indirectly, migrant workers' ability to access an external mechanism for remedy, whether state-based or non-state based. Complainants should be free to choose from any available remedy channel.
- Encourage and assist suppliers and other business relationships to develop or participate in their own grievance mechanisms for workers.

Leadership Group for Responsible Recruitment



Ref lecting the [Dhaka Principles for Migration with Dignity](#), the [Employer Pays Principle](#) is a commitment to ensure that no worker should pay for a job. It is endorsed by the [Leadership Group for Responsible Recruitment](#), a collaboration between leading companies and expert organisations driving positive change in the way that migrant workers are recruited.

www.employerpays.org

