

# Metrics and Disclosure for the LGRR

Business in all sectors face growing scrutiny on human rights performance from customers, civil society, investors and governments. Investors are undertaking closer due diligence on the companies in their portfolios to avoid operational and reputational risk and there now exist a number of benchmarks to help with these assessments. Globally there is also an increase in government mandated transparency reporting with legislation such as Modern Slavery Acts being enacted. The links between flawed recruitment processes and modern slavery are well documented and the inclusion of recruitment practices in company reporting allows a deeper assessment of company understanding and action to prevent this form of exploitation. Greater transparency of company operations and those of extended supply chains is therefore of increasing importance and in many cases an expectation of doing business.

Inclusion of recruitment practices in company reporting, however, is not universal and, if referenced, often lacks detail. As recruitment practice is seldom explicitly listed in reporting criteria, there remains resistance from legal and communications teams within companies (even those undertaking strong work) to include recruitment practices.

Elevating the profile of recruitment and examples of activities undertaken by leading companies in annual reports and transparency statements would serve an important advocacy role in highlighting the challenges of the issue and possible approaches to others.

The LGRR companies themselves, if they are to call themselves leaders, also need to be transparent around the actions they are taking and challenges they are facing, to ensure responsible recruitment and their commitment to the Employer Pays Principle in their own operations and supply chains. To help drive this process, in 2019 the Leadership Group worked with external consultancy Ergon Associates to develop a set of **metrics** that would allow companies to report against a common framework to allow internal and external accountability. These Leadership Group Metrics will be pilot-tested by all Leadership Group companies in 2020 with further development and refinement anticipated. All Leadership Group members are expected to report annually on the steps they are taking to ensure best practice. This process will be overseen by an external agency who will collate the information and produce an annual report on progress.

## The Leadership Group for Responsible Recruitment Metrics

The reporting criteria for the Leadership Group are detailed in the table below. The sections align with the Leadership Group's three pillars:

1. Creating demand for responsible recruitment
2. Increasing supply of ethically sourced labour
3. Improved protection for workers

And two additional criteria:

4. Impacts on workers in a defined focus area
5. Grievance mechanisms

# Leadership Group for Responsible Recruitment Metrics

LGRR key goals and impact areas	Principle/Action	Indicator/ Metric/ Evidence	Explanatory notes	Scope
<b>Part 1 - Creating Demand/Impacts for Companies</b>				
<b>Part 1.1: Policies</b>				
1.1.1 Policy commitments	Company has explicit, public policy commitments to promote the Employer Pays Principle across its own operations and supply chain.	Please describe the company's policy commitments related to responsible recruitment (and the EPP in particular).	<p>This metric refers to the corporate policies of the LGRR member company. At a minimum, it should include reference to explicit, public policy commitments related to:</p> <ul style="list-style-type: none"> <li>(i) the company's commitment to the EPP;</li> <li>(ii) inclusion of EPP in commercial agreements with labour providers (where the company uses labour providers for its own operations);</li> <li>(iii) policies that require suppliers to implement the EPP;</li> <li>(iv) policies to reimburse (or require suppliers to reimburse) workers who are found to have paid any fees or charges during recruitment.</li> </ul> <p>For policy requirements imposed on suppliers, please describe how the company ensures suppliers meet these commitments (e.g., through contractual arrangements or other measures).</p> <p>If direct extracts from relevant policies are sufficient to address this indicator, please include copy / paste of short relevant sections of policies.</p>	Global
<b>Part 1.2: Systems and Processes</b>				
1.2.1 Monitoring	Company's monitoring processes are able to identify payment of recruitment fees by workers	Please describe the processes and systems in place to monitor and verify the application of EPP across the company's supply chain.	Please provide a brief description of the company's relevant monitoring processes (e.g., supply chain HRDD, social audit protocols, internal reporting lines, responsible departments, processes for escalating high risk cases to senior managements, etc.).	Global

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	[Additional content]	If possible, please provide the number and proportion of audits (or other due diligence mechanisms) that identified payment of recruitment fees by workers during the last 12 months.	Please provide any information relevant to the interpretation of these figures (e.g., if data refer only to specific geographic region, sector, or supply chains; if audits are concentrated on suppliers already identified as high-risk via prior HRDD vs all suppliers; etc.).	Global

### Part 1.3: Knowledge-Building and Awareness-Raising

1.3.1 External advocacy	Company actively participates in relevant fora to promote awareness of and build support for EPP among key market actors.	Please describe relevant external advocacy events / activities.	Relevant information might include details of participation in regional or international industry fora, multi-stakeholder meetings (global, regional, country level), or other awareness-raising activities (e.g., involvement in public information campaigns) that have as an explicit aim the promotion of ethical recruitment among key market actors (i.e., other brands / retailers, suppliers, or recruitment agencies).	Global / Focused
1.3.2 Internal knowledge building	Company has taken steps to expand and deepen its internal understanding of relevant recruitment processes, labour supply chains, and migration corridors.	Please describe relevant internal knowledge-building activities / outcomes.	Relevant information might include both the types of knowledge building activities undertaken (e.g., participating or commissioning a research study, conducting a worker survey, convening knowledge-sharing events) and the areas where internal knowledge / understanding has been enhanced as a result (e.g., a clearer picture of labour migration routes relevant to key parts of the company's supply chain; more detailed estimate of typical recruitment costs paid by workers in a specific migration corridor, etc.).	Global / Focused

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1.3.3 Capacity-building	Company provides training or other capacity-building support to own staff, suppliers, and/or recruitment agencies to implement EPP.	Please describe capacity-building / training activities with own staff and/or suppliers	Relevant content should focus on training and other capacity-building initiatives carried out by the company (or on its behalf) for key internal roles, suppliers, and/or recruitment agencies, which include as an explicit and primary focus the implementation of EPP.	Global / Focused

## Part 2 - Increasing Supply/Engagement with Suppliers and Recruitment Agencies

2.1 Supplier implementation of EPP	The Company monitors progress on the Employer Pays Principle among its suppliers.	Total verified number (and proportion) of suppliers that have in place effective management systems to implement EPP.	<p>Effective management systems would include systems and processes to manage and monitor the hiring of workers through labour supply chains that include an adequate focus on recruitment fees / costs.</p> <p>Please indicate the verification method and criteria applied to determine whether and any other information relevant to the interpretation of this metric (e.g., whether total numbers and proportions refer to the company's global supply chains or a defined region, sector, supply chain).</p> <p>"Verified" means the relevant data are verified via social audits and/or other appropriate due diligence.</p> <p>Please include own operations where these employ workers that may be at risk of paying recruitment fees.</p>	Global / Focused
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	[Additional content: contracts with labour providers]	If possible, please provide the number (and proportion) of suppliers or own facilities that have implemented the EPP in their contracts with labour suppliers/recruitment agents	<p>This could include the number of suppliers that have contracts with agents or own facilities requiring no fees, the number that have moved to hiring directly, or could include other comparable measures adopted by suppliers to implement in practice the EPP in their contracts with recruitment agencies / labour suppliers.</p> <p>Please provide a brief explanation of the figure cited that includes details of the specific measures adopted by the supplier (e.g., the precise requirement related to EPP that are included in contractual arrangements between suppliers and recruitment agencies).</p> <p>“Verified” means the relevant data are verified via social audits and/or appropriate due diligence processes.</p>	Global / Focused
	[Additional content: certified recruitment agencies]	If possible, please provide the total number (and proportion) of suppliers that require recruitment agencies to be certified for ethical recruitment AND/OR Total number (and proportion) of recruitment agencies used by suppliers that are certified by recognised ethical recruitment schemes	As appropriate, please indicate the relevant certification scheme(s) (e.g., IOM's IRIS programme) or describe the criteria for certification and assessment / verification process.	Global / Focused

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### Part 3 - Protection of Migrant Workers/Impacts for Governments

3.1 Policy dialogue with governments	The Company undertakes concrete activities in government policy dialogue (independently and/or collectively).	Please describe the key areas of focus for, and concrete activities undertaken related to, government policy dialogue in one or more key focus areas (region, country, sector, migration corridor, etc.) for the company.	<p>Relevant information should include, where possible, specific objectives of policy dialogue (e.g., changes to a particular regulation); describe the concrete activities undertaken by the company to promote these objectives through policy dialogue with government (individually and/or collectively); and details on any relevant progress.</p> <p>Relevant policy areas might include the regulatory regime for the operation of recruitment agencies, visa requirements, costs, and processes, or bilateral and multilateral agreements among governments of source and destination countries for migrant workers.</p>	Focused
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### Part 4 - Impacts on Workers

This section concentrates on activities in a defined focus area (focus areas) that is particularly relevant to your own operations or supply chains, or which the company has identified as a priority focus area based on its opportunities to influence change in relation to responsible recruitment. A focus area might be a region, country, sector or product supply chain (globally or within a specific region or country), migration corridor, or specific factories (in a particular sector / country / supply chain).

In general, metrics in this section are intended to demonstrate increasing understanding of recruitment trends, practices, and costs in the defined focus area (or several focus areas) and to track concrete progress in relation to the situation faced by workers on the ground. The precise scope of reference for the metrics in this section should be determined by the company according to the risk / opportunity considerations outlined above and practical feasibility.

Part 4 can be completed based on a company's own operations in the focus area or the operation of suppliers.

#### PART 4 CAN BE REPLICATED FOR MULTIPLE FOCUS AREAS IF REQUIRED.

4.1 Focus region, country, sector	Focus area (region, country, sector/supply chain, corridor, etc.)	Please describe the defining parameters of the 'focus area' on which the following metrics are based.		Focused
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4.2 Focus region 'significance'	"Size" of focus region in context of company's global operations / supply chain	Please indicate the proportion of the company's global operations represented by the focus region, in terms of either total workers and/or number of suppliers.	<p>This information is intended to provide an approximate indication of the proportion of the company's global operations / supply chains that the focus area represents. If possible, please provide (i) the estimated number of workers in the focus area (as a total number and as a proportion of all workers across all regions / sectors / corridors etc.); and (ii) the number of suppliers in the focus area (as a total number and as a proportion of all suppliers across all regions / sectors / corridors, etc.).</p> <p>Figures would refer to own operations (facilities, workers) or supply chains (supplier, supply chain workers) according to the company's chosen focus for Part 4.</p>	Focused
4.3 Workforce in focus region	Profile of supply chain workforce in defined focus area	Please indicate workforce data for own operations or suppliers in the defined focus area	If no precise data are available, please provide estimates for workforce data (where possible). For estimates, please indicate any general criteria on which the estimate is based (e.g., comparable supplier, regional data, etc.).	Focused
	Total workers		Total workers in focus area. NB This figure should represent the 'reference' workforce for the focus area (e.g., for use as the denominator for calculating percentages for other categories of workers in subsequent metrics in Part 4).	
	Total migrant workers		Total migrant workers in the focus area	
	Total female workers		Total female workers in the focus area	
	Principal countries of origin		Please indicate approximate number of workers per country of origin in the focus area. Please include countries of origin that account for more than approximately 10% of the total workforce in the focus area.	

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4.4 Recruitment practices	Total number of workers recruited through 'responsible' recruitment channels.	Please indicate the number of workers recruited directly, or through a licensed recruitment agency, and through a 'responsible' recruitment agency for the focus area (for own operations or by suppliers).	If no precise data are available, please provide estimates for workforce data (where possible). For estimates, please indicate any general criteria on which the estimate is based (e.g., comparable supplier, regional data, etc.).	Focused
	Workers recruited directly by the supplier		Total number of workers recruited directly by company / suppliers in focus area.	
	Workers recruited through a licensed recruitment agency		Total number of workers recruited by company / suppliers through a recruitment agency licensed by the relevant government authority in focus region.	
	Workers recruited through a certified 'responsible' recruitment agency		Total number of workers recruited through a recruitment agency that is certified as an 'ethical' or 'responsible' recruiter (by the government or under other certification scheme) in the focus area. NB Please indicate the relevant certification schemes (e.g., IOM's IRIS programme).	
	Workers recruited through other 'responsible' recruitment agencies		Total number of workers recruited through a recruitment agency that is considered as 'responsible' based on other criteria; for example, subject to appropriate due diligence on the part of the company or supplier with respect to EPP. NB Please indicate the criteria for 'responsible' recruitment agency applicable for this indicator.	

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4.5 Understanding recruitment processes	Activities undertaken to understand the full recruitment process in the focus area	Please describe how the company and/or suppliers seek to build a full understanding of the entire recruitment process in the focus area, including all stages involved, migrant journeys, potential fees and costs, legal and/or ethical requirements.	Relevant information includes any activities carried out by the company and/or its suppliers to deepen understanding of the recruitment processes relevant to workers in the defined focus area (e.g., research activities, stakeholder engagement, mapping, collaborative work, worker engagement initiatives, etc.).	Focused
	[Additional content: recruitment costs]	If possible, provide estimates for total recruitment costs per worker for the focus area and the total costs covered by the employer.	<p>For own operations, the employer is the LGRR member company. For supply chain, the employer is the supplier.</p> <p>The costs are intended to be estimates about 'typical' recruitment costs for a migrant worker employed in the defined focus area (e.g., Myanmar workers traveling to Thailand, or Myanmar workers travelling for work in seafood processing factories in Thailand, or Myanmar workers travelling for work in seafood processing factories in Phang-nga province in Thailand, etc.). Estimates of such typical costs should be based on credible and up to date research and information generated by the company, its supplier(s), or third-parties (e.g., NGOs).</p> <p>At a minimum, response should attempt to estimate costs related to (i) contracts, (ii) interviews, (iii) travel, (iv) visas and work permits; (v) other document fees; (vi) medical tests; (vii) training; and (viii) recruitment agency fees.</p>	

LGRR key goals and impact areas	Principle/Action	Indicator/ Metric/ Evidence	Explanatory notes	Scope
4.6 Reimbursed costs	Total amount of worker-paid recruitment fees repaid by the employer in the last year (LGRR member and/or supplier).	Total worker-paid fees repaid either by the company (in relation to your own operations) or by suppliers, and number of workers covered	<p>"Relevant information should include a brief explanation of the calculation method used.</p> <p>If the company does not have a policy to reimburse worker-paid fees (or require suppliers to do so), please briefly explain the basis of the decision not to reimburse / challenges faced in relation to reimbursement."</p>	Focused

## Part 5 - Other

5.1 Grievances	Company has mechanisms providing for worker feedback and grievances including on fees paid	Please describe how the company ensures that workers have access to an effective grievance mechanism, either at the enterprise-level or more broadly.	Please include a brief description of both enterprise-level and broader grievance mechanism(s) in place (including 'worker voice' initiatives), how the company ensures grievance procedures are accessible to all workers (e.g., promoted in workers' languages, etc.), and/or examples of remedies implemented following complaints related to recruitment fees.	
	[Additional content - number of workers covered by grievance mechanisms]	Number of workers covered by enterprise-level or broader grievance mechanisms	Please indicate the types of grievance mechanism to which any figures refer (e.g., enterprise level vs full supply chain mechanisms).	Focused
		Description of good practice		
5.2 Good practice	Other examples of good practice or leadership that you want to highlight		OPTIONAL. This item could include any examples related to the reporting areas included in this metrics framework or other relevant activities. Please indicate your preferred level of disclosure in relation to the best practice example(s) provided: INTERNAL, NAMED / INTERNAL ANONYMOUS / EXTERNAL NAME / EXTERNAL ANONYMOUS.	Focused

