

TESCO EXTERNAL REQUIREMENT

Title: Responsible Recruitment requirements – Thailand and Malaysia	
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Document Overview

This policy outlines our Responsible Recruitment requirements for primary suppliers and end-to-end Protein and Produce sites in Thailand and Malaysia supplying Tesco UK/ROI.

Market Of Sale	Business Unit
United Kingdom	Food
Republic Of Ireland	Non Food Formulated
	General Merchandise
	Clothing
	Group Procurement

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1. Purpose & Scope

This policy outlines our Responsible Recruitment requirements for primary suppliers and end-to-end Protein and Produce sites in Thailand and Malaysia supplying Tesco UK/ROI. We strongly encourage sites further down our supply chain or supplying into other Tesco business units to also work to the principles outlined in this policy.

We are providing specify guidance for these countries as our research and experience has shown that excessive recruitment fees and costs are prevalent in some sectors in these countries.

Suppliers and in scope sites must read and implement the requirements, in addition to ensuring they are compliant with the [ETI base code](#). Suppliers must inform Tesco of challenges associated with compliance as well as any Human Rights concerns or allegations against their organisation or supply chain.

2. Detailed Requirements

Through membership of the Consumer Goods Forum, Tesco has made a commitment to embed the Priority Industry Principles on Forced Labour in its own operations and supply chains. These include:

- Every worker should have freedom of movement
- No worker should pay for a job
- No worker should be indebted or coerced to work

We also endorse the Employer Pays Principle that, *no worker should pay for a job, the cost of recruitment should be borne not by the worker but by the employer.*

In line with this, we have specific requirements around recruitment fees and costs for our Thai and Malaysian suppliers and their supply chains:

- All suppliers must obtain a clear understanding of the processes and costs associated with migrant worker recruitment. This should be presentable as a recruitment map, timeline and/or flow chart and include all the fees and costs incurred for migrant worker recruitment in origin, transit (where applicable) and destination countries. Suppliers should, where possible, also look to understand where workers have outstanding debts as a result of the recruitment process.
- Based on the above, a time bound action plan should be developed for the employer to move to a responsible recruitment model. This should be supported by a company or group migrant worker recruitment policy. The action plan and migrant worker recruitment policy should be in line with the Employer Pays Principle and the [ILO definition](#) on recruitment fees and costs.
- A company or group migrant worker recruitment policy should stipulate clearly what fees and costs shall be borne by workers and the employer respectively as well as the main principles that shall guide the suppliers recruitment activities and their engagement with registered recruitment agencies, registered sub-agents, 3rd party recruiters or suppliers.
- Other than a one-off repayment for past recruitment related fees and costs incurred by workers, repaying recruitment fees and related costs on an on-going basis does not meet Tesco's requirements regarding migrant worker recruitment. Therefore in cases where excessive recruitment fees and/or costs are found to have been paid by workers, suppliers should share with Tesco a proposal for remediation for further discussion and implementation.

- Where appropriate, suppliers should engage with recognised and/or reliable migrant worker experts and civil society organisations to map their recruitment supply chain and develop an action plan and policy.

We expect all suppliers and sites to have a clear understanding of the processes and costs associated with migrant worker recruitment and an action plan to align with Employer Pays Principle and the ILO definition on recruitment fees and costs by **November 2020**.

We expect suppliers and sites to have a migrant worker policy and to have implemented their action plan by **March 2021**.

In addition to the above, we expect our Thai and Malaysian suppliers to comply with the following practices:

- Employers must check the age of work applicants and have a remediation process for instances where underage workers (as per local law) are recruited, introducing preventative measures to ensure future under-age worker recruitment or employment does not occur.
- Employers must have clauses in their migrant worker recruitment policy that outline practices to ensure the prevention and remediation of forced labour or involuntary employment during recruitment processes. This should include freedom of movement, no document or ID storage or retention, prevention of debt bondage and prohibiting making recruitment or employment conditional on the use of mandatory services.
- Employers must have clauses in their migrant worker recruitment policy that outline policy and practices to ensure the prevention and remediation of harsh or inhumane treatment of job seekers or applicants during recruitment processes.
- Employers must have clauses in their migrant worker recruitment policy that outlines non-discrimination policy and practices that provide for transparent and objective selection or recruitment/employment criteria utilised during recruitment processes.
- Where possible employers must recruit and employ migrant workers directly. Where this is not possible, recruitment agencies, sub-agents, 3rd party recruiters or labour providers must be legally registered and subject to due diligence by the employer/supplier. These actors must also be trained in the supplier's migrant worker recruitment policy and practices, and sign a service agreement agreeing to comply with and implement the supplier's migrant worker recruitment policy and practices. Service agreements should include a termination clause in case of breach of this policy. In the event of any termination, the welfare of workers should be prioritised.
- Employers must ensure workers have a clear understanding of the site, role, performance requirements, skills, terms, conditions, pay and benefits before candidates are recruited for and/or agree to employment.
- Following recruitment and contract signing, all successful applicants must receive a detailed pre-departure training in the country of origin, which includes: discussion of contract details, documentation, information on the host country including their rights within that country, specifics

on the job role, conditions of work, pay, benefits, skills, performance required and access to complaint or grievance mechanisms during the recruitment process and after arrival.

- Pregnancy testing must not be conducted on job applicants unless local law requires it, for further information see [here](#).
- Employers should include in their migrant worker recruitment policy clauses which prohibit acceptance of any form of bribe from workers to secure employment or agencies to secure recruitment contracts. These actions by an employee must be considered a serious disciplinary offence. Employers should actively encourage workers or employees to raise any concerns relating to this through appropriate grievance channels.
- Employers should include in their migrant worker recruitment policy that the company will cover all costs of workers becoming their employees, as per the ILO definition – see Appendix.
- Employers and their designated recruitment agents (where applicable) must provide applicants with a breakdown of all recruitment related costs at the recruitment stage and prior to contract signing, explaining which of these are to be covered by the employer and the worker. They should also provide a timeline and detailed explanation of the recruitment process. The employers' contract with the recruitment agent (where applicable) and the recruitment agent's contract with the applicant (where required by law) must also include this breakdown and specify who is responsible for the reimbursement of any fees incorrectly paid by the worker.
- It is the employer's responsibility to verify through due diligence measures that any registered recruitment agencies, sub-agents, 3rd party recruiters, suppliers or labour providers they utilise comply with their contractual terms. Due diligence can be conducted through audits, worker interviews, confidential worker hotlines or engagement with NGOs, experts or other third parties.. Direct, safe and confidential worker engagement is key to ensuring that accurate information on practices throughout the recruitment journey is gathered in a timely manner and dealt with effectively.
- Employers must ensure that any recruitment agents utilised by them are provided sufficient notice of labour requirements and appropriate remuneration to ensure that the correct procedures of responsible recruitment according to the company's migrant worker recruitment policy can be followed.
- Employers must allow recruitment agencies to have access to their worksites and related documentation to ensure information provided to workers during the recruitment process is accurate.
- Migrant workers already in the country of employment must have the same opportunities and conditions of employment and be subject to the same recruitment processes and principles as migrant workers recruited across borders. Suppliers must ensure all workers have the necessary paperwork to formalise employment. We do not expect historic fees and costs to be covered by the employer but instead all fees and costs incurred once the worker is accepted for the role.

- Migrants workers must be fully aware that they are free to terminate their contract at any given point without penalty. Repatriation costs may be borne by a worker only in circumstances outlined in the migrant worker recruitment policy and not in situations where health matters dictate the reasons for repatriation or where the repatriation is at the end of the prescribed employment period.

3. Roles and Responsibilities

Role	Responsibility
Supplier/Site	Suppliers and sites must read and implement the requirements, in addition to ensuring they are compliant with the ETI base code. Suppliers must inform Tesco of any of challenges associated with compliance as well as any Human Rights concerns or allegations against their organisation or supply chain.
Tesco Technical Manager	Responsible for ensuring all suppliers/sites have reviewed and understood the requirements outlined in the policy.
Tesco Responsible Sourcing	Provide clarification on the policy, where required, and support where there are challenges to compliance.

4. Glossary

Acronym	Definition
ETI	The Ethical Trading Initiative (ETI) is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. The ETI Base Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice.
ILO	The International Labour Organisation (ILO) is a United Nations agency whose mandate is to advance social justice and promote decent work by setting international labour standards.

5. Revision History

Date Effective	Version	Document Section	Change Summary
18/05/2020	V1.1	Detailed requirements	The deadline is now November 2020. It was previously September 2020.

6. Associated Documents

Document No.	Document Title
10443V2.0EN	Human Rights requirements for food and grocery non-food suppliers

7. Appendices



ILO Definition of Recruitment Fees and Costs: For employers to cover

Recruitment Fees						
Covers recruitment, referral and placement services that can involve advertising, disseminating information, arranging interview, submitting documents for government clearances, confirming credentials, organising travel and placement into employment.						
Medical Costs	Insurance Costs	Skills & Qualifications	Training and Orientation	Equipment Costs	Travel and Lodging	Administrative Costs
<ul style="list-style-type: none"> • Medical examinations • Tests • Vaccinations 	<ul style="list-style-type: none"> • Mandatory government insurance • Health and safety of workers • Enrolment in Migrant Welfare Funds 	<ul style="list-style-type: none"> • Language proficiency tests • Skills and qualifications tests • Certification or licensing 	<ul style="list-style-type: none"> • Mandatory training • Pre-departure and post-arrival training • On-site training 	<ul style="list-style-type: none"> • Tools • Uniforms • Safety gear 	<ul style="list-style-type: none"> • Including for training, interviews, consular appointments • Relocation • Return or repatriation 	<ul style="list-style-type: none"> • Application and service fees • Employment contracts, passports, IDs, visas, background checks, security & exit clearance, banking services, work & residence permits



Reasonable costs for workers to cover

Job Qualifications	Initial interview	Documentation and travel costs	Replacement of lost documents	Accommodation	Transport to/ from workplace	Early leave: Return travel
<ul style="list-style-type: none"> Costs to meet minimum job requirements Certificates, Degrees (ie for skilled or semi-skilled jobs) 	<ul style="list-style-type: none"> Transport Lodging Subsistence costs Provided recruiter makes every effort to reduce costs (ie Skype interview) 	<ul style="list-style-type: none"> Passport, visa etc Transport When initiated by the worker BEFORE a job offer is made 	<ul style="list-style-type: none"> Passport Visa and/or residency requirements Costs of photos and photocopies NB: Only when the worker is at fault 	<ul style="list-style-type: none"> Employer provided accom that is truly optional Must be charged at fair market value and meet health and safety standards 	<ul style="list-style-type: none"> Employer provided transport (ie shuttle bus) that is truly optional Must be charged at fair market value and meet health and safety standards 	<ul style="list-style-type: none"> Return travel, lodging etc when worker does not provide full notice Must be legal and included in contract Must be explained to the worker



Don't forget: When the recruitment process is **initiated** by the employer than the employer should cover these costs. This includes situations where the employer recruits a worker and elects for permanent residency over a work permit.