

TESCO EXTERNAL REQUIREMENT

Title: Responsible Recruitment requirements – Non-Food

No.: 60593

Version: 1.0

Date Effective: July 2021

Document Overview

This document outlines our Responsible Recruitment requirements for all non-food primary/first tier sites supplying all Tesco business units.

Business Unit/Market of sale	Business Area Main Area/Sub Area
United Kingdom	Non-Food: Non-food General/General Merchandise / F&F
Republic Of Ireland	
Hungary	
Czech Republic	
Slovakia	

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1. Purpose & Scope

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 value 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 (EPP) that, *no worker should pay for a job, the cost of recruitment should be borne not by the worker but by the employer.*

This document outlines our Responsible Recruitment requirements, in line with these principles, for all non-food primary/first tier sites supplying all Tesco business units. We strongly encourage sites further down our supply chain to work to the principles outlined in this document.

Adherence to these requirements is a condition of supply to Tesco. Suppliers and sites are expected to read and implement the requirements, in addition to ensuring all sites are compliant with the ETI base code and all other applicable policies.

2. Detailed Requirements

It is a requirement for all primary/first tier sites to also align with the EPP and ensure that workers do not pay any fees and costs associated with recruitment, in line with the ILO definition of recruitment fees and costs – see Appendix for further. This includes covering fees and costs that are permitted by law.

Where recruitment fees and costs are found to have been paid by workers, our expectation is that these are reimbursed in full.

Where suppliers use migrant workers, they must:

- Have a clear understanding of the end-to-end processes and costs associated with migrant worker recruitment.
- Have a company or group migrant worker recruitment policy that:
 - States they will cover all the fees and costs associated with migrant worker recruitment, in line with the EPP and ILO definition of recruitment fees and costs.
 - Outlines 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 to workers on an on-going basis does not meet Tesco's requirements regarding migrant worker recruitment.
- Suppliers should also align with the additional Responsible Recruitment requirements, found in the Appendix.

Where suppliers use labour providers, they must:

- Ensure they meet the legal requirements within the country they operate as well as being compliant with the ETI base code.
- Conduct annual audits of their providers to ensure policies and procedures meet these expectations. Audits should also cover the activities of any sub-contractors.
- Prohibit any charges by suppliers, labour providers or other 3rd parties to prospective workers. This means suppliers must pay enough to labour providers to cover the cost of recruitment.

Non-compliance

We recognise that in some circumstances the transition to the EPP may require significant changes to recruitment practices. Where such changes are required, suppliers must have a time bound action plan to align with the EPP. This must be agreed with the Tesco Responsible Sourcing team.

Capacity building

As a Founding Sponsor of the [Responsible Recruitment Toolkit](#) (RRT), Tesco is keen to support our suppliers to embed responsible recruitment practices in their business and labour supply chain. Businesses in our supply chain can benefit from:

1. **FREE 'Plus' subscription on the RRT online tool.** Access a wide range of guidance, resources and self-assessment functionality. Simply [subscribe](#) online.
2. **Unlimited FREE RRT training on the below topics.** Find out more and book [here](#).
 - Introduction to Responsible Recruitment
 - Eliminating Worker Paid Recruitment Fees training
 - Labour Supply Chain Due Diligence and Partnerships
 - Safe Work for Agency/Contract Workers
 - Fair and Equal Opportunity and Treatment

Your suppliers, labour providers and recruiters can also access these benefits, please pass this information on to them.

3. Roles and Responsibilities

Role	Responsibility
Responsible Sourcing	Provide clarification on the requirements and support where there are challenges to compliance. Representatives from the Responsible Sourcing team may also audit against the requirements, where applicable.
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.
3 rd party audit bodies	Audit against the requirements.

4. Glossary

Acronym	Definition
Primary/first tier site	The production facility that is approved by Tesco, and is registered in Tesco's EQOS system, with a unique ID number, where product manufacturing occurs.
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.
EPP	The Employer Pays Principle (EPP) states that, no worker should pay for a job, the cost of recruitment should be borne not by the worker but by the employer. The Principle is increasingly being adopted by companies across a range of industry sectors and locations. It is endorsed by the Leadership Group for Responsible Recruitment, of which Tesco is a member.

5. Associated Documents

Document No.	Document Title
80632	Responsible Sourcing Manual, Clothing and General Merchandise Suppliers

6. Revision History

Date Effective	Version	Document Section	Change Summary
July 2021	1.0	All	New document

7. Appendices

ILO Definition of Recruitment Fees and Costs



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.

Additional Responsible Recruitment requirements:

- 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 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.

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