



ETHICAL RECRUITMENT: Translating Policy into Practice

Supported by



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About Impactt

Impactt is an ethical trade consultancy delivering innovative, change-focused solutions in industries worldwide. Founded in 1997, it specialises in improving labour conditions and raising productivity in global supply chains in a way that benefits supply chain businesses and workers alike. Impactt puts workers' perspectives at the centre of all it does and strives to make what works for workers work for business.

Humanity United and the Freedom Fund commissioned Impactt to conduct an evaluation of Thai Union's policy implementation of its Ethical Migrant Recruitment Policy following the methodology in Annex I. This report presents a summary of findings from this evaluation as details of the evaluation could not be published in entirety.



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Executive summary

Improving the practices involved in the recruitment of international migrant workers is a priority for companies, governments, and non-governmental organisations seeking to address forced labour risks. However, to date, there has been little publicly accessible information covering the challenges and achievements of real-world attempts to make responsible recruitment a reality. Global seafood producer Thai Union (TU) began implementing its Ethical Migrant Recruitment Policy (the Policy) in 2016. In order to understand the successes and challenges of TU's efforts, Humanity United and the Freedom Fund commissioned Impactt to conduct an independent, six-month evaluation in 2018.

Ethical Recruitment: Translating Policy into Practice summarises the findings of this evaluation, and draws on this and other cases to develop a set of guidelines for companies keen to improve their migrant recruitment practices.

TU launched and implemented the Policy with the support of the Migrant Workers Rights Network (MWRN), a membership-based civil society organisation for migrant workers from Myanmar residing and working mainly in Thailand. While the Policy does not envisage a zero-cost model for workers, it aims to significantly reduce the costs encountered by workers during the recruitment process by directly managing recruitment and eliminating recruitment service fees paid by workers.

Overall, Impactt found that the Policy was implemented as intended. It resulted in a large reduction in the amount of recruitment-related costs paid by workers. Workers reported that they felt safe on their recruitment journey, and experienced higher levels of job satisfaction than workers in the control group. TU reported business benefits, including more job applicants and reduced labour turnover. The recruitment agent reported that its business had grown, it had professionalised its service and was becoming recognised for its ethical credentials.

However, Impactt also noted distinct challenges along the way. Some workers reported paying higher costs than set out in the Policy, although, in the majority of cases, this was only slightly more, largely for passports and visa fees paid to government officials. In a small number of cases, workers reported paying unauthorised recruitment agency fees (which TU endeavoured to reimburse when discovered). Impactt's evaluation found that workers faced difficulties in accessing repayment of overpaid costs, with workers reporting being apprehensive about raising the issue, and rarely having documentary proof of overpayment. Nevertheless, despite these challenges, the TU model marks a significant landmark in improving migrant recruitment practices.

This report sets out a case study of the Thai Union policy implementation, including its impact, success factors and challenges. It then highlights guidelines for others seeking to improve their recruitment of migrant workers.

1. Introduction

A migrant worker's employment journey typically begins in a rural village, perhaps in Nepal, Myanmar or Bangladesh, far from the city and a world away from the realities of a factory job abroad. Potential migrants are often enthused by the opportunities of working overseas, and unaware of the pitfalls. During their recruitment, workers engage with a range of people and organisations, including family members, agents and sub-agents, money lenders, government officials and their ultimate employer. Many are obliged to borrow money to fund the fees and costs demanded at each stage. Workers do not have visibility of costs up front and may also be misled about the conditions and pay at their final destination. This can in turn lead to debt bondage, whereby workers are unable to leave their employment as they need to keep earning money to pay back

their debts. The situation is compounded by confiscation of workers' passports and low pay, which combine to trap workers in bonded labour.

Migrant workers are vulnerable to exploitation from the moment they begin the recruitment process, throughout their employment in another country, to the time when they return to their country of origin. This report explains how Thai Union (TU) has worked to tackle these issues in the Myanmar-Thailand migration corridor for its seafood processing factories through implementation of its Ethical Migrant Recruitment Policy (the Policy), and draws general lessons from this and other experiences to present a set of practical guidelines for companies seeking to implement responsible migrant recruitment practices.

2. Thai Union Ethical Recruitment case study

The Thai seafood industry is highly dependent on migrant labour from low-income countries in South and South East Asia. The industry has been in the spotlight for human rights abuses, including trafficking and forced labour, highlighted in 2014 through exposés by the Guardian,¹ the New York Times,² and Associated Press.³ The US government subsequently downgraded Thailand's rating in the Trafficking in Persons report⁴ and the European Commission issued a 'yellow card' warning.⁵ As a result, Thailand set out to reform the industry. Meanwhile, the Thai and Myanmar governments agreed a new Memorandum of Understanding aiming

to bring a greater level of regulation and formality to migration from Myanmar to Thailand. Thailand was upgraded in the US Trafficking in Persons report in 2018, and the EU lifted its yellow card in 2019.

It is against this background that TU, the world's largest producer of shelf-stable tuna products, launched its Ethical Migrant Recruitment Policy in 2016. Recognising that issues with the recruitment of migrant workers were prevalent across the industry and the wider region, TU decided to take action by implementing the Policy in its processing sites.

A. The Policy and how it is implemented

Scope

TU implemented its Policy from April 2016. This report looks at the period from April 2016 - January 2019, during which 9,101 workers were newly recruited from Myanmar. This represents approximately 40% of all workers recruited during this period. The remaining 60% of workers recruited in this period are either Thai workers, existing Myanmar workers who returned home to Myanmar and then came back to TU under the Memorandum of Understanding (MOU) between the Thai and Myanmar governments, or workers not from Myanmar. Impactt evaluated the implementation of the

Policy for workers sourced through one recruitment agency from Myanmar. A second Myanmar-based agency began working with TU under the Policy, but TU terminated the relationship as this agency did not comply with the terms. TU has also sought to implement the Policy at a smaller scale in Cambodia, working with one agency. This agency was also terminated for failure to comply with the Policy. TU included two further agencies, in Cambodia (2017) and Myanmar (2018) respectively, however, these two agencies fall outside the scope of this evaluation.⁶

1 Kate Hodal, Chris Kelly and Felicity Lawrence, "Revealed: Asian slave labour producing prawns for supermarkets in US, UK," The Guardian, June 10 2014, <https://www.theguardian.com/global-development/2014/jun/10/supermarket-prawns-thailand-produced-slave-labour>

2 Ian Urbina, "Sea Slaves: The Human Misery That Feeds Pets and Livestock," The New York Times, July 27 2015, <https://www.nytimes.com/2015/07/27/world/outlaw-ocean-thailand-fishing-sea-slaves-pets.html>

3 Robin McDowell, Margie Mason and Martha Mendoza, "AP Investigation: Slaves may have caught the fish you bought," The AP, March 25 2015, <https://www.ap.org/explore/seafood-from-slaves/ap-investigation-slaves-may-have-caught-the-fish-you-bought.html>

4 U.S. Department of State, "Trafficking in Persons Report 2014," <https://2009-2017.state.gov/j/tip/rls/tiprpt/2014/index.html>

5 European Commission - Press Release, "EU acts on illegal fishing: Yellow card issued to Thailand while South Korea & Philippines are cleared," April 21 2015, https://europa.eu/rapid/press-release_IP-15-4806_en.html

6 As Cambodian recruitment was limited at the time of the evaluation, Impactt's evaluation only covered the Myanmar recruitment, and therefore this report draws only on the Myanmar recruitment.

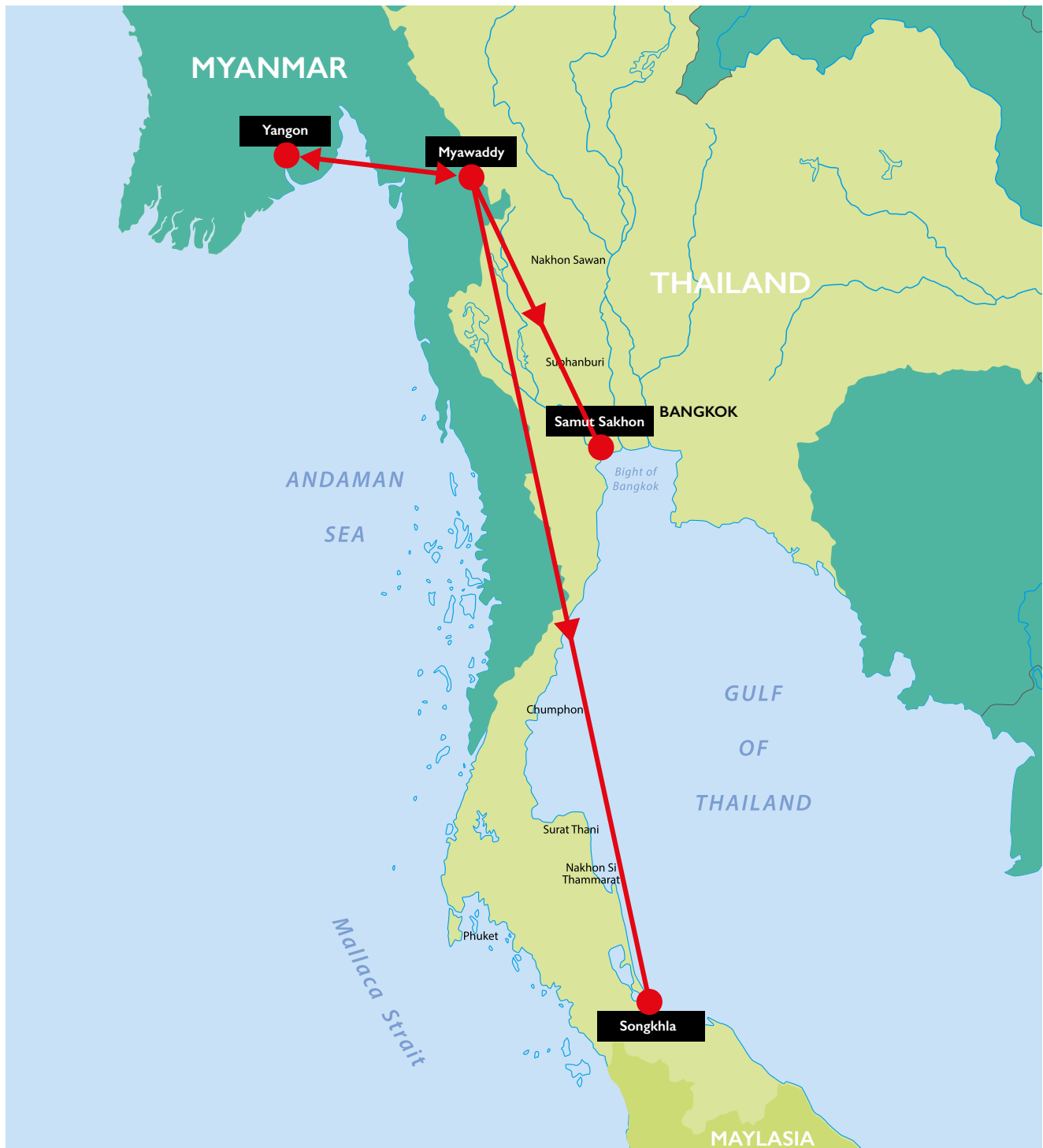
The Policy

The Policy⁷ provides “a set of principles to ensure that recruitment and hiring are managed consistently, professionally, fairly and transparently. The Policy aims to ensure the safe migration and reduce the potential vulnerability of migrant workers to labour exploitation, including the worst forms of child labour and human trafficking, and that the integrity of TU is upheld. The Policy seeks to ensure a fair balance between costs borne

by migrant workers and TU and its subsidiaries during recruitment processes.”

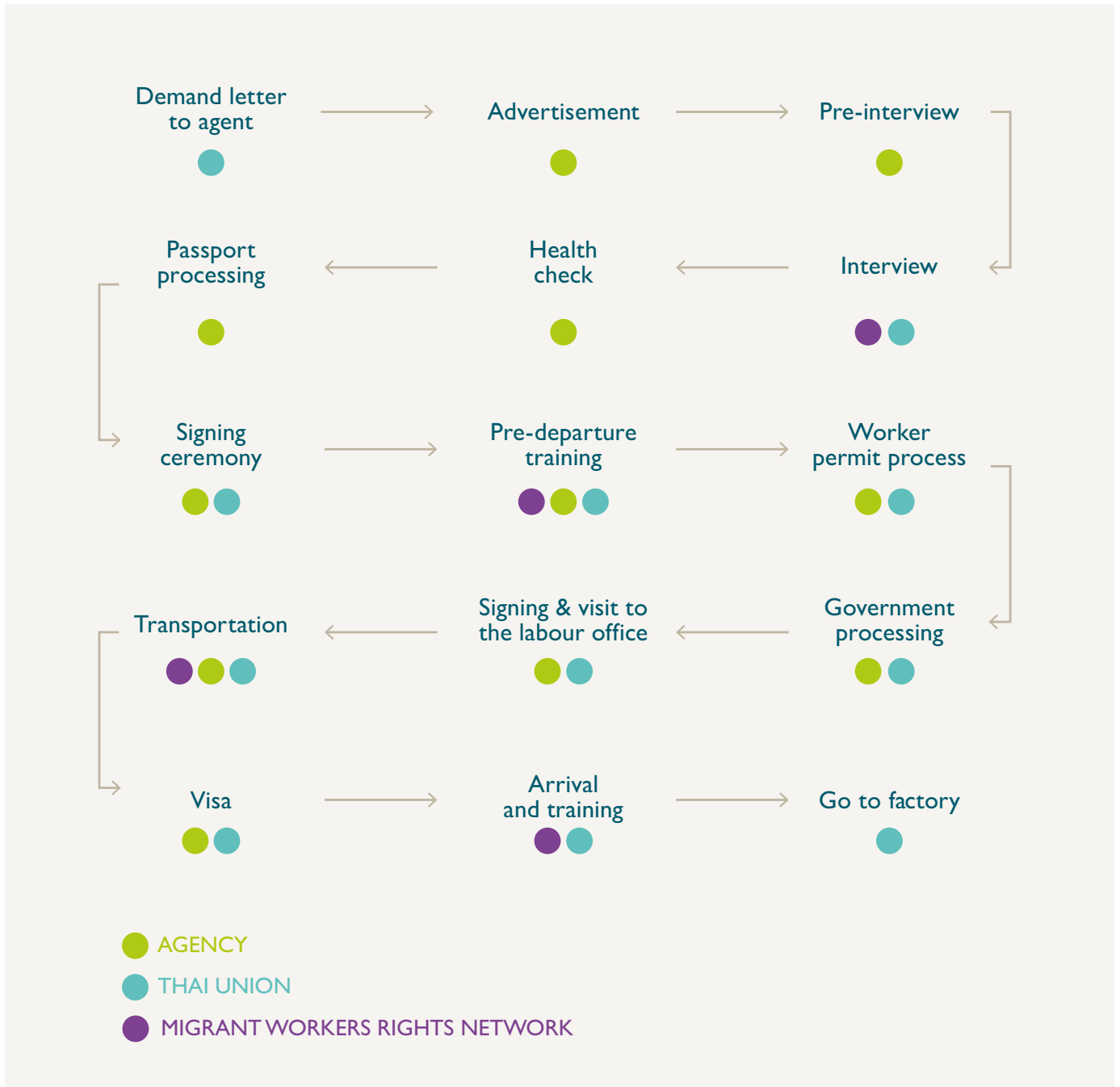
TU launched and implemented the Policy with the support of the Migrant Workers Rights Network (MWRN), a membership-based civil-society organisation for migrant workers from Myanmar residing and working primarily in Thailand.

Figure 1 – The recruitment journey



7 Thai Union, “Ethical Migrant Recruitment Policy,” <https://www.thaiunion.com/files/download/sustainability/20160116-ethical-migrant-recruitment-policy.pdf>

Figure 2 – The recruitment journey



Workers who come from Myanmar to work at Thai Union processing sites follow the journey above (Figure 1) from their home villages to the clusters of Thai Union factories.

The Policy describes the ethical recruitment process and division of roles between TU, the recruitment agency, and MWRN (set out in Figure 2 above).

For this recruitment process, TU reported that they pay the costs below per worker recruited. This serves the aim of their Policy to have a fair balance between costs borne by migrant workers and TU and its subsidiaries during recruitment processes.⁸

⁸ These costs are converted from Baht to USD using the exchange rate of 0.02902 (or 1 USD as 34.34 Baht) as of April 1 2017 as the mid-point of the implementation of the policy at the time of evaluation. They are rounded to the nearest ten cents. The Baht has appreciated considerably since this time.

Table 1 – Costs borne by Thai Union per worker^{9 10}

Costs borne by Thai Union per worker	Approximate cost in USD
Contract development and signing ceremony costs; recommendation and approval document processing	\$43.10
Pre-departure training including accommodation and food	\$8.50
Food and drinking water during travel from departure point in origin country (Yangon in Myanmar) until arrival at factory	\$2.90
Transportation expenses from the Thai border (or pre-departure training point) to factories	\$14.60
TU staff costs (salary, travel, accommodation and allowance for trips to Myanmar)	\$19.00
Document fees at border	\$0.30
Total for workers coming to Samut Sakhon	\$88.40
Total for workers coming to Songkhla (Due to additional transport, food and water costs)	\$135.00

In line with the Policy, TU also pays for the costs of uniforms and health and safety equipment, estimated at \$16.16 per worker. For workers using certain machinery requiring additional safety equipment, the cost of health and safety equipment increases to \$30.72 per worker.

In addition to the cost per worker recruitment and the one-time cost for switching to the Policy, TU reports paying the below costs for implementing and monitoring the programme:

- When TU needs to select a new recruitment agency in Myanmar, they pay approximately \$1,242, excluding staff salaries. This covers the expenses of travel, accommodation and allowances for staff to travel to Yangon for the processes of selecting the agency and building their capacity to comply with the policy.
- From 2018, TU has organised training for their recruitment agencies, costing approximately \$1,223 per year.

- From 2019, TU is conducting annual social audits of their recruitment agencies against the Policy. This will cost approximately \$2,125, including staff salaries, travel, accommodation and allowances for travel to Yangon.
- TU provides a monthly contribution to MWRN of \$0.50 per new worker recruited to support their monitoring of the programme.

The Policy envisages a 'low cost to workers' rather than a 'no cost to workers' model. It specifies that workers are expected to pay no more than the costs shown in Table 2 below during their recruitment process.¹¹ TU defined what type of costs workers will need to pay and the amount allowable under each, based on its research and consultation with recruitment agencies. The cost of transport to and from Yangon from villages is the only cost not set out specifically by TU. These estimates were provided by MWRN.

Table 2 – Costs borne by workers

Costs borne by workers	Approximate cost in USD
Accommodation and food during interview	\$4.40
Work permit	\$55.50
Visa	\$14.50
Passport	\$18.10
Transportation from villages to and from Yangon (2-3 trips with costs varying by location of village)	\$14.40 - \$108.20
Transportation to hospital for health check	\$3.60
Health check	\$14.50
Food, accommodation and document-processing at the border crossing to Thailand	\$9.80
Transport to the border crossing	\$7.20
Total	\$142-\$235.80

⁹ Some customers also require Hepatitis B testing for workers, which costs an additional \$4.37 per worker. This is implemented for workers at 3 out of the 5 factories evaluated.

¹⁰ For workers who are not newly recruited, but rather left and returned to work for TU under the new government agreements, the cost is estimated as \$78.54 per worker. This includes the recruitment agency fee, TU staff salary, travel, and allowance for travel.

¹¹ These costs are estimated in US dollars for comparison, using the exchange rates from Kyat of 0.00072 or Baht of 0.02902 as of April 1 2017, as the mid-point of the implementation of the policy at the time of evaluation. They are rounded to the nearest ten cents.

The Policy requires agencies to be fully transparent on costs and disclose all charges and terms of business. There is a strong enforcement clause:

“Agencies found charging workers illegal and/or irregular fees either directly or through sub-agents, beyond those agreed

Preparing for implementation

In 2015, before launching the Policy, TU prepared for implementation by:

- Launching the Business Ethics and Labour Code of Conduct;¹³
- Signing a Memorandum of Understanding (MOU) with MWRN and providing MWRN with access to select TU factories and workers to research key issues migrant workers’ faced;

Monitoring implementation

To monitor the implementation of the Policy, TU and MWRN take the steps below:

- **During the recruitment interviews**, MWRN ask 100% of recruited workers in person whether they paid any recruitment fees, in the presence of a representative of TU’s HR department.
- **During the signing ceremony**, TU selects 10% of workers and asks them to respond to written questionnaires that include questions on any fees paid and satisfaction with the recruitment process.¹⁴
- **During the pre-departure training**, TU and MWRN ask workers questions about the quality of the training. MWRN also asks workers once again if they have paid fees.
- **When workers arrive in Thailand**, TU HR staff interviews 10% of workers in person, on site. MWRN interviews an additional 10% of workers in person within one month of their arrival on site, in focus groups of four to five workers, without TU’s HR representatives in the room.

MWRN builds trust with workers by helping them to settle in, for example through setting up bank accounts or advising them where to shop. MWRN reported that this support is a constructive way in which to engage with workers, and helps to identify any issues. If workers report having paid unauthorised fees or they have any other concerns, MWRN follows up through individual worker interviews.

TU, MWRN and the agencies provide grievance mechanisms to workers via their Facebook and Viber accounts, and a phone hotline.

in advance between TU or its subsidiary and the recruitment agency, will be terminated following procedures in place to ensure no negative impact to recruited workers. The recruitment agency shall then also be required to repay all irregular (unapproved) fees to the applicant.”¹²

- Starting to manage labour agencies centrally in order to have greater control over the recruitment process across all subsidiaries;
- Establishing the ‘Centre’, comprised of Human Resources (HR) team members responsible for overseeing implementation across TU sites.

If any of these channels identify cases requiring investigation, these are resolved as follows:

- If migrant workers report an issue while still in Myanmar, MWRN and TU seek to find a solution within 1 to 3 days. MWRN interviews migrant workers about the issue, with TU present, and asks for any evidence or further details such as to whom the payment was made. TU invites the recruitment agency to respond and obtains any available evidence.
- If migrant workers report an issue in Thailand, TU allocates one HR staff member from the Centre, one from site HR management and one interpreter from the HR staff to interview affected workers, using a questionnaire. MWRN also allocates one staff member to support the investigation. The latter conducts separate in-depth worker interviews.

If the investigation finds reimbursement is required, the agent and TU negotiate the amount based on the amounts reported by workers, with MWRN as a witness.

- Workers are informed of the reimbursement amount.
- The agent pays the reimbursement amount directly to workers in cash. MWRN witnesses the processes. MWRN and the worker sign to confirm they have received the money.

¹² Thai Union, “Ethical Migrant Recruitment Policy,” <https://www.thaiunion.com/files/download/sustainability/20160116-ethical-migrant-recruitment-policy.pdf>

¹³ Thai Union, “Thai Union Business Ethics and Labor Code of Conduct,” <https://www.thaiunion.com/files/download/sustainability/20160229-tu-code-of-conduct-en.pdf>

¹⁴ TU and MWRN reported they plan to increase the scale of workers interviewed in the monitoring processes. Impactt did not verify whether these plans were implemented. The organisations reported that:

- From December 2018, TU intends to conduct the survey used in the signing ceremony with 100% of workers.
- From January 2019, MWRN will select an additional 10% of workers (who are not covered by the TU survey) and conduct their own written survey with workers covering if they paid fees or had any issues with the recruitment process.
- From January 2019, TU’s HR team plans to interview 100% of workers when they arrive on site.

B. Summary evaluation of the Policy

Impactt conducted an independent evaluation of the outcomes of the Policy in five TU sites during the second half of 2018, following the methodology set out in Annex 1.

Impact on workers

Impactt found that, on average, TU workers recruited under the Policy reported paying fees close to the fixed amount specified of \$127.60, excluding the variable costs of transport to and from Yangon from villages. The Policy, therefore, appears to have lowered significantly the cost for workers recruited under the Policy versus those recruited prior to the Policy's implementation, or equivalent workers employed by other companies. Issara Institute reports that similar cohorts of workers during the same timeframe typically paid \$413 to \$523 in recruitment fees.¹⁵

However, some TU workers recruited under the Policy reported paying more than set out in the Policy. In the vast majority of cases, workers reported paying slightly more, largely for passport and visa fees. In certain cases, the risk of such overcharging may be due to facilitation payments requested to process government documents. In a small number of cases, workers reported paying unauthorised agency fees (which TU endeavoured to reimburse when discovered).

Impactt interviewed family members of TU workers in their home villages. The family members reported that they receive from \$200-\$300 per month in remittances from TU workers. Of this, they typically spend half and save half. After two years, many have saved enough money to build better homes. In comparison, the International Labour Organization found that Myanmar workers in Thailand remitted \$222 to their families per month on average.¹⁶

Impact on TU

TU reports a number of benefits, including:

- It is now easier to recruit workers - when the company issues a demand letter for workers from Myanmar to recruitment agencies, it now receives more applicants than required.
- It is easier to fulfil the requirements of customers' social compliance audits.
- Worker turnover is markedly lower for workers recruited under the Policy. In 2017, the turnover of workers recruited under the Policy was 93.6% lower

All workers recruited under the Policy reported that they felt safe during their recruitment journey. This is notable in the context of the Myanmar-Thai recruitment corridor where many workers face high-risk recruitment journeys, particularly if they are not following legal recruitment channels.¹⁷

TU workers recruited under the Policy reported 9% higher job satisfaction levels. They were:

- 11% more likely to recommend the factory as a good place to work.
- 39% more likely to save each month.
- 22% more likely to reach the end of the month without borrowing money than TU workers recruited before the Policy was introduced.

However, workers reported confusion surrounding whether and how they could resign under the terms of the Policy. They reported understanding that they are required to work for TU until the end of their contract, and feared that if they resigned early, they would not be able to work in another factory in Thailand. At the same time, they feared that they could also not return to their home country, where they still have debts. TU reported that according to their policies workers can resign by only presenting a resignation letter. They reported that they would review how this is communicated to workers to address this issue. It seems likely that this discrepancy is the result of gap in communication. However, it could also be related to the legal restrictions in Thailand, which make it difficult for migrant workers' to change jobs.¹⁸

than for those migrant workers not recruited under the Policy.¹⁹ In 2018, this figure was 91.2%.

TU has received national and international recognition for its work in this area, reporting that the Thai government has engaged with the company positively and recognised its work as an example of good practice. Internationally, TU was highly commended at the 2018 Stop Slavery Awards, in recognition of the steps it had taken to prioritise safe and legal labour in its own operations and supply chains.²⁰

15 Mark Taylor, "Developing a Financially Viable Ethical Labour Recruitment Model: Prospects for the Myanmar-Bangkok Channel," Issara Institute, 2018, https://docs.wixstatic.com/ugd/5bf36e_c5df0adb93b4769833e55d60f3ca3eb.pdf, 25

16 Benjamin Harkins, Daniel Lindgren, and Tarinee Suravoranon, "Risks and rewards: Outcomes of labour migration in South-East Asia," The ILO, and the IOM, 2017, https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_613815.pdf, 66

17 For example, in this study from the ILO, 45% of workers from Myanmar experienced problems in their recruitment, in contrast to 25% of those under the legal recruitment channels https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_613815.pdf, 36

18 According to MWRN and external advisors, under Thai law, workers recruited legally under the government-to-government Memorandum of Understanding between Thailand and Myanmar can only move to another factory with a referral from the current factory in the event of extreme circumstances or after repaying any 'damage costs' including full costs of recruitment to their employer. However, in the event these circumstances are not met, workers must return to their home country and go through the visa process again with their new employer. The Memorandum of Understanding was introduced at the same time as TU's Policy.

19 These workers either arrived as walk-ins or were workers who previously worked for Thai Union and returned to Myanmar to renew their visa and then returned to employment with Thai Union.

20 "Past Winners: Highly commended and shortlists," Thomson Reuters Foundation, <http://www.stopslaveryaward.com/past-winners>

Impact on the recruitment agency

The recruitment agency reported finding the process difficult at the outset, as it was under a lot of pressure to meet the Policy's exacting standards and had to make a significant amount of effort to make change within the complex and ingrained current system of recruitment.

The agency noted that it faces hostility from other agencies due to its model of not charging workers fees, as this increases competition and makes it harder for agencies that charge fees to recruit workers, particularly where the recruitment agency involved in the Policy is recruiting from the same villages. This hostility may also relate to challenging vested interests in the recruitment industry's dominant 'kick-back' model, whereby recruitment agencies compete to win contracts based on providing kick-backs or gifts to the recruiting companies' representatives. Despite this, the recruitment agency did not report facing a tangible threat. Indeed, the antipathy described above has prompted the agency to formalise

its ethical systems, prove that the ethical recruitment model is viable, and promote the benefits to other agencies in Myanmar.

The agency reported substantial growth in the volume of workers requested and some growth in earnings. It has reinvested much of its increased income into the formalisation of its ethical recruitment model, including the education of its sub-agents and partners that provide transportation to workers. Importantly, the agency noted that going against the grain to implement ethical recruitment policies requires long-term relationships and support from customers, who need to be willing to work together on challenges. It reports that, to its knowledge, TU is the only company to have enforced a policy of ethical recruitment as a condition of doing business.

The agency has also been recognised with an ethical recruitment award from the Thai government, the first time a recruitment agency has received such recognition.

Impact on customers

All TU customers – which include major brands and retailers – interviewed reported that they view the elimination of recruitment fees as a priority area. However, they still observe few companies systematically addressing the problem, and therefore welcomed TU's efforts. All customers were keen to understand more about the implementation of the Policy. Some also indicated that they viewed TU's partnership with a civil society organisation in a positive light. They were keen to encourage full transparency, in order to facilitate knowledge-exchange in even the most challenging areas.

Customers indicated that more ethical recruitment would have an impact on purchasing decisions, but that this would be difficult to quantify and integrate into their current ways of monitoring and incentivising suppliers. Some customers wanted to see TU aligning its definition of recruitment fees with some more stringent definitions, resulting in zero, rather than low, fees for workers. Others commented that they would like to see improved channels for considering workers' perspectives within the process of implementing the Policy.

Success factors

The evaluation demonstrates that the Policy has largely been implemented effectively. This is due to the following factors:

- **High-level commitment:** Senior buy-in was essential to implementation. The public scrutiny in 2015 of conditions for migrant workers prompted TU to take the lead on improving migrant recruitment practices. The Global Director of Corporate Affairs and Sustainability developed the Policy together with the Group Director of Human Resources, and together presented it to the CEO, achieving high-level support. As part of TU's emphasis on sustainability, TU later invited their Global Director of Corporate Affairs and Sustainability to join the Global Leadership Team.
- **Understanding the recruitment process:** TU worked with MWRN and dedicated resources of staff time and travel costs to form an in-depth understanding of the recruitment process, identify the challenges in recruiting ethically, and develop a Policy to address them.
- **Clarity of roles and responsibilities:** All stakeholders interviewed had a clear understanding of the Policy, which sets out roles and responsibilities in detail. This includes clearly articulated punitive clauses for breaches by recruitment agents (e.g. responsibility for repayment of unauthorised fees and termination of contracts).
- **Independent civil society partner:** Partnering with MWRN as an independent monitor helped to manage implementation issues. MWRN provides a channel through which workers can raise issues with confidence. Impactt found that MWRN had identified cases where the Policy was not followed and triggered the relevant investigation and remediation processes. MWRN's monitoring role also helps to hold TU accountable to the spirit of the Policy by providing an independent advisory voice focused on the impact on workers' lives.

Challenges and learnings

While the Policy was overall implemented as planned, some challenges arose. These challenges are not unique to TU, but provide important lessons for other actors planning to implement an ethical recruitment policy.

- **Striking the balance in partnership:** There is a conflict to be managed between maintaining MWRN's ability to act as a fully independent 'critical friend', and ensuring that it can cover its expenses in monitoring the Policy. As noted in the costs, TU provides a monthly contribution to MWRN, which supports them to monitor the Policy but may impact on their ability to be completely independent.
- **Fear of reporting overpayment:** Migrant workers, in general, tend to be nervous about reporting issues, due to the inherent vulnerability of their situation. A significant effort is needed to build trust and maintain ongoing communication, in order to ensure that workers are consistently able to raise issues and feel confident that they will be resolved, without fear of retaliation. Further opportunities for one-to-one conversations between MWRN representatives and workers without a TU representative present before workers' arrival in Thailand would help increase workers' trust in MWRN representatives.
- **Repaying fees without receipts:** TU and MWRN reported that arranging repayments to workers was challenging, especially where there were no receipts. They managed this by defining thresholds of proof to decide whether the worker would qualify for repayment. These included naming the same sub-agency consistent as other workers who reported overpayment. However, the process is not straightforward and can take time for all involved. For example, in one case, where TU was able to accept worker testimony as sole proof, TU faced challenges in negotiating with the agency, without documentary evidence and having lost leverage due to the termination of the business relationship.
- **Cascading to sub-agencies:** TU identified that one of the most significant risk areas is at sub-agency level, when workers are recruited in their villages. It implemented a number of steps to manage this part of the process, including restricting the maximum number of sub-agencies that can be used by recruitment agencies, and beginning to include sub-agents directly in training sessions on its Policy. TU also reports plans to conduct spot checks and audits of recruitment agents, in order to observe how they manage the process, including their interaction with their sub-agencies.

3. Ethical recruitment roadmap: guidelines

Based on the successes and challenges found in Impactt's evaluation and its experience with other companies working to improve their recruitment of migrant

workers, we have identified the following guidelines for organisations seeking to develop a fair and transparent recruitment process.

Take Action

- **Get buy-in from the top:** The backing of the CEO, Board, Procurement, Human Resources, and Sustainability teams is decisive in designing and implementing an ethical recruitment process.
- **Start with understanding the current reality:** A clear-sighted mapping of the worker's recruitment journey is a necessary first step. Work with local civil society organisations, and engage with recruitment agencies and government officials to understand the true costs of recruitment. Remember that this will differ by recruitment corridor.
- **Assess gaps:** Understand how workers' experiences and your current practices align with your standards and international standards.²¹
- **Create a policy:** Develop and publish a clear policy on ethical recruitment. Include the policy as a contractual requirement in agreements with recruitment agencies and ensure that agencies understand its purpose, as well as its specific requirements.
- **Establish clear responsibilities:** Ensure that internal stakeholders (for example, individuals within the HR, procurement and production functions) and external stakeholders (recruitment agencies, sub-agencies, civil society organisations, service providers) know exactly what role they must play in delivering the policy.
- **Cascade through to sub-agency level:** Restrict and monitor recruitment agencies' use of sub-agencies. Engage with approved sub-agencies to communicate the aims and purposes of the ethical recruitment commitment.
- **Ensure clear lines of accountability:** Clarify, through policies, contracts and regular communication, the consequences of breaches. This should include responsibility for the reimbursement of recruitment fees, and contract termination in the case of failure to comply with the policy. Work with independent, worker-focused third parties to ensure that external accountability is built into the process. Create open channels for feedback with civil society organisations to inform continuous improvement.
- **Engage with workers:** Build meaningful worker engagement into the ethical recruitment process. Workers themselves are the best monitors of how they are treated. Work with local civil society organisations with expertise in worker dialogue and connections to relevant worker communities.
- **Communicate clearly to workers:** Throughout recruitment, employment, and resignation processes communicate clearly and frequently to workers on their rights. Ensure workers are aware of what to expect in their new jobs and lives in their new country of residence. Explain thoroughly the role and responsibilities of any third party partners especially grievance mechanism providers and what to do if any issues arise.
- **Ensure robust monitoring, investigation and remediation:** Work with independent local civil society organisations to help encourage the strongest monitoring procedures. Providing multiple check-points for workers with independent civil society partners during the process (e.g. interviews both before departure and after arrival) helps to uncover issues more effectively. Ensure there is high-level company commitment to follow through with full remediation, including financial remedy, for any workers who have experienced a breach of the policy.
- **Embrace continuous improvement:** Create practical policies informed by workers' feedback and concerns, and regularly revisit and adapt them. Be open to criticism. Understand what went wrong and why, and how to prevent the issue from reoccurring.
- **Share knowledge:** Capture and communicate what works and what doesn't, in order to help other businesses.

²¹ See, for example, the Dhaka Principles, the Responsible Business Alliance definition of recruitment fees, or the IRIS standard of the IOM.

Commit to Continuous Improvement

- **Focus on taking action, not perfection:** Putting the principles of ethical recruitment into practice is not easy. There will be bumps in the road. Acknowledge progress, even if it falls short of perfection, and continue your journey of continuous improvement.
- **Do not be daunted by what you might find:** Forming an understanding of the harsh realities facing migrant workers in their journey to find work can be alarming. But, it is ultimately better to understand the full picture so that you can manage operational, reputational and legal risks.
- **Keep the labour supply chain simple:** Each link in the chain increases the risk of policy breaches. Manage recruitment as directly as possible.
- **Give recruitment time:** Following the full ethical recruitment process takes time. Ensure agents are not tempted to cut corners in order to meet unrealistic timelines.
- **Consider the whole worker experience:** Recruitment is only the first step in the worker journey. The worker's experience while in employment, to what extent the job contributes to his or her life goals and his or her confidence to resign and return home are all crucial to the success of ethical migration for work.
- **Challenge corruption:** Don't shy away from calling out corruption and kick-backs. Build internal safeguards and a culture of speaking out about corruption, whether internal or in governments in source or host countries.
- **Start with the areas you can control:** Many aspects of the recruitment process are within an employer's sphere of influence. Focus here.

The roles of other actors

Companies can take significant action to enable ethical recruitment through their own practices, but all stakeholders must contribute to building an ethical recruitment system.

- **Governments**, both in source and host countries, are responsible for ensuring that migrating citizens and arriving migrant workers receive adequate protection from abuse throughout their recruitment, travel and employment, and on their return. This includes establishing legal frameworks aligned with ethical recruitment and robust enforcement mechanisms with effective grievance channels. Governments can also create an enabling environment by cracking down on corruption and providing transparent and public information on visa, permit and passport costs and processing times.
- **Buyers**, such as international retailers, influence the raising of standards across global supply chains through implementation of their Codes of Conduct and supplier standards. They have the opportunity to stimulate demand for ethical recruitment by providing incentives to suppliers who are able to demonstrate responsible recruitment practices. Buyers should evaluate their purchasing practices to ensure that they do not prompt behaviours that increase the risk of exploitation or create a conflict of interest for suppliers. For example, accurate forecasting with suppliers and assessment of suppliers' capacity can enable brands to avoid placing excess pressure on suppliers.²² They should prioritise developing purchasing practices that are designed from the outset to encourage ethical behaviour, including on recruitment.
- **Civil society, including NGOs and trade unions** are key to identifying the issues faced by workers, representing the interests of migrant workers, and providing support to affected people. They also have a central role in providing independent oversight and ensuring accountability.

²² For further guidance and resources, see for example Better Buying at <https://betterbuying.org/> and the Joint Ethical Trading Initiatives' Guide to Buying Responsibly: https://www.ethicaltrade.org/sites/default/files/shared_resources/guide_to_buying_responsibly.pdf

Annex 1 – Methodology

Impactt conducted an evaluation of the implementation of TU's Ethical Recruitment Policy, covering a two-year period from its inception in 2016, at five sites. This report is based on a summary of findings from this evaluation.

The evaluation used a mixed method approach, which included:

- Document review
- Stakeholder interviews with individuals leading the development and implementation of the process from:
 - TU
 - MWRN, a community-based organisation that worked with TU to implement the Policy
 - Andy Hall, independent migrant worker rights specialist and former MWRN advisor and current Impactt associate²³
 - Recruitment agency
 - A sub-agent
 - 4 global customers of TU
- Field research including:
 - Site visits to the five participating sites in the Policy. This included:
 - Management interviews
 - Document review
 - Worker interviews (as shown in Table 3 below)
 - Community interviews:
 - Migrant communities surrounding TU's factories in Thailand
 - A village²⁴ in Myanmar, home to many TU workers
 - Observation of a round of recruitment in Myanmar
- Data validation workshop with TU, MWRN and the recruitment agency
- Follow-on interviews with TU, MWRN and the recruitment agent

Table 3 – Workers interviewed by gender and agency

Gender	Pre-ethical Migrant Recruitment Policy recruited workers (control group)	Post-ethical Migrant Recruitment Policy by agency		Total
		Main recruitment agency	Terminated recruitment agency	
Female	16	157	11	184
Male	10	67	4	81
%Female	43%	70%	73%	70%
Total	37	224	15	265

²³ Andy Hall in his role at the MWRN was instrumental in advising TU's Ethical Migrant Recruitment Policy and now provides valuable insights as an Impactt associate.

²⁴ Kin Pom Chin Village, Nga Thaung Chaung Township

Annex 2 – The detailed recruitment process

Table 4 – The detailed recruitment process

Steps	Key actions and roles	Timeline (# days)	If workers pay a cost, to whom and for what?	Official cost to workers
Demand letter approved by Thai government	The Thai Department of Employment (DOE) approves TU's demand letter (requesting migrant worker recruitment).	7	n/a	n/a
Demand letter processed by Myanmar embassy	TU submits the approved demand letter to the agency, who then submits it to the Myanmar embassy in Thailand for approval by the Labour Attaché.	7	n/a	n/a
Agency gets demand letter approved with permission from cabinet	Agency gets the demand letter approved with permission from cabinet of Myanmar.	21	n/a	n/a
Advertisement of role	Agencies and TU-approved sub-agencies advertise the role in Burmese communities through Facebook, newsletters, posters, family and friends' networks (sub-agency networks in villages).	7-14 days (Depending on number of workers)	n/a	n/a
Pre-interview	<ul style="list-style-type: none"> Agency receives and reviews applications Agency carries out 'pre-interviews' with workers Sub-agent or agent communicates job specs, terms & conditions, age requirement, recruitment cost for workers and TU working condition requirements Sub-agent or agent checks personal documents such as house registration and ID cards. 	1	Workers directly arrange transportation costs from villages to Yangon, where the agencies are located. ²⁵	Ranging from 14.5 USD (20,000 Kyat) to 36.1 USD (50,000 Kyat) round trip depending on location of villages.
Interview	TU and MWRN carry out worker interviews with workers who pass the pre-interview.	1	Workers pay agency for hostel and food.	2.2 USD (3000 Kyat) per day (Typically 2 days)
Health check	Agency arranges to conduct required health check with workers who pass the interview.	1	Workers pay hospital charge directly to the doctor in Kyat (but fixed at 500 Baht or 14.5 USD). Workers pay fixed transport costs to the hospital officer.	14.5 USD (500 Baht) 3.6 USD (5000 Kyat)

²⁵ One stakeholder reported that this may at times be facilitated by sub-agents

Steps	Key actions and roles	Timeline (# days)	If workers pay a cost, to whom and for what?	Official cost to workers
Passport processing & Myawaddy costs	Agency arranges for Burmese government processing of passports with workers who pass the health check and collect fees from workers (as listed to the right), before the workers return home.	14	Government for passport processing (through agency) Transportation	35.2 USD (48,500 Kyat) paid at interview stage (Includes: <ul style="list-style-type: none"> • 18.1 USD (25,000 Kyat) passport fee • 9.8 USD (13,500 Kyat) Myawaddy side accommodation/ documentation processing • 7.3 USD (10,000 Kyat) bus transportation Yangon to Myawaddy).
Signing ceremony	TU and Agency arrange signing ceremony for workers in Yangon to explain the contract and appropriate workplace behaviour, and to sign the contract, as required by Myanmar. ²⁶	1	Workers arrange transportation directly (and cover the cost) from villages to Yangon. ²⁷	Ranging from 14.5 USD (20,000 Kyat) to 36.1 USD (50,000 Kyat) round trip depending on location of villages.
Pre-departure training	TU and MWRN facilitate 2 days of pre-departure training in agency dormitory in Burmese & in Thai with Burmese translation. Content includes Thai culture, health and safety, grievance channels, company rules, compensation and benefits, TU's Business Ethics and Labour Code of Conduct and social security.	2	n/a	n/a
Labour Attaché approves name list	The agency makes arrangements with a Labour Attaché at the Myanmar embassy in Thailand, who approves the worker name list.	1	Agency pays	Unknown
Work permit processing	TU arranges work permit processing with Thailand's Department of Employment (DOE).	14	TU pays the Thai government for the work permit in advance. Workers pay this amount back to TU on arrival in Thailand.	55.5 USD (1,910 Baht)

26 The Myanmar government requires a contract signing ceremony, presided by Myanmar government officer and attended by employer, agents, Department of Employment of Myanmar. One stakeholder reported that an unofficial fee has to be paid per head to the official who participates in this ceremony.

27 One stakeholder reported that this may at times be facilitated by sub-agents.

Steps	Key actions and roles	Timeline (# days)	If workers pay a cost, to whom and for what?	Official cost to workers
Government processing to approve name list	Once the work permit is approved, the document and name list is sent to the embassy in Myanmar and representative agency in Thailand. TU manages within Thailand and the agency within Myanmar.	10	n/a	n/a
Arrange worker transportation	Agency arranges the bus from Yangon to Myawaddy (prepaid by worker to agency).	14	Workers pre-pay the cost of the bus to the agency at the interview stage as noted above.	7.3 USD (10,000 Kyat)
Application for overseas Labour Card and visit to the labour office in Myawaddy	TU arranges for the workers to get their Labour Card.	1 day combined	Workers arrange transportation directly (and cover the cost) from villages to Yangon. Agency arranges transportation from Yangon to border.	Ranging from 7.3 USD (10,000 Kyat) to 18.1 USD (25,000 Kyat) for one-way trip to Yangon depending on location of villages. (Agent already collected money from workers during a previous step: 7.3 USD (10,000 Kyat) for travel and 9.8 USD (13,500 Kyat) for accommodation/processing).
Transportation to Thailand: Crossing the bridge to go to Thai immigration	The agency arranges a bus to go from the Labour office in Myawaddy to the border.		n/a	n/a
Visa	TU arranges for workers to receive the visa (stamped in their passport) from the Thai government when they cross the border.		Government (via TU)	14.5 USD (500 Baht)
Arrival on-boarding training and e-card processing at DOE TAK	TU arranges. Thai officers of the Tak Post-Arrival and Reintegration Center for Migrant Workers train workers, including brief labour law training and provide e-cards.		n/a	n/a
Go to factory	TU transports workers by bus to accommodation.	Up to 1 day	n/a	n/a

Annex 3 – Evaluation against international standards

As part of Impactt’s evaluation, Impactt reviewed how TU’s Policy aligned with international standards on the following common key elements identified in the global frameworks of the Dhaka Principles²⁸ and the IRIS standard of the IOM.²⁹ Overall, under the Policy, TU:

- Met 12 of the 23 indicators of global best practice in ethical recruitment
- Partly met 9 of the 23 indicators
- Did not meet 2 of the 23 indicators.

The table below sets this out in more detail.

Table 5 – Alignment to global standards on ethical recruitment

International Standards	Key indicators	Part of worker journey	Met?	Comments
1. Zero recruitment fees	Workers do not have significant debt burdens.	Pre-departure	Partly	Although the debt burden is greatly reduced, workers have some debts. 52/206 (25%) workers who responded to this question reported borrowing money to come to Thailand. The borrowed amounts ranged from 120,000 (\$78) to 800,000 Kyat (\$502), with interest rates ranging from 3%-20%. The median amount of debt (excluding interest) is approximately one month’s salary. Workers report that it typically took three months to pay these back, with a range of 1 – 10 months.
	Workers report no service fees to agents, sub-agents or brokers.	Pre-departure	No	90/208 (43%) workers reported paying more than the costs outlined in the Policy. Of these, 9 workers specifically reported that the overpayment was a service fee to an agent or broker.
2. Transparent Terms & Conditions of Employment	Workers are clear on any fees they have paid and have received receipts.	Pre-departure	Yes	127/143 (89%) workers who responded to this question reported that they are clear on fees they have paid and received receipts.
	Contracts are clear, transparent, and in language workers understand.	Pre-departure	Partly	7/141 (5%) workers who responded to this question did not receive their contract. 4/134 (3%) workers who received their contract reported they were not clear on all the information in the contract. 19/134 (14%) workers reported that the contract was difficult to understand, although many of these workers highlighted that the agent explained it very well.
	Terms and conditions are clearly communicated to workers prior to contract signing.	Pre-departure	Yes	133/143 (93%) workers who responded to this question were informed of their wages and working hours during the interview process.
	Terms and conditions are accurate and non-deceptive.	Pre-departure	Yes	According to document review on sites and worker interviews, actual wages and working conditions match what was communicated to workers pre-departure.

28 “Dhaka Principles: for migration with dignity,” IHRB, <https://www.ihrb.org/dhaka-principles/>

29 “Iris Standard,” International Recruitment Integrity System, <https://iris.iom.int/iris-standard>

International Standards	Key indicators	Part of worker journey	Met?	Comments
3. Quality recruitment services to workers	Effective and transparent management of document processing.	Document-processing	Yes	Document processing is effective and transparent, however record-keeping needs improvement.
	Effective and transparent management of interview process.	Interview	Partly	On average, workers rated the ease of understanding the interview process 2.6 out of 5 (with 1 being difficult to understand and 5 being easy). Workers reported some confusion between interviews on recruitment fees and interviews covering their skills and qualifications.
	Effective pre-departure training.	Pre-departure training	Partly	Workers received pre-departure training and rated it as 2.8 out of 5 for sufficiency (with 1 being insufficient and 5 being sufficient). Workers reported that this was partially due to the style of training. 69/143 (48%) workers who answered this question reported that they would like more information about the nature of the role for which they were hired. For example, workers requested more information about the nature of the work (day-to-day tasks) and the department in which they will work.
	Safe and free transport.	Transport	Yes	143/143 (100%) workers reported that they felt safe and received free transportation.
	Effective support to workers on repatriation.	Repatriation	No	Thai Union's Ethical Migrant Recruitment Policy does not cover repatriation. There was also confusion around the resignation process. For further details on this see page 11 and footnote 18.
4. Worker integration and support	Effective post-arrival on-boarding & induction for workers.	On-boarding	Partly	Workers ranked it as 2.16 on average out of 5 for sufficiency. Workers reported that this was partially due to the training not being sufficiently interactive, the challenge of delivering training to many workers at once, and communication issues, such as an interpreter with an accent that could not be understood.
	Effective management of worker probation period.	On-boarding	Yes	No issues reported.

International Standards	Key indicators	Part of worker journey	Met?	Comments
5. Decent working conditions	Passports and other worker documentation are with workers upon arrival.	Employment	Yes	All workers report that they keep their passports with them.
	Accommodation (including costs) is in line with what workers were advised during recruitment.	Employment	Partly	Accommodation is in line with what workers were informed in recruitment. Many workers stated that they felt the first month's accommodation should be free.
6. Access to remedy	Workers can seek assistance and effective remedy through an effective grievance process.	Employment	Partly	Regarding recruitment fees, TU reported and provided some documentation to suggest that workers received effective remedy through the grievance process established with MWRN. Overall, 16/143 (11%) workers reported that they do not know how to raise issues. 72/143 (50%) workers reported that they can raise issues through their interpreters on site. However, workers and MWRN reported that the interpreters cannot resolve issues effectively because they: <ul style="list-style-type: none"> • Serve in multiple roles, including as supervisors, and so do not have enough time to act in this capacity • Are not effectively trained to represent workers • Inaccurately interpret the issues, causing workers to be distrustful of the interpreter.
	Employer and recruiter collaborate to deliver effective remedy to workers.	Employment	Partly	TU and MWRN implemented a monitoring and remediation process, which effectively remediated some cases of overpayment. However, there were some difficulties in implementing the remediation, including reported delays in the process and over-complications in the investigation procedure. There was also no investigation or remediation for overpayment on unauthorised costs that are not direct service fees to agencies or sub-agencies.
	Workers have access to external assistance, which provides effective remedy for any harm in recruitment phase.	Employment	Partly	Only about 5 of the 143 workers who responded to this question reported some level of awareness that the Issara hotline was available. 43/143 (30%) workers were aware of support from MWRN (including those who received reimbursements from MWRN).

International Standards	Key indicators	Part of worker journey	Met?	Comments
7. Ethical and legal business conduct	Contract between recruiter and employer is clear, transparent, and fair to both parties.	Business operations	Yes	The contract and service fees paid are made transparent in contracts with both agencies. The long-standing agency reported that it expected an incremental increase over time in its service fees, but has not seen an increase. Contracts also stipulate ethical criteria that agencies must meet, including training agency and sub-agency staff, keeping worker data confidential, and facilitating worker repatriation. Agencies must also commit to using an exchange rate that represents the average of closing and selling rates published by the Thai government the day before payment, and complies with Thai Union's Code of Conduct and Ethical Migrant Recruitment Policy. Note: stakeholders reported some cases of recruitment occurring before agreements were formalised.
	Business operates in accordance with relevant national laws.	Business operations	Yes	Based on the evidence gathered by Impactt, TU operates in accordance with relevant national laws.
	Worker data is managed confidentially during the recruitment process.	Business operations	Yes	All actors confirmed that their data is managed confidentially.
8. Worker satisfaction with recruitment process	Workers report satisfaction with each part of the recruitment process.	Worker satisfaction / rating	Yes	Overall, workers reported that they were pleased to pay less than they would with other agents, and feel safe in the process. There is a clear difference between workers' experiences before and after the Policy was introduced.
	No perceived discrimination in the job interview/ recruitment process.	Worker satisfaction / rating	Yes	No workers reported discrimination during recruitment. However, 31% of workers reported that once employed, they are treated differently from their colleagues. Workers reported that, as they cannot speak the language, they find it is difficult to communicate with their supervisors or other colleagues, and they are sometimes asked to do more work than their peers. They also feel they have fewer opportunities for promotion.

Note: Some responsible recruitment standards, such as the Dhaka Principles, cover conditions related to ongoing employment which go beyond the scope of this evaluation.



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