

THE “NO FEES” PROJECT

Promoting Ethical Recruitment Policies in Global Supply Chains



INTERFAITH
CENTER ON
CORPORATE
RESPONSIBILITY

The Interfaith Center on Corporate Responsibility's (ICCR) "No Fees" initiative seeks to engage and influence the behavior of a number of major brands and retailers to create substantive policies on ethical labor recruitment, to ultimately eliminate one of today's most egregious human rights abuses - modern day slavery - estimated to impact over 21 million men, women and children worldwide.

The goal of the program is to lead companies to create robust management systems to ensure that workers in their immediate and extended supply chains are not forced to pay for employment. Millions of workers are exploited and enslaved by unscrupulous labor brokers who charge exorbitant recruitment fees, do not provide written contracts or change contract terms, and impose unreasonable deductions from promised wages.

Building on [legislation](#) requiring supply chain reporting and a growing awareness of the enormous risks posed by modern slavery in corporate supply chains, responsible investors are using their leverage to create and/or strengthen corporate supply chain policies to eradicate unethical and illegal hiring practices.

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Investor Role

Using our voice as shareholders, ICCR members, many of whom represent faith-based institutions, will make both the moral and business case for responsible recruitment practices by demonstrating that companies lacking formal policies may expose workers in their supply chains to human rights abuses. Moreover, we believe these companies are potentially exposing their brands and operations to serious reputational, financial, legal, and regulatory risks that can deleteriously impact shareholder value.

The "No Fees" initiative focuses on promoting ethical recruitment throughout global supply chains, particularly at the commodity level where forced labor and slavery are more prevalent. "No Fees" builds upon decades of productive ICCR engagements on human rights and supply chain issues and further amplifies three years of ICCR member-led engagements with food, beverage, apparel and electronics companies on sustainable sourcing, production and labor practices from palm oil and seafood to apparel and electronics supply chains. With learnings from this pilot we will then scale up to the 50-plus companies already engaged by ICCR members on human rights issues including companies in the electronics, apparel, and extractives sectors.

What Companies Can Do

Companies have a responsibility to conduct due diligence that ensures human rights are respected throughout their supply chains and that their suppliers adhere to a company's policies, and are not contributing directly or indirectly to slavery or other human rights violations. Ensuring responsible recruitment practices, especially at the commodity level where such violations occur more frequently, is an essential part of this due diligence. Recruitment fees, document retention, and absence of proper contracts often trap workers in substandard conditions redefining the notion of modern day slavery.

Businesses must be aware of these risks, especially when they are working in commodity markets that are operating seasonally or are heavily reliant on migrant labor. This awareness then has to be integrated into company policy, leading to robust implementation and verification mechanisms in the form of guidance documents, supplier codes, and vendor agreements that will allow for complete transparency and traceability of commodities to their sources.



Step 1: Adopt More Specific Policy Language

Leading policies/commitments from consumer brand companies include [ADM](#), [Apple](#), [Arcadia Group](#), [Coca Cola](#), [Ferrero](#), [Unilever](#) and [Wilmar](#).

ICCR-Proposed Ethical Recruitment Policy Language for Companies:

- The company and its suppliers/sub-contractors shall ensure that no fees or costs have been charged, directly or indirectly, in whole or in part, to job-seekers and workers for the services directly related to recruitment for temporary or permanent job placement, including when using the services of private recruitment, labor broker or employment agent or performing recruitment activities directly.
- Workers shall receive a written contract in their language stating in a truthful, clear manner their rights and responsibilities.
- Employers shall not retain any documents or demand monetary deposits or other collateral as a condition of employment. Workers are not subject to the withholding of wages, identification cards, passports or other travel documents, or other personal belongings.

Step 2: Create a Guidance Document for a Time-Bound Implementation Plan

- Create/supplement company policy and supplier guidance documents regarding ethical recruitment. A robust company policy demonstrates a company's commit

ment to respecting human rights, with reporting mechanisms feeding into the current reporting required by the California Transparency in the Supply Chains Act.

- Establish monitoring procedures that ensure suppliers are abiding by the company policy to recruit responsibly.
- Implement a supply chain traceability program to track the commodity to the producer.
- Cease any relationships with suppliers that do not cooperate on the issue. Participate in the multi-stakeholder network of NGOs, investors, companies, trade associations and trade unions that are collectively working to adopt better recruitment practices in different commodities, and share the steps taken to ensure that the social/labor component stays on the sustainability agenda.

Background Resources on Responsible Recruitment Practices

Verité

- [Ethical Framework](#)
- [Fair Hiring Toolkit](#)
- [Resources for Responsible Recruitment](#)

[Business for Social Responsibility](#)

[International Organization for Migration \(IOM\)](#)

[Institute for Human Rights and Business – Business and Migration Roundtable 3 Report Statement of Principles and Recommended Practices for Sustainable and Equitable Food Production](#)

[Statement of Principles and Recommended Practices to Confront Human Trafficking and Modern Slavery](#)

[Dhaka Principles for Migration with Dignity](#)

[The Equitable Food Initiative Standard](#)

[UN Guiding Principles on Business and Human Rights](#)

[International Labor Organization \(ILO\) Core Conventions](#)

ABOUT ICCR:

Currently celebrating its 43rd year, ICCR is the pioneer coalition of active shareholders who view the management of their investments as a catalyst for change. Its 300 member organizations with over \$100 billion in assets have an enduring record of corporate engagement that has demonstrated influence on policies promoting justice and sustainability in the world.

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