







## Supplier Leadership Program on People

Advancing Responsible Recruitment

Program Playbook for Suppliers to Walmart US and Sam's Club US















Walmart's commitment to becoming a regenerative company, which places nature and humanity at the center of its business, requires us all to work together on systems change—from acting on climate and restoring nature to eliminating waste and championing worker dignity—and keep inclusion, equity, and environmental justice front and center while doing so.

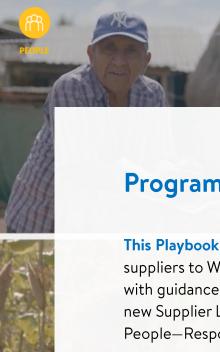
To meet this commitment, Walmart has launched the Supplier Leadership Program on People—Responsible Recruitment, a program to help make responsible recruitment the standard business practice across our global supply chain by 2026. This program seeks to inspire, support, and celebrate leadership efforts among suppliers that are advancing responsible recruitment practices in their operations and supply chains. The program has been designed to encourage suppliers to identify meaningful actions to help make progress faster on these issues—with Walmart's help to get them started.

Walmart has developed a set of practices across three priority areas to help suppliers engage in— and continuously improve on meaningful leadership practices to advance responsible recruitment. These practices draw from external resources and thought leaders on responsible recruitment as well as insights from consultations from more than a dozen external stakeholders, including suppliers and prominent civil society organizations in partnership with Article One.

This program, while separate from Walmart's Global Ethics & Compliance program, is intended to complement Walmart's Responsible Sourcing Compliance program. Supplier participation is voluntary. We believe a collaborative approach is important to advance dignity for workers in supply chains.









This Playbook has been designed to provide suppliers to Walmart US and Sam's Club US with guidance on how to participate in the new Supplier Leadership Program on People—Responsible Recruitment.

This Playbook also contains information and resources for suppliers to learn more about responsible recruitment.

Any questions about the Playbook should be directed to Rebecca Westover at rebecca.westover@walmart.com or Gavin Bailey at gavin.bailey@Walmart.com.



Leadership Guide

- **Additional Resources**
- FAQs, goal setting and reporting templates
- Glossary of terms

- Program background
- How to get started
- Overview of priority areas and leadership practices
- Category specific guides and resources
- Best practice guidance and examples









Program Playbook for Supplier Leadership Program



















## Why Walmart developed the Supplier Leadership Program on People and why start with responsible recruitment?

In September 2020, Walmart announced a goal to become a regenerative company, with ambitious targets around reducing our emissions and renewing, restoring, and conserving land and ocean.

At the Walmart US Supplier Growth Forum on March 10, 2022, we announced the next phase of our work to strengthen respect for human rights in supply chains. This includes how we are supporting suppliers who choose to engage in working to make responsible recruitment the standard business practice throughout global supply chains by 2026.

Responsible recruitment, also referred to as fair or ethical recruitment, means hiring workers lawfully and in a fair and transparent manner that respects and protects their dignity and human rights.<sup>1</sup>

Responsible recruitment is a significant challenge in many global supply chains as migrant workers, with poor knowledge of their rights, may often be charged recruitment fees in their search for a job.

Recruitment fees and other unfair practices can lead to debt bondage, one of the most common forms of forced labor.

According to the Internal Labour

Organization (ILO), practices that put
workers at risk may include one or
more of the following abuses:

- Deception about the nature and conditions of work
- Retention of passports
- Illegal wage deductions
- Payment of recruitment fees leading to debt bondage
- Threats including to family members or expulsion from a country if workers seek to leave their employers

#### **Additional Resources:**

- ILO Fair Recruitment Initiative
- ILO General Principles and Operational Guidelines for Fair Recruitment and Definition of recruitment fees and related Costs
- International Organization for Migration (IOM) IRIS: Ethical Recruitment Initiative
- ILO International Training Centre: Fair Recruitment
- RRT and Stronger Together
   Practical Guide to Responsible
   Recruitment During and
   Coming Out of COVID-19

<sup>&</sup>lt;sup>1</sup>International Organization for Migration (IOM).





## Inspiring supplier leadership

Walmart launched this supplier-facing leadership program to help inspire and make responsible recruitment the standard business practice by 2026.

In 2016, Walmart and Walmart Foundation set an aspiration to make responsible recruitment the standard business practice for employers throughout the global supply chain by 2026.

To help achieve this, Walmart launched this voluntary, supplier-facing program to inspire, support, and celebrate leadership efforts among suppliers that are advancing responsible recruitment practices in their operations and supply chains.

The program focuses on three Priority Areas, as shown in the graphic on the right. Under each Priority Area there are three different Leadership Practices around which suppliers can engage and report progress. For more details on these Priority Areas, review the Leadership Guides starting on slide 18.

## **Three Priority Areas**



- Strengthen Practices
- Build Capacity
- Invest in Responsible Labor Systems



**Worker and Community Empowerment** 

- Strengthen Awareness
- Strengthen Worker Voice
- Leverage Place-**Based Projects**

**Leadership Practices** 



**Transparency** 

- Report Efforts **Publicly**
- Map Supply Chain
- Validate Approach





## **Building on core expectations**

This program supports Walmart's broader efforts to respect human rights in global supply chains.

Walmart's Global Ethics & Compliance program forms the basis of the company's requirements for suppliers and includes Walmart's Responsible Sourcing Compliance program and core expectations around responsible recruitment.

While this Supplier Leadership Program on People—Responsible Recruitment is separate from our Global Ethics & Compliance program, it is intended to complement Walmart's Responsible Sourcing Compliance program.

Whether or not suppliers participate in this program, they will be expected to continue to meet Walmart's <u>Standards for Suppliers</u> and the requirements outlined in Walmart's <u>Responsible Recruitment</u> <u>Expectations</u>.







## Who can participate

- The program is open to all suppliers of Walmart US and Sam's Club US
- The program is also open to all suppliers of the Canada and Mexico retail markets
- Priority categories for 2023 include:



Priority Category: **Seafood** 



Priority Category:

**Entertainment** 

(Information, Communications, and Technology)



Priority Category:

**Fresh Produce** 



Priority Category:

**Apparel** 



Priority Category: **Home** 

## How to participate

Set a goal any year and report progress every year to participate in the program.



#### Set SMART goal

Choose a Priority Area and set a SMART goal for a Leadership Practice within the Priority Area.

SMART goals are Specific, Measurable, Achievable, Realistic, and Timely. Setting goals that are SMART helps ensure goals are clear, are understood by others, and are likely to be achieved. You can set more than one goal, but we encourage you to <a href="https://example.com/have at least one active goal set">have at least one active goal set</a>.



#### Do you have an existing goal?

If you have an active goal that you are still working towards, you can set that as your goal AND report progress on that goal in the same submission.

#### **Every Year**

#### Report progress

Every year, you will be asked to report progress on a Specific Action that you took for the goal that you set.

You will be asked to report annualized data and specify the 12-month time period during which the data was gathered, whether if it's a calendar year or a specific 12-month period.



## 5 key steps to take through end of November 2023

Prior to Annual Reporting Season



#### Resources

 Visit the Sustainability Hub to review available resources, including the Program Playbook and Program Template, to help you get better acquainted with the program and prepare to engage this fall.



#### **Training**

- Attend training on the People Program.
- Suppliers unable to attend can access a recorded version.



#### **Portal Account**

- Create or update your
   Sustainability Portal account
   to access your Sustainability
   Reporting.
- If your company already has an account, please ensure your profile / vendor details are up to date including all active vendor numbers.

During Reporting Season Sept. 5 through Nov. 3<sup>rd</sup>



#### **Submit Goals**

- Create, review and/or update your goals in the Sustainability Portal through the People Program; aim to have at least one active goal in one or more Priority Areas.
- Goals can be submitted once a year, but suppliers are encouraged to set and work towards goals ahead of reporting season.

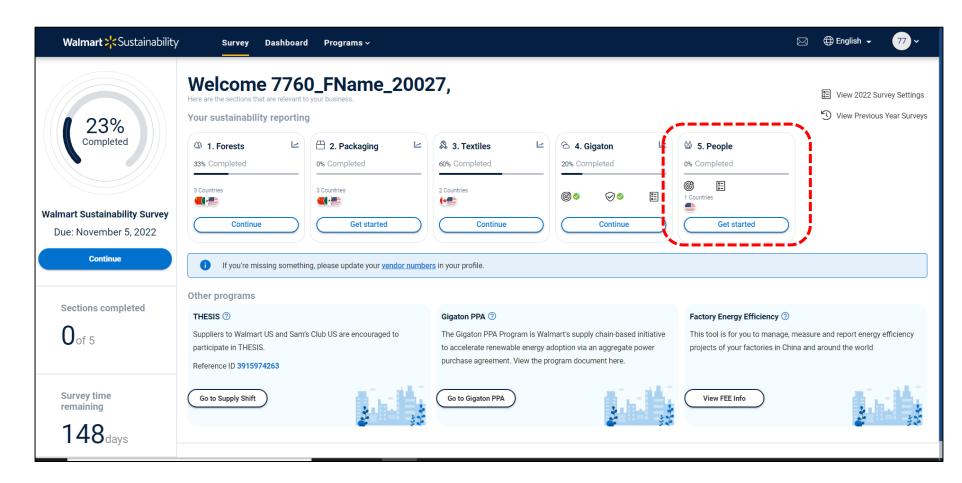


#### **Report Progress**

- Report your progress in the Sustainability Portal through the **People** program.
- Suppliers should report progress on a Specific Action(s) that they took for the goal(s) they set.



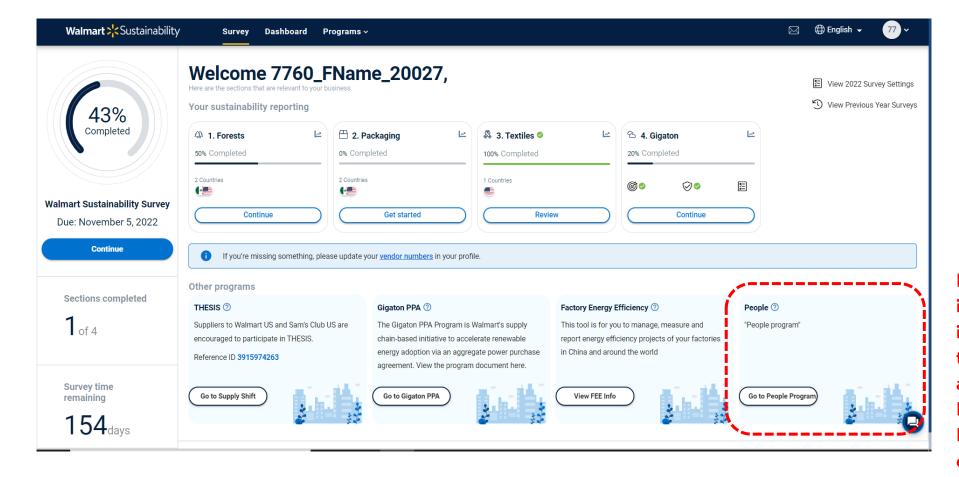
## Survey dashboard



For priority category suppliers, the People Survey will be a tile listed in the top row of the main dashboard.



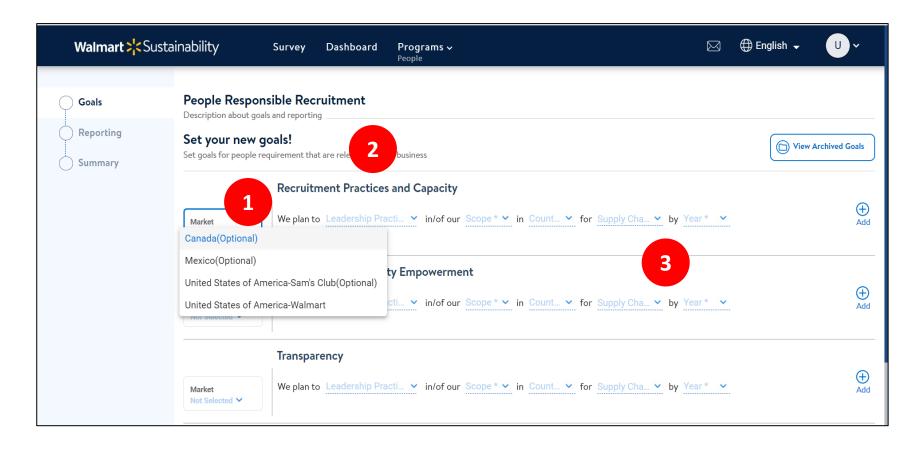
## Survey dashboard



For all other suppliers, including suppliers of eligible international retail markets, the People Survey can be accessed by going to the People tile in the "Other Programs" section of the main dashboard.



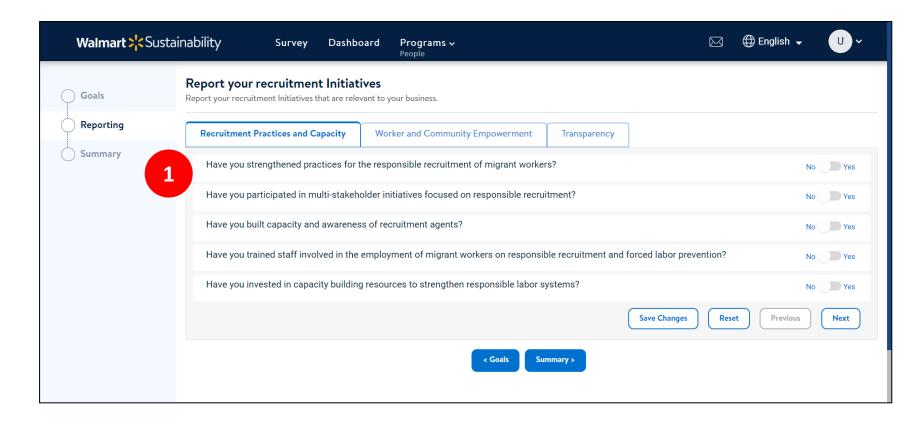
## Set goals



- 1. Select your market
- 2. Choose the Priority Area that you would like to set a goal for
- Set a goal by selecting the Leadership Practice and selecting:
  - Scope
  - Country
  - Supply chain category
  - Target year (max year is 2050)



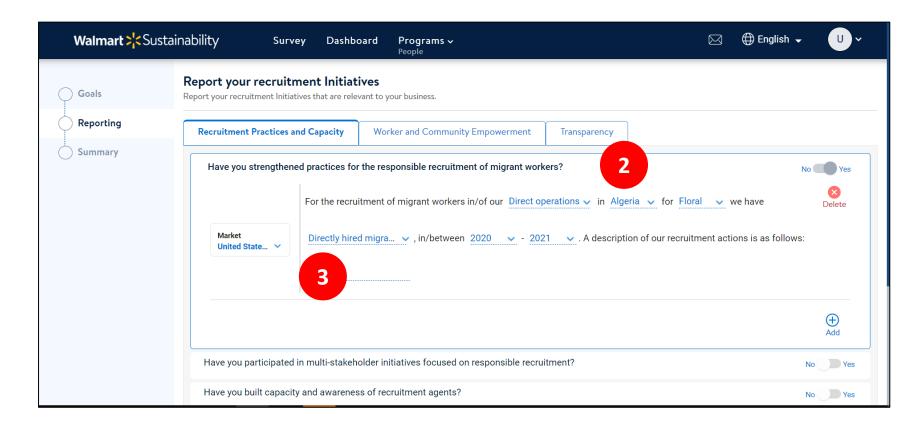
## Report progress



- Find the question that is most relevant to you and answer "yes."
- Make your selection for each drop-down list.
- 3. Provide a full description of the progress you made in the Free Text box.



## Report progress

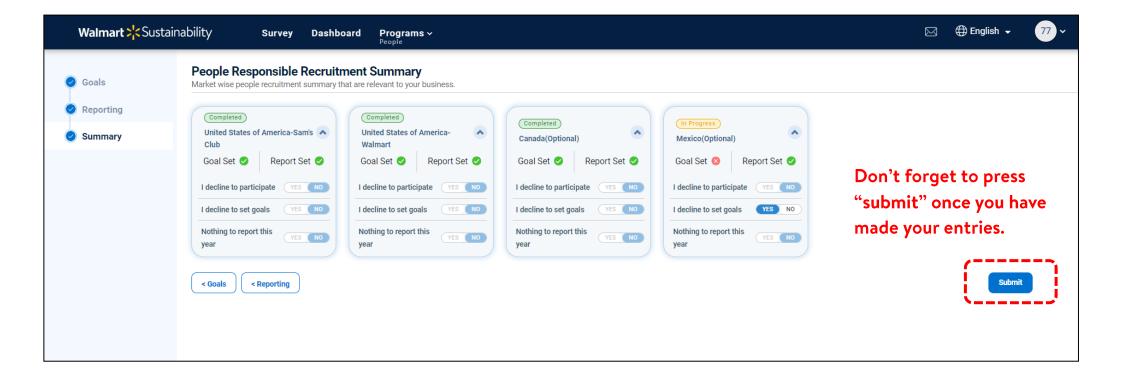


- Find the question that is most relevant to you and answer "yes."
- Make your selection for each drop-down list.
- 3. Provide a full description of the progress you made in the Free Text box.





## Summary dashboard







Priority Areas

Recruitment

**Practices and** 

Capacity

## Strengthen Practices

Recruit workers through ethical and responsible recruiters or hire directly

#### Leadership Practices

#### **Build Capacity**

Build capacity and train individuals who recruit or employ workers on responsible recruitment and forced labor prevention

## Invest in Responsible Labor Systems

Invest in capacity building resources to strengthen recruitment agencies



Worker and Community Empowerment

#### **Strengthen Awareness**

Leverage CSOs to strengthen migrant workers' knowledge around safe migration

#### **Strengthen Worker Voice**

Leverage worker-driven, ethical recruitment programs and CSOs to implement channels for independent grievance and remedy

#### Leverage Place-Based Projects

Leverage regional/country level projects to advance responsible recruitment



Transparency

#### **Report Efforts Publicly**

Document and publicly report on challenges, successes, and impact of responsible recruitment activities

#### Map Supply Chain

Strengthen knowledge and process to assess risk to inform responsible recruitment efforts

#### Validate Approach

Seek independent review to identify management gaps and develop timebound action plans to strengthen current approach





#### Priority Area:

### **Recruitment Practices and Capacity**

Leadership Practice	Specific Actions	What this means / where to begin / example	Resources
Strengthen Practices	1. Directly hired migrant workers.	Rather than hiring workers through a recruiter, hire migrant workers directly to ensure they are recruited responsibly.	Fair Hiring Toolkit
	<ol> <li>Used labor agencies, brokers or contractors that are certified as ethical and responsible or are clearly using an ethical recruitment business model.</li> </ol>	Ask whether the labor agency that you are seeking to work with use an ethical recruitment business model.	<ul> <li>IRIS: Certification</li> <li>Responsible Recruitment Program</li> <li>Ethical recruitment models</li> </ul>
	3. Participated in multi-stakeholder initiatives focused on responsible recruitment.	Research external initiatives, including those that set certification and auditing standards, to determine which initiative may be most relevant to participate in.	Eliminating Recruitment     and Employment Fees Charged     to Workers
Build Capacity	<ol> <li>Screened and hired sending country recruitment agents and provided them with additional resources and support for the responsible recruitment of workers.</li> </ol>	Engage your recruitment agents and share with them examples and best practices on how your company recruits responsibly.	N/A
	2. Used recruitment agents that are actively engaging in capacity building and awareness-raising initiative(s) focused on responsible recruitment.	During the onboarding process of a new recruitment agent, ask how the prospective agent builds its own capacity to ensure its recruitment practices are ethical and responsible.	CIERTO H-2A Services
	3. Trained staff personnel involved in the employment of migrant workers (e.g., supervisors, human resource staff, recruiting managers) on responsible recruitment and forced labor prevention.	Provide hiring and operations managers and supervisors with opportunities to take training on responsible recruitment.	Online Training: Establishing Fair Recruitment Processes
Invest in Responsible Labor Systems	1. Invested in responsible recruitment capacity-building resources and tools for recruitment agencies, brokers and/or contractors.	Connect with external initiatives that are building resources, tools, and training programs for responsible recruitment and identify opportunities to support these initiatives.	IRIS: Recruiter Capacity Building     Program
	<ol> <li>Invested in building the capacity of CSOs in sending and destination countries that are working to ensure the responsible recruitment of migrant workers.</li> </ol>	Research local CSOs in sending and/or destination countries to identify opportunities to support these local CSOs.	IRIS: Stakeholder Engagement
			B 1 B 11 B 11 B





Priority Area:

## Worker and Community Empowerment

Leadership Practice	Specific Actions	What this means / where to begin / example	Resources	
Strengthen Awareness	1. Trained and improved migrant workers' understanding of safe migration.	Develop an in-person training on safe migration and deliver this training to your foreign migrant workers.	N/A	
	<ol> <li>Collaborated with CSOs and/or governments (in sending or destination countries) to provide education resources and training for migrant workers about their rights.</li> </ol>	Identify and partner with CSOs that are creating educational resources for migrants to learn about their rights when migrating to a new country for work.	<ul> <li>Empowering Migrants: MigApp</li> <li>CDM: Know Your Rights Training</li> <li>IRIS Handbook for Governments</li> </ul>	
	3. Supported program(s) or initiative(s) that provide predeparture/post arrival training for all migrant workers, including information specific to the working environment and nature of the work for which migrant workers are being recruited.	Identify and partner with CSOs that are providing predeparture or post-arrival training for migrant workers.	<ul> <li><u>Issara Model for Worker Voice</u>, <u>Partnerships</u>, and <u>Innovation</u></li> <li><u>Migrant Workers Resource Centres</u></li> </ul>	
Strengthen Worker Voice	<ol> <li>Used worker voice surveys, tools or technologies that are independent, accessible and culturally appropriate to understand the needs and concerns of migrant workers.</li> </ol>	Research and identify worker voice tools that can help you understand the needs and concerns of migrant workers in your operations or supply chain	• <u>Transformative Technology for</u> <u>Migrant Workers</u>	
	<ol> <li>Partnered with CSOs to provide migrant workers access to independent grievance mechanisms and avenues for effective remedy.</li> </ol>	Identify and partner with CSOs that are providing or promoting access to effective grievance mechanisms.		
	3. Supported CSOs in sending and/or designation countries that offer counseling and other services to migrant workers.	Identify and partner with CSOs that are providing direct counseling services to migrant workers.	<ul> <li>IOM: Migrant Worker Voice and Engagement</li> <li>Pacific Links: Improving worker voice</li> </ul>	
Leverage Place-Based Projects	1. Supported regional/country level projects or partnerships that use risk-informed, impact assessments to identify potential solutions for responsible recruitment.	Identity and partner with place-based projects that are focused on a specific region or country.	through empowerment  Issara Model for Worker Voice, Partnerships, and Innovation	
	2. Participated in worker-driven, ethical recruitment programs and initiatives at the local level.	Identify and partner with external initiatives that are focused on worker-driven ethical recruitment program development.		





Priority Area:

### **Transparency**

Leadership Practice	Specific Actions	What this means / where to begin / example	Resources
Report Efforts Publicly	1. Publicly shared our commitments and actions that will be/have been taken to advance responsible recruitment.	Report your progress on responsible recruitment in your annual sustainability report.	N/A
	<ol> <li>Documented outcomes, challenges and successes of responsible recruitment activities and regularly shared those outcomes publicly.</li> </ol>	In addition to the goals set through this program, identify other KPIs to help you track progress on responsible recruitment and share these results in your annual sustainability report.	N/A
Map Supply Chain	1. Assessed entities involved in the recruitment, hiring, and employment of migrant workers in the sending and designation countries.	Map all entities that provide labor recruitment services for your company and assess them against your standards for ethical and responsible recruitment	Best Practice Guidance on Ethical Recruitment of Migrant Workers (see page 37)
	2. Conducted human rights impact assessments focused on responsible recruitment.	Identify a third party to help you conduct a human rights impact assessment on responsible recruitment.	Introduction to HRIA
	3. Leveraged third-party, technology-based solutions for supply chain mapping to assess risk and inform responsible recruitment activities.	Research, identify, and implement a third-party solution to help you map your supply chain and assess risks related to responsible recruitment.	See next slide for examples
Validate Approach	<ol> <li>Engaged a third party to assess your responsible recruitment activities, including identifying gaps in your approach and developing a timebound action plans to address these gaps.</li> </ol>	Identify and engage a third-party partner to assess potential risks and help develop a roadmap for addressing the identified risks.	N/A
	2. Engaged a third party to assess, audit, validate or certify recruitment agents that are recruiting and/or employing migrant workers.	Identify and engage a third-party partner to assess whether the recruitment agents that you source workers from are meeting your responsible recruitment standards.	N/A
	3. Sourced raw materials or ingredients that use a third-party certification program that includes responsible recruitment.	Research and identify a third-party standard or certification that is most relevant to your industry and use the standard to determine whether you or your supplier has met the standard.	See next slide for examples





## Sample technology-based tools and industry standards

Tool	Sample Use Case	Standard	Sample Responsible Recruitment Indicator (#)
<u>Ganaz</u>	Farmers can use Ganaz to ensure accurate data is used when recruiting workers	EFI Social Standards v.2.1	Workers do not pay recruitment, visa, or other costs or fees related to employment (1.4)
<u>&amp;Wider</u>	Employers can use &Wider to hear from workers about fair recruitment practices	STF Code of Conduct v.2	Employers shall hire workers directly whenever possible (14.0)
<u>Ulula</u>	Suppliers can use Ulula to communicate with workers and detect recruitment fee risks	STF Vessel Auditable Standards v.2	Working conditions described at the point of recruitment are consistent with the employment contract at the time of
<u>SupplyShift</u>	Companies can use SupplyShift to map and trace responsible recruitment risks	<u> </u>	hiring (3.8)  Jobseekers and workers shall not have been subject to
<u>Sustainabil</u>	Companies can use Sustainabil to map and assess upstream sub-suppliers	BAP Seafood Processing Standard v5.1	recruitment practices that employ threats, penalties, coercions, physical force, or fraud (SPS 5.6.4)
<u>Trace Register (TR)</u>	Companies can use TR to simplify the exchange of accurate data	RBA Code of Conduct v.7.0	If any such recruitment fees are found to have been paid by workers, such fees shall be repaid to the worker (1.0)
Higg FSLM CUMULUS Forced Labor	Facilities can use Higg FSLM to assess recruiting and hiring risks at the facility level  Members can use CUMULUS to share data on	SMETA Measurement Criteria v.6.1	Employment agencies must only supply workers registered with them (8.5)
Screen	recruitment and forced labor risks	Clearview Technical Standards	The labour provider implemented appropriate management
<u>Transparency-One</u>	Companies can use Transparency-One to manage supplier certifications	v.1.4	systems to seek to recruit workers locally (2.5)
<u>DiginexLUMEN</u>	Companies can use DiginexLUMEN to map, assess, and monitor supply chain risks	IRIS Standard v.1.2	The labour recruiter demonstrates that the employer has paid all recruitment fees and relates costs (1.2.1)

<sup>\*</sup>Note: Being listed on this sample, non-exhaustive list does not represent a specific endorsement by Walmart of any one of these tools or standards.



#### Case Study: Thai Union

- Increasingly, workers from Cambodia and Myanmar look toward Thailand for economic opportunities their own homelands are currently unable to offer. Not only are Thailand's migrant workers susceptible to discrimination, but they can be coerced into paying high recruitment fees on the way from their home country to secure a job. This means migrants seeking legal employment might find themselves deeply indebted before the work begins buried in debt that often takes years to repay.
- From 2015, Thai Union rolled out its revised <u>Business Ethics and Labor Code of Conduct</u>. It covers the recruitment and treatment of workers, stipulating protocols on employee welfare, benefits, wages, age, the right to freedom of association, the right to collective bargaining, and non-negotiable frameworks for health and safety. The code, which all suppliers must sign and adhere to, sets a baseline for expected behavior across Thai Union's supply chain.
- In 2016, Thai Union eliminated recruitment fees for all workers in its factories and processing plants, effective for all future recruitment of workers both from within Thailand and overseas.
- By committing significant resources and time to dealing directly and building stronger relationships with recruitment agents and NGOs in Myanmar, and now Cambodia, Thai Union has been able to map out recruitment processes more effectively, with the Migrant Workers Rights Network (MWRN) providing oversight and supervision, thereby reducing costs and complexities.
- Thai Union also works with the Issara Institute and provided a case study for their <u>Slavery Free Recruitment</u> <u>Systems</u> issue brief.

Source: Thai Union.

#### **Additional Resources:**

- RISE: Roadmap for Advancing Responsible Recruitment in Seafood—Step-by-step guidance on responsible recruitment best practices; and case studies
- Impactt: Ethical Recruitment, <u>Translating Policy into</u>
   <u>Practice</u>—Thai Union case study on policy implementation
- RST: Responsible Sourcing Tool, Seafood Industry—Compliance, screening, and evaluation tools; a <u>risk visualization tool</u>; and <u>case studies</u>



#### Case Study: Microsoft

- Forced labor risks are associated with recruitment practices, which continually change due to labor market and production needs.
- Microsoft expect its suppliers to embed a responsible recruitment system into their operation practices and to continually identify and mitigate any detected risks.
- In FY21, Microsoft leveraged Responsible Labor Initiatives (RLI) to enhance the capability of responsible recruitment of suppliers located in high-risk countries.
- Practical training with toolkits were provided for these suppliers to guide suppliers to identify, assess, prevent or mitigate, track and report on risks associated with forced labor during the recruitment of migrant workers in the supply chain.
- Around 80 participants from 40 selected suppliers joined the training. In post-training feedback, the training delivery was rated 4.6 out of 5 by participants, of whom many reported that they would apply the toolkit in their recruitment process.
- Microsoft will conduct specified audit on responsible recruitment management system to promote the good practices.

#### **Additional Resources:**

- KnowTheChain: Responsible Recruitment in ICTSupplyChains—Benchmark of ICT companies on responsible recruitment practices
- Hewlett-Packard: Company SupplyChain
   Foreign Migrant Worker Standard Guidance
   Document—Example guidance document with sample screening questions and criteria for evaluating labor agents
- Verite: Forced Labor in the Production Of <u>Electronic Goods in Malaysia</u>—Country report on responsible recruitment in Malaysia's electronics sector
- KnowTheChain: Responsible Recruitment
   Benchmark, ICT—Case studies,
   recommendations, and examples of corporate practices

Source: Microsoft Devices Responsible Sourcing Report (FY21), page 59.





#### Case Studies: Multiple

- Unilever reports that it supported a prevention and remediation workshop for a supplier in Malaysia to ensure adherence to the Employer Pays Principle and develop a corrective action plan to reimburse workers' recruitment fees. The company also reports commissioning a study on migrant workers in Turkey's tomato industry. It states that the study's intent was to increase the company's understanding of recruitment and working conditions and that it worked closely with its supplier in the process. It discloses that this assessment discovered a lack of written contracts, that migrant workers had paid recruitment fees in sending countries or regions, and little awareness of and transparency on wage deductions.
- Nestlé discloses that the training it provided to farmers, traders, and recruitment agents—as well as migrant
  workers on working conditions, labor rights, and grievance and support procedures—resulted in a formal
  recruitment process being used for the first time with its Turkish hazelnut supply chains. It states that 366
  workers, farmers, and labor brokers formed contracts before the hazelnut harvest. Nestlé notes that it is working
  with the labor research and consultancy organization Verité on strengthening pre-departure programs for
  Cambodian workers migrating to Thailand.
- **Smucker** states that it is actively involved in the Consumer Goods Forum through membership on its board and Social Sustainability Steering Committee, which identifies key foci and recommends corresponding actions to the board, steers the implementation of the forced labor commitments across the industry, and acts as champion in the fight against forced labor.

#### Additional Resources:

- <u>RRT.org: Responsible Recruitment</u>
   <u>Toolkit</u>—Online resources for US
   fresh produce businesses
- <u>EFI: What Does Responsible</u> <u>Recruitment Mean</u>—On-demand training video and scorecard to identify recruitment risks
- RST: Responsible Sourcing Tool, Food—Compliance, screening, and evaluation tools; a <u>risk visualization</u> tool; and <u>case studies</u>
- KnowTheChain: Responsible
   Recruitment Benchmark, Food—
   Case studies, recommendations,
   and examples of corporate
   practices

Source: KnowTheChain.





#### **Case Studies: Multiple**

- Adidas reports that it is working with more than 20 recruitment agencies across Taiwan, Thailand, Philippines, and Vietnam as part of its work on recruitment fees. The company also discloses that it is part of a two-year partnership with the International Organization for Migration, which it states involves specialized training for recruitment agencies in sending countries and its business partners in receiving countries. Adidas states that through this partnership, it is also increasing engagement with second-tier suppliers that employ migrant workers. It also discloses that it is working to understand the costs of recruitment in different migrant corridors and high-risk countries such as Taiwan and Thailand, by conducting onsite investigations which include interviews with migrant workers and labor agencies. The company reports that as part of its efforts to tackle recruitment fees, it is focusing in particular on the corridors from Vietnam to Taiwan, the Philippines to Taiwan, and Myanmar to Thailand.
- **Lululemon** states that it conducts assessments of recruitment agencies used by its suppliers which include reviewing personnel files of migrant workers, and that 20 in-country agencies and 20 overseas agencies, which are used by 15 out of 19 of its suppliers in Taiwan, have been assessed. It reports that it has started to train suppliers and develop timelines with suppliers in Malaysia, Thailand, and Japan.
- **Burberry** discloses that it is working with two of its suppliers as well as the NGO Issara Institute to develop "an ethical recruitment route for workers." The company also reports that it is working on mapping recruitment journeys in high-risk hotspots which were identified through a human rights impact assessment. The company also discloses an example of the repayment of recruitment-related fees to workers at 11 supplier facilities, where workers had been charged for preemployment health checks.

Source: KnowTheChain.

#### Additional Resources:

- AAFA/FLA Apparel &
   Footwear Industry
   Commitment to Responsible
   Recruitment—Includes
   webinar recordings, slide
   decks and a <u>list of resources</u>
   for apparel companies
- FLA: Addressing Risks of
   Forced Labor in Supply Chains
   —Briefing on best practices
   for identifying forced labor at the supplier level
- FLA: Addressing Risks and Safeguarding Workers' Freedoms—Includes indicators of forced labor and examples of risks and violations





#### Priority Category:

#### Case Study: IKEA

- IKEA has done several projects with the International Organization for Migration (IOM) to map labour supply chains leading to IKEA suppliers in South East Asia. This included assessments at the suppliers and at recruitment agencies in both the countries of origin of migrant workers and countries of destination.
- It provided a clearer picture of migrant workers' journeys from their homes to IKEA suppliers in selected corridors, and highlighted the risks associated with cross-border recruitment. In many countries, legislation and established practice are based on workers paying recruitment fees and costs.
- Workers can accumulate high levels of debt before they even start working at their employer in the
  country of destination. Based on learnings from this project, the IKEA Guidelines on Responsible
  Recruitment have been developed. They aim to build the understanding and ability of suppliers to
  responsibly manage the recruitment of migrant workers. The focus is on cross-border migration
  through recruitment agencies or intermediaries, but the general principles apply to all types of
  recruitment of all workers.
- IKEA is one of the founding members of the <u>Leadership Group for Responsible Recruitment</u> which is convened by the Institute for Human Rights and Business.

#### **Additional Resources:**

- KnowTheChain: Investor Snapshot— Forced labor risks in forestry (including paper and forest products)
- KnowTheChain: Assessing Corporate
   Efforts to Address Forced Labor Risks in
   the Supply Chains of the Paper and
   Forestry and Home Furnishing Retail
   Sectors
- ILO: Forestry—Resources provided by the International Labour Organization on labour conditions in the forestry sector
- Verité: Summary of Key Trafficking in Persons Risk Factors in Wood Production—Overview and special brief on wood from Sub-Saharan Africa

Source: <u>IKEA</u>.



## Principles for best practice reporting

#### Lessons from the inaugural year:

- Program achieved high participation in the inaugural year (last year)
- To improve the quality of reporting, we have developed a set of reporting principles (see next slide)

#### What to focus on this year:

- Apply reporting principles—throughout Reporting Season, Walmart will review submissions to assess whether they are meeting the intent of the program
- New participants should focus on setting at least one goal
- Returning participants should focus on:
  - Reporting progress on the goal(s) that they set last year
  - Making sure they have at least one active goal in the system (some suppliers only reported progress last year without setting a new goal)



## 5 guiding principles to best practice reporting



## Provide Sufficient Information

- Suppliers should provide sufficient information describing the Specific Action that they took.
- In most situations, suppliers should aim to provide at least 2 to 3 full sentences describing the actions that they took.



## Provide Relevant Information

 Suppliers should provide information that is relevant to the Specific Action in which they selected to report progress on.



#### Go Beyond Compliance

- Suppliers are encouraged to report actions that go beyond compliance. This program is about inspiring leadership practices.
- Focus on areas where risks are greatest.



#### Be Specific

- Describe timebound progress and results.
- Name specific programs, initiatives, organizations or collaborations.



#### Be Clear and Complete

- To ensure accurate understanding of the submission and avoid misinterpretation, suppliers should provide descriptions that are clear, simple and easy-tounderstand.
- Responses should be in full sentences, in English and should avoid company jargon. Acronyms should be spelled out whenever possible.



Priority Area: Recruitment Practices and Capacity Leadership Practice: Strengthen Practices

The examples provided below are illustrative. They do not represent actual submissions.

Reporting Question	Specific Action
Have you strengthened practices for the responsible recruitment of migrant workers?	Directly hired migrant workers.

#### Free Text - Best Practice Example

In 2021, we committed to increasing the direct hiring of migrant workers in our seafood processing facilities in Thailand. As of the end of 2022, we have directly hired more than 500 migrant workers. These directly hired migrant workers now account for about 25% of our overall seafood processing workforce in Thailand.

#### Free Text - Poor Example

In the last few years, we have started to hire migrant workers directly.





Priority Area: Recruitment Practices and Capacity Leadership Practice: Strengthen Practices

The examples provided below are illustrative. They do not represent actual submissions.

Reporting Question	Specific Action
Have you strengthened practices for the responsible recruitment of migrant workers?	Used labor agencies, brokers, or contractors that are certified as ethical and responsible or are clearly using an ethical recruitment business model.

#### Free Text - Best Practice Example

In 2019, we began working with ABC Recruiting, a labor agency based in California that specializes in placing agricultural workers. Since 2020, we have supported ABC Recruiting in becoming certified as an ethical recruiter. As of the end of 2022, 100% of our farm workers in California have been ethically hired through ABC Recruiting.

#### Free Text - Poor Example

In 2018, we started to use an ethical recruitment business model.



Priority Area: Recruitment Practices and Capacity Leadership Practice: Build Capacity

recruitment and forced labor

prevention?

The examples provided below are illustrative. They do not represent actual submissions.

#### **Specific Action Reporting Question** Have you trained staff Implemented training for personnel involved in the personnel in management, employment of migrant workers on responsible

human resources, and recruiting functions that have responsibility for workers and employment lifecycle on the importance of forced labor prevention and responsible recruitment.

#### Free Text - Best Practice Example

Since 2020, we have implemented annual training for personnel in management, human resources, and recruiting functions that have responsibility for workers and employment lifecycle on the importance of forced labor prevention and responsible recruitment. Specifically, we engaged ABC Training Corp. to deliver training on their Ethical Employment learning module to our human resources and operations managers. This module included training on key indicators of forced labor. Since 2020, we trained more than 300 human resources and operations personnel in approximately 80% of our global sites.

#### Free Text - Poor Example

Last year, we provided our human resources executives with training on diversity and inclusion.



Priority Area: Recruitment Practices and Capacity
Leadership Practice: Invest in Responsible Labor Systems

The examples provided below are illustrative. They do not represent actual submissions.

#### **Reporting Question**

# Have you invested resources in improving the trainings, tools, and resources that are used to strengthen responsible labor systems?

# Invested in building the capacity of CSOs in sending and destination countries that are working to ensure the responsible recruitment of

migrant workers.

**Specific Action** 

#### Free Text - Best Practice Example

From 2020 to 2022, we invested more than \$1 million in grants that supported CSOs in the United States and Mexico that are developing programs to support migrant workers working on fresh produce farms in the United States. These programs are focused on providing responsible recruitment resources for migrant workers and their families. By the end of 2022, more than 50,000 migrant workers and their family members have been impacted by these programs. We now have a goal to invest another \$1 million and positively impact another 100,000 migrant workers and families by the end of 2026.

#### Free Text - Poor Example

Last year, we provided resources to CSOs in Mexico on responsible recruitment.





Priority Area: Worker and Community Empowerment Leadership Practice: Strengthen Awareness

The examples provided below are illustrative. They do not represent actual submissions.

#### **Reporting Question**

Have you provided training to strengthen migrant workers' awareness and knowledge around safe migration?

#### **Specific Action**

Trained and improved migrant workers' understanding of safe migration.

#### Free Text - Best Practice Example

From 2021 to 2022, we provided extensive training to 500 migrant workers from Mexico on the topic of safe migration. We provide this training in both English and Spanish. A pre- and post-training survey confirmed that these migrant workers' understanding of safe migration improved by 80%. We are planning another training with these migrant workers in 2023 to close the knowledge gap.

#### Free Text - Poor Example

We conducted supplier audits in 2022 and identified 3 nonconformances related to forced labor.



Priority Area: Worker and Community Empowerment Leadership Practice: Strengthen Awareness

The examples provided below are illustrative. They do not represent actual submissions.

#### **Reporting Question**

#### Have you provided training to strengthen migrant workers' awareness and knowledge around safe migration?

#### **Specific Action**

Collaborated with CSOs and/or governments (in sending or destination countries) to provide education resources and training for migrant workers about their rights.

#### Free Text - Best Practice Example

In 2022, we partnered with Cambodia's Ministry of Foreign Affairs and local CSOs to train workers who were set to migrate to Thailand. Through these partnerships, 15 local recruiting agencies in Cambodia were provided with financial assistance, training, and other resources to then train Cambodian workers on their rights as they migrate safely to Thailand. By the end of 2022, more than 5,000 Cambodian workers received direct training from the 15 local recruiting agencies.

#### Free Text - Poor Example

We worked with local CSOs to develop and provide workers with training on forced labor.



Priority Area: Worker and Community Empowerment Leadership Practice: Strengthen Awareness

The examples provided below are illustrative. They do not represent actual submissions.

### **Reporting Question**

# Have you provided training to strengthen migrant workers' awareness and knowledge around safe migration?

# **Specific Action**

Supported program(s) or initiative(s) that provide predeparture/post arrival training for all migrant workers, including information specific to the working environment and nature of the work for which migrant workers are being recruited.

### Free Text - Best Practice Example

In 2022, we provided funding to nonprofit organizations in the United States that focus on providing information, resources, and training to migrant workers from Mexico. Specifically, we supported ABC Nonprofit (based in California) and XYZ Nonprofit (based in Arizona) with a major corporate grant to be used towards strengthening their capacity to train migrant workers once they have arrived in the United States.

# Free Text - Poor Example

We provided grants to local nonprofits in Arizona where many of our migrant workers live and work.





Priority Area: Worker and Community Empowerment Leadership Practice: Strengthen Worker Voice

The examples provided below are illustrative. They do not represent actual submissions.

Reporting Question	Specific Action
Have you strengthened the voice of migrant workers?	Used worker voice surveys, tools or technologies that are independent, accessible and culturally appropriate to understand the needs and concerns of migrant workers.

# Free Text - Best Practice Example

In 2019, we partnered with ABC Worker Voice Solutions to develop a mobile-based worker voice platform for workers in our 1st tier supply chain in Vietnam. Using the West Principles to develop the platform, we deployed our new worker voice platform in 2020 to workers in 50% of our 1st tier, electronics supply chain in Vietnam, reaching more than 75,000 manufacturing workers by the end of 2020. In 2021, we reached the remaining 50% of our 1st tier supply chain in Vietnam, reaching an additional 110,000 workers. Our goal is to expand the platform to all major sourcing regions by the end of 2026.

# Free Text - Poor Example

In 2023, we partnered with a local NGO to design a tech-based worker voice tool that will be deployed next year.





Priority Area: Worker and Community Empowerment Leadership Practice: Leverage Place-Based Projects The examples provided below are illustrative. They do not represent actual submissions.

Reporting Question	Specific Action
Have you participated in or supported place-based projects or programs to advance responsible recruitment?	Supported regional/country level projects or partnerships that use risk-informed, impact assessments to identify potential solutions for responsible recruitment.

# Free Text - Best Practice Example

Since 2016, we have been participating in the ABC Responsible Recruitment Forum, a membership-based, multi-stakeholder initiative focused on strengthening responsible recruitment practices in India. Through the ABC Responsible Recruitment Forum, we are able to fund industry-wide research projects and risk assessments, as well as share company-level best practices to other participants of this initiative. Since 2016, more than two dozen, industry-wide research projects have been completed, which have helped inform our company's responsible recruitment policies and practices in India.

#### Free Text - Poor Example

Last year, we worked with an industry group to assess forced labor risks in our upstream supply chain.



Leadership Practice: Report Efforts Publicly

The examples provided below are illustrative. They do not represent actual submissions.

Reporting Question	Specific Action
Have you documented and publicly reported (e.g., website, annual report, stakeholder disclosure) your responsible recruitment activities?	Publicly shared our commitments and actions that will be/have been taken to advance responsible recruitment.

# Free Text - Best Practice Example

In 2022, we published our first progress report on the commitments we have made and actions taken on responsible recruitment in the garment manufacturing supply chain in Bangladesh. In this progress report, we have outlined our core strategies and KPIs and have provided detailed descriptions of specific initiatives, programs, and partnerships that we have developed or participated in since 2020 to advance responsible recruitment practices in Bangladesh. Going forward, we aim to publish an updated report every 2 years.

#### Free Text - Poor Example

Since 2010, we have published an annual CSR report, which provides details on our audit program results.



Leadership Practice: Map Supply Chain

The examples provided below are illustrative. They do not represent actual submissions.

Reporting Question	Specific Action
Have you strengthened your knowledge and process to assess risk to inform responsible recruitment efforts?	Leveraged third-party, technology-based solutions for supply chain mapping to assess risk and inform responsible recruitment activities.

# Free Text - Best Practice Example

In 2022, we partnered with ABC Solutions to develop and implement a supply chain mapping tool focused on forced labor in the extended seafood supply chain. The tool has been deployed to all sourcing managers in Thailand and Malaysia and we have plans to expand the use of this tool globally by the end of 2023. The tool has helped identify regional hotspots where forced labor risks may be greatest. We are now using the outputs of the tool in our engagements with suppliers in these hotspot regions to inform our risk mitigation efforts in these regions.

# Free Text - Poor Example

Last year, we hired an independent consultant to map our seafood supply chain.



Leadership Practice: Validate Approach

The examples provided below are illustrative.

They do not represent actual submissions.

# Reporting Question Have you engaged a third party to assess party to assess your responsible recruitment activities, including identifying gaps in your approach and developing timebound action plans to address these gaps? Specific Action Engaged a third party to assess responsible recruitment activities.

# Free Text - Best Practice Example

In 2022, we partnered with ABC Consulting to conduct a human rights impact assessment (HRIA) of our 1st and 2nd tier, electronics supply chain in Vietnam. From this assessment, we identified that forced labor continues to be a potential salient risk, especially for migrants from neighboring countries. We identified opportunities to improve our expectations with our suppliers in Vietnam. Specifically, we developed an action plan to provide human rights trainings focused on responsible recruitment for all strategic 2nd tier suppliers by the end of 2024.

# Free Text - Poor Example

Last year, we hired a consultant to conduct an assessment of our child labor policies and practices.

Leadership Practice: Validate Approach

The examples provided below are illustrative. They do not represent actual submissions.

Reporting Question	Specific Action
Have you sourced raw	Sourced raw materials or
materials or ingredients that	ingredients that use a third-party
use a third-party certification	certification program that
program that includes	includes responsible
responsible recruitment?	recruitment.

# Free Text - Best Practice Example

Since 2018, we have sourced tomatoes from Mexico that are certified by a third party as products that were produced by workers that were responsibly recruited. The certification program is managed by ABC Nonprofit, a global NGO that maintains one of the food industry's most recognizable certification program for tomatoes. As of the end of 2022, we can confirm that 100% of the tomatoes that we sell in the United States possess this certification.

#### Free Text - Poor Example

Since two years ago, we have purchased ethically sourced tomatoes.

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# Additional resources can be found on the Walmart Sustainability Hub

- The Walmart Sustainability Hub is the main channel to participate and access program resources
- Current resources available include:
  - Program playbook
  - On-demand training
  - People program template
  - FAQs
- Use the Sustainability Chatbot within the survey to ask questions





# Glossary (1/3)

(In alphabetical order)

**Dhaka Principles:** The Dhaka Principles provide a roadmap that traces the worker from recruitment, through employment, to the end of contract and provides key principles that employers and migrant recruiters should respect at each stage in the process to ensure migration with dignity.<sup>1</sup>

**Due diligence:** Due diligence refers to an enterprise's ongoing process which aims to identify, prevent, mitigate, and account for how it addresses the adverse human rights impacts of its own activities or which may be directly linked to its operations, products or services by its business relationships. The process should include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed.<sup>2</sup>

**Employer Pay Principles:** Reflecting Principle 1 of the Dhaka Principles for Migration with Dignity, the Employer Pays Principle is a commitment to ensure that no worker should pay for a job. Adoption of the Employer Pays Principle across all industries is fundamental to combatting exploitation, forced labour, and trafficking of migrant workers in global supply chains and represents an important step in achieving the UN Sustainable Development Goal of decent work for all.<sup>3</sup>

Farm labor contractor (FLC): A farm labor contractor recruits and hires seasonal or temporary agricultural laborers and may provide transport, house, and provide meals for workers.<sup>4</sup>

Source: <sup>1</sup>Institue for Human Rights and Business, Migration with Dignity: A Guide to Implementing the Dhaka Principles.

<sup>2</sup>ILO, General Principles and Operational Guidelines for Fair Recruitment.

<sup>3</sup>Institue for Human Rights and Business, <u>The Employer Pay Principles</u>.

<sup>4</sup>U.S. Bureau of Labor Statistics, Farm Labor Contractors.

<sup>5</sup>Walmart's <u>Responsible Recruitment Expectations</u>.



# Glossary (2/3)

(Continued from previous slide)

Labor recruiter: A labor recruiter, also sometimes referred to as a labor agency, broker, or contractor, is any entity or person that is involved in the process of recruiting workers for another company or indirectly by a company through the recruiter. These entities or persons can be formal or informal and can be engaged by the employer either directly or indirectly through other entities or agents.<sup>5</sup>

**Recruitment:** Advertising, information dissemination, candidate selection, transport, and placement into employment. For migrant workers, recruitment will include the return to the country of origin, where applicable. This applies to both workers looking for employment and those already in an employment relationship.<sup>5</sup>

Recruitment fees: Fees or related costs associated with recruitment, documentation, or services paid for the purpose of getting a particular job—even when allowed by local law. Examples of "recruitment fees" may include but are not limited to: costs for medical tests, insurance costs, skill tests, travel and lodging related to travel to destination country and country of origin, administrative costs like work permits or visas, passports obtained with the purpose of obtaining a specific job, marketing costs, personal protective equipment required for safety purposes, employer- required notary or legal fees, or breach of contract fees. Also included are fees or collateral used in situations such as bribes, extortion, or other extra-contractual or undisclosed costs.<sup>5</sup>

Source: <sup>1</sup>Institue for Human Rights and Business, Migration with Dignity: A Guide to Implementing the Dhaka Principles.

<sup>2</sup>ILO, General Principles and Operational Guidelines for Fair Recruitment.

<sup>3</sup>Institue for Human Rights and Business, The Employer Pay Principles.

<sup>4</sup>U.S. Bureau of Labor Statistics, Farm Labor Contractors.

<sup>5</sup>Walmart's Responsible Recruitment Expectations.

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(Continued from previous slide)

**Sending and destination countries:** Sending countries are countries where foreign migrant workers are originating from and destination countries are countries where foreign migrant workers are being recruited to work in.

**Sub-agents:** Sub-agents are any third parties used by a recruitment agent to help facilitate the recruitment, selection, hiring, and/or transportation of foreign migrant workers.<sup>2</sup>

Suppliers: Entities providing products to Walmart, including goods for resale and for Walmart's own use.<sup>5</sup>

**Workers:** Individuals employed by a supplier, facility, or a service provider for work performed in a supplier's operations when producing products sold to or sourced by Walmart.<sup>5</sup>

Worker representatives: Worker representatives can be trade union representatives designated or elected by trade unions or the members of trade unions. Worker representatives can also be elected representatives who are freely elected by the workers employed by a business in accordance with provisions of national laws or regulations or of collective agreements and whose functions do not include activities which are recognized as the exclusive prerogative of trade unions in the country concerned.<sup>1</sup>

Source: <sup>1</sup>Institue for Human Rights and Business, Migration with Dignity: A Guide to Implementing the Dhaka Principles.

<sup>2</sup>ILO, General Principles and Operational Guidelines for Fair Recruitment.

<sup>3</sup>Institue for Human Rights and Business, <u>The Employer Pay Principles</u>.

<sup>4</sup>U.S. Bureau of Labor Statistics, Farm Labor Contractors.

<sup>5</sup>Walmart's <u>Responsible Recruitment Expectations</u>.

