

FORCED LABOUR AND HUMAN TRAFFICKING POLICY

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

Warehouse's policy on forced labour and human trafficking is intended to prevent the wilful or unintended use of forced, compulsory, bonded or trafficked labour within Warehouse's own operations (including services provided by outsourced third parties and their suppliers) and our supply base (covering all stages of production, including raw materials).

The policy applies to all suppliers, agents, factories, contractors, subcontractors and third-party service providers (thereafter referred to as suppliers). Suppliers are expected to follow the provisions within this policy to ensure there is no inadvertent or deliberate use of any form of forced or trafficked labour within their own business, services supplied by third parties, subcontractors and their own supply chain.

The policy covers all workers and employees of all status, including migrant, (both domestic and transnational), permanent, temporary, full-time, part-time, probationary, seasonal, contract, apprentice and trainee. It applies to all persons working for us or on our behalf and in any capacity, including employees at all levels, directors, officers, agency workers, secondees, volunteers and interns.

The UK government's Home Office states '*Identifying potential victims of modern slavery can be a challenge because the crime can manifest itself in many different ways. There is a spectrum of abuse and it is not always clear at what point, for example, poor working practices and lack of health and safety awareness seep into instances of human trafficking, slavery or forced labour in a work environment. However, businesses have a responsibility to ensure that workers are not being exploited, that they are safe and that relevant employment (include wage and work hour), health and safety and human rights laws and international standards are adhered to, including freedom of movement and communications*'ⁱ.

The policy covers the following sections:

1. Definitions
2. Responsibility for the policy
3. Employment contracts
4. Recruitment agencies, labour brokers/providers
5. Fees and expenses
6. Retention of documents
7. Wages, benefits and overtime
8. Restriction on freedom of movement
9. Health and safety and accommodation
10. Grievance and disciplinary procedures
11. Equal treatment and non-discrimination
12. Due diligence
13. Compliance with the policy
14. Breaches of the policy
15. Appendices:
 1. Fees and expenses payable by suppliers and workers
 2. Information to include in pre-departure briefings of migrant workers
 3. Fees table for use in on-boarding interviews of migrant workers

1. Definitions

Migrant worker: There are two types of migrant workers (1): A domestic/internal migrant worker is a person who moves from one geographical area to another for work within his/her home country without crossing an international border (2): A transnational migrant worker leaves his/her country of origin to work in another country (usually called the host country) and crosses an international border. Both domestic and transnational migrant workers may wish to settle temporarily or permanently in the new location for the purposes of work.

Directly hired labour: An employee who is hired directly by the employer to work for them and not another entity. Migrant workers may be hired directly and face similar risks to those employed through an intermediary.

Contract labour: Contract labour refers to a person who is employed through an intermediary to carry out work for a third-party.

Forced / compulsory labour: Work or service exacted from any person under the menace of any penalty and for which the person has not offered him/herself voluntarily. Forced labour refers to situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as accumulated debt, retention of identity papers or threats of denunciation to immigration authoritiesⁱⁱ. Where overtime beyond legal limits is compulsory this may also constitute forced labour if it is accompanied with the threat of a penaltyⁱⁱⁱ.

Bonded: Bonded labour occurs when a person has to work to repay a loan and cannot leave until the loan is repaid. The terms of the repayment are often onerous and the worker may have been deceived into accepting the contract. Debts may be passed onto next generations^{iv}.

Trafficked labour: As defined by the UK Home Office *'An offence of human trafficking requires that a person arranges or facilitates the travel of another person with a view to that person being exploited. The offence can be committed even where the victim consents to the travel. This reflects the fact that a victim may be deceived by the promise of a better life or job or may be a child who is influenced to travel by an adult. In addition, the exploitation of the potential victim does not need to have taken place for the offence to be committed. It means that the arranging or facilitating of the movement of the individual was with a view to exploiting them for sexual exploitation or non-sexual exploitation'*^v.

Recruitment agencies/labour brokers/labour providers: Often these organisations are intermediaries or middlemen that connect people seeking employment with those looking for labour. They can provide a legitimate service but some have been found to be opaque and corrupt and through debt and deception they leave workers vulnerable to the risk of trafficking and forced labour^{vi}.

2. Responsibility for the policy

- i. The Board of Directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations and that all employees and suppliers comply with it.

3. Employment contract

- i. All workers, whether directly employed or through a third-party, must be given a written employment contract in their native language. All other terms and conditions of employment, (e.g. employee handbook) must also be written, in workers' native language, and given to workers.
- ii. There should be no terms, practices or policies that lead or could lead to any form of forced, compulsory or trafficked labour.
- iii. Terms and conditions of employment must be clearly and honestly communicated to workers during the early stages of recruitment, before workers accept the offer of employment and commence work. This must be verbally explained where workers have low literacy levels and before domestic or transnational migrants depart from their home to commence employment in another location. This must also be communicated to workers within a reasonable timeframe and no less than a week before migrant workers depart from their home town.
- iv. The contract must be signed by both the worker and employer.

- v. Where migrant workers are employed, the employer should sign the employment contract, in the case of domestic migrants, with workers in their home town and, where transnational migrants are recruited, in the workers' home country^{vii}.
- vi. To help guard against any additional changes or charges that may be included by any recruitment agent or labour broker and that are less favourable than the original contract, both employer and migrant worker should countersign the contract a second time when domestic migrants arrive in the location of work and transnational migrants reach the host country.
- vii. Transnational migrant workers must have valid visas and work permits before commencing work and the supplier must make sure this is the case. Suppliers must also ensure travel documents are renewed in a timely fashion before they expire.
- viii. Migrant workers' terms and conditions of employment must be no less favourable than those local/national workers receive, in accordance with local laws.
- ix. The employment contract should including the following: (1) employee's name; (2) employer's name and address; (3) employee's date of birth; (4) employee's passport or ID number or government equivalent; (5) nature of work and place of work; (6) occupational category; (7) method and responsibility of costs of transporting migrant worker to host country and back and that it is clearly stated the worker does not pay for this; (8) gross pay; (9) overtime pay; (10) bonuses and allowances; (11) estimated minimum net pay worker should expect to receive each month; (12) all legal deductions; (13) any benefits that workers will receive such as medical coverage, sick leave, annual leave and holidays; (14) grievance, harassment and disciplinary processes; (15) living conditions, including costs for accommodation and meals; (16) contract length (17) grounds on which the contract may be terminated and; (18) provisions for renewal (i.e. criteria for renewal of contract in order that workers understand there is no automatic renewal).
- x. Supplemental agreements to the contract or the practice of substituting the original contract of employment or any of its provisions with those that are less favourable is not allowed.

4. Recruitment agencies, labour brokers / providers

- i. The recruitment and employment of workers should be directly between the supplier and worker (the use of third-parties, recruitment agencies and brokers is strongly discouraged as these increase the risk of forced and trafficked labour). As stated in clause 2.ix above the name of both the employer and worker must always be stated in the contract.
- ii. Recruitment agencies should charge reasonable fees for providing recruitment services to the supplier. Suppliers are required to pay these fees without recouping expenses from workers (see appendix 1).
- iii. Where recruitment agencies/labour brokers are used, suppliers must have legally binding service contracts that comply with the law and, in the case of transnational migrants, comply with applicable law in both receiving and sending countries. This should include the following areas: (1) Non-discrimination in hiring; (2) fees and expenses (see appendix 1); (3) prohibition of unlicensed recruitment sub-agents (i.e. where a recruitment agency or labour broker subcontracts the hiring of labour to another agency)^{viii} (4) pre-departure briefing (see appendix 2); (5) contracts of employment; (6) arrival orientation and; (7) onsite management of migrant workers.
- iv. Suppliers must carry out a reasonable level of due diligence on recruitment agencies and labour brokers to ensure they are reputable and that they do not use deceptive, fraudulent, corrupt or collusive conduct (see Section 12 on due diligence).
- v. At all times suppliers must conduct business with third party recruitment agencies and labour brokers and manage relationships with government officials in an ethical fashion. This means they should not solicit or accept improper payments from those involved in the recruitment of migrant workers, allow third parties acting on their behalf to do so, and ensure that any employee or third party interacting with government officials in order to facilitate the recruitment of migrant workers complies with applicable anti-corruption laws and regulations, including the UK Anti-Bribery Act.

5. Fees and expenses

- i. Suppliers must pay all fees, expenses and deposits incurred from recruitment and employment of workers (including workers' air fare to host country and return fare). Apart from some limited exceptions, no costs of recruitment and travel should be paid by workers (see appendix 1).
 - ii. Where recruitment agencies or labour brokers are used, suppliers must ensure workers are not charged any fees, expenses or deposits connected with their recruitment or employment. This includes where workers are either directly or indirectly employed by the supplier.
 - iii. Fees and costs of recruitment and employment must not be recouped from workers either directly or indirectly such as withholding wages, deducting wages, inflating costs of expenses such as accommodation, travel to and from their place of residence and workplace, uniform and food (or any other expenses). Similarly, costs must not be recouped by non-payment of work or non-payment of holiday pay or refusing workers their right to annual leave, national holidays or rest days. In addition, there must be no monthly service fees charged by third party labour brokers to workers over the course of their employment.
 - iv. Workers must not be required to extend their period of employment to repay any debt, recruitment or transportation fees.
 - v. Fees and expenses must be clearly and honestly communicated to workers in their own language at the beginning of the recruitment process and prior to departure from their home town, in the case of domestic migrants, and home country where transnational migrants are recruited, i.e. what the fees and expenses amount to and that the supplier will pay or worker in limited cases (see appendix 1).
 - vi. Where migrant workers are legally required to pay a fee directly, the supplier must reimburse workers within 30 days of the start of the worker's employment (see appendix 1).
 - vii. Suppliers must also ensure there are clear workplace guidelines to supervisors and other employees prohibiting the charge of 'introduction fees' to any workers. These guidelines must be clearly communicated within the company.
 - viii. If a worker terminates their contract early and gives reasonable notice (i.e. no more than 30 days, or less in accordance with local law) there must be no financial penalties imposed on the worker. In cases where a worker wishes to terminate their contracts but is unable to serve notice, it is acceptable for the worker to pay no more than 60% of one month's base salary or less, in accordance with national law. Where workers give partial notice, the payment should be pro-rated based on number of days' notice received and no more than 60% of one month's base salary, in accordance with national law (see appendix 1).
6. Retention of documents
- i. Suppliers must not retain workers' original identity documents such as birth certificates, passports, work visas or residence permits. Only copies of these documents can be kept and the originals returned to the workers promptly.
 - ii. In the case of holding original documents for safe keeping workers should be provided with personal lockers and keys which only they have access to so that there is no need to take their original documents.
 - iii. Where collection of workers' original documents are necessary to meet a legal requirement, suppliers must have an established and transparent process in place with clear time limits on holding workers' original documents and returning these to them. Workers must also be briefed on the process beforehand. The process should include the requirement that workers have their original documents before and after processing; that workers sign a document to show they have submitted their documents and are given a receipt. They must be given a copy of their original documents whilst they are sent for processing.
 - iv. Any practice that restricts workers' access to their personal and financial documents could constitute forced labour.
7. Wages, benefits and overtime
- i. Workers of all status and positions must be provided with all of their wages directly, i.e. either direct to their own bank account (which only they have access to) or cash in hand. This means only workers and no other persons should have full and complete control over the monies they earn.

- ii. In the case of migrant workers all wage payments must meet receiving country laws, including with regard to method of payment, timing of payment, payslip content and delivery of payslips.
 - iii. There must be no 'payment in kind', i.e. goods and services rather than cash used to pay workers.
 - iv. Suppliers or any other party should not withhold any money owed to workers and there must be no use of forced or mandatory saving schemes.
 - v. Workers should not be prevented from postponing their termination date of employment in order for the supplier or other third party to recoup sums to cover the fees of recruitment and employment (including air fares).
 - vi. Payslips should be clear, in workers' native language and employers must ensure workers understand their payslips. As a minimum, payslips should include payment period, gross pay, deductions and net pay (i.e. take-home pay).
 - vii. All overtime must be done on a voluntary basis, i.e. workers must give their consent to work overtime and not face penalties (including the opportunity to work future overtime shifts, if they so want) if they do not want to work more than standard hours.
 - viii. Workers must be free to leave at the end of their shift and without the requirement or pressure to work extra shifts or overtime hours if they do not give their expressed and voluntary consent.
8. Restricting freedom of movement and unlawful detention
- i. Workers must be free to leave their workstations without restriction, including freedom to visit bathroom facilities and obtain fresh drinking water, as and when they need to.
 - ii. Workers must not be restricted from leaving production areas or the workplace and must be free to exit the place of work at any time.
 - iii. Migrant workers must not be prevented from leaving the area or country by others retaining personal identification and travel documents or work permits.
 - iv. Workers must not be required to be present before the start of their shifts, attend meetings or perform tasks outside of their working hours and not have their pay deducted if they take personal breaks.
9. Health and safety and accommodation
- i. All workplaces and accommodation must be safe and meet all local building regulations.
 - ii. Where accommodation is provided reasonable living space must be provided, i.e. in accordance with ILO Recommendation No 115 Workers' Housing Recommendation. There should be no more than eight workers per bedroom, one bed per worker and at least one toilet, shower and bathroom sink for every six workers housed.
 - iii. Accommodation should be clean, hygienic and safe and there should be potable water, pest control, fire prevention, canteen, kitchen and laundry facilities and regular monitoring and remediation.
 - iv. Health and safety policies must comply with local/national legislation and policies/procedures communicated to all workers.
10. Grievances and disciplinary actions
- i. Suppliers should ensure that there is a grievance and disputes procedure in place and that all workers and management teams, including supervisors, know the procedure. Grievance mechanisms should be anonymous, fair and transparent.
 - ii. Suppliers should ensure there is a non-retaliation policy in place to protect workers who may use the grievance mechanism and that workers and all management teams know the procedure.
 - iii. Suppliers should ensure there is a disciplinary procedure in place and that all workers, management teams, including supervisors, are aware of this. Disciplinary policy should always be based on an escalating series of verbal and written warnings. Monetary penalties are prohibited, including the refusal to grant overtime to workers who may wish to work overtime and deductions for lateness.

- iv. Grievance and disciplinary procedures should be verbally explained to workers who have low literacy levels to ensure they fully understand them.
- v. Management, including supervisors, should be trained in grievance process handling and acceptable and unacceptable behaviour. This should include guidance on avoiding intimidation, threats, discrimination and harassment, including sexual harassment.
- vi. Follow up and outcomes of grievances should be adequately communicated to workers and recorded. Similarly, follow up and outcomes of disciplinary procedures should be adequately communicated to workers and recorded.

11. Equal treatment and non-discrimination

- i. Workers should not be subject to any discrimination in relation to recruitment, hiring, compensation, benefits, work assignments, access to training, advancement, discipline or termination.
- ii. All workers, irrespective of their nationality, race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation, must be treated fairly and equally in the workplace.
- iii. Migrant workers shall have equal rights to join trade unions and bargain collectively.

12. Due diligence

- i. Suppliers are expected to carry out a reasonable level of due diligence when dealing with third parties to ensure they do not compromise the above standards. This should always include checking third party licenses and that firms are legally registered and permitted to recruit workers. Other steps recommended include: review of third parties’ HR policies; confidential interview with workers who have been recruited to find out if any were asked to pay fees or do anything which contravenes this policy (see appendix); ask third parties relevant questions about who pays the cost of recruitment; speak to several of their reputable clients for references and compare their services to competitors. This is not an exhaustive list and all suppliers are expected to satisfy themselves they can comply with Warehouse’s policy on forced labour and human trafficking.

13. Compliance with the policy

- i. Suppliers must ensure that you read, understand and comply with this policy.
- ii. The prevention, detection and reporting of modern slavery in any part of our business and supply chains is the responsibility of all those working for us and our suppliers. You are required to avoid any activity that might lead to or suggest a breach of this policy.
- iii. The supplier and any of its employees are encouraged to raise concerns about any issue or suspicion of modern slavery in any parts of the supply chain, at the earliest possible stage.

14. Breaches of the policy

- i. We may terminate our relationship with any supplier if they breach this policy.

15. Appendices

Appendix 1: Fees and expenses payable by suppliers and workers

Fees and Expenses Payable by Supplier
Application, recommendation, recruitment, reservation, commitment, or placement fees in sending and receiving countries including commissions, referral fees or expenses paid to sub-agents.
Labour broker service fees, both one-time and recurring
Airfare or costs of other mode of international transportation, terminal fees, and travel taxes associated with travel from sending country to receiving country and the return journey at the end of the contract.
Pre-employment medical examinations or vaccinations in the sending country
Visas including exit clearances or certificates
Pre-departure skills testing, training, or orientation
Documentation fees including notarization, translation, and legal fees

Sending and receiving country government mandated fees, levies, and insurance
Security deposits and bonds
Receiving country medical examinations
Transportation from the airport or disembarkation point to dormitories or facility
Work permits, residence certificates, and security clearances (including renewals)
Fees and Expenses Payable by Migrant Workers
Passport fees (including renewals)
Transportation costs in the sending country (including meals and accommodation) during transit from the worker's home to the first point of departure only. This means the transportation cost from the starting point, usually the worker's home, to the first departure airport, train/bus station, labour broker processing centre or transitional site. This shall not include the actual cost of airfare, train/bus ticket or other transportation/accommodation costs associated with sending the worker to their final destination.
If a worker terminates their contract early and is unable to serve notice (i.e emergency situations), it is acceptable for the worker to pay no more than 60% of one month's base salary or less, in accordance with national law. Where workers give partial notice, the payment should be pro-rated based on number of days' notice received and no more than 60% of one month's base salary, in accordance with national law (see appendix 1). This does not apply where workers provide reasonable notice (i.e. no more than 30 days, or less in accordance with local law). Note that workers must not pay the costs of return flights home, even where they terminate their contract early and without notice.

Appendix 2: Information to include in pre-departure briefings of migrant workers:

The briefing should cover the following items:

- An overview of the supplier, workplace, working conditions, and living conditions
- Terms and conditions of employment
- Terms and conditions of contract termination and repatriation
- Pre-departure legal requirements that workers must fulfil (e.g. medical examinations, passport application)
- Legal protections in the sending and receiving countries, including sending or home country Embassy or Consulate information
- Supplier policies on the following:
 - Forced labour
 - Recruitment fees and expenses (including transportation)
 - Freedom of movement
 - Identify document retention and safekeeping
 - Grievance procedures, including the exact process for reporting violations of supplier policies and/or other unethical treatment during recruitment

Appendix 3: Fees table for use in on-boarding interviews:

During on-boarding interviews, workers should be asked if they paid for any of the following during their recruitment and hiring process. Note that workers should not pay any fees (see appendix 1):

Item	Estimated Amount Paid <i>(List currency in which worker paid fee)</i>	Comments/Remarks
<i>Category of Fees & Expenses</i>		
Fees Typically Charged by Recruitment Agents		
Note: Workers may have paid a lump sum fee to the agent that includes costs for documents or other fee items, in which case the worker will not know the breakdown of recruitment-related costs.		
Recruitment/Service Fee (in sending country)		
Broker Service Fee (in receiving country)		
Reservation Fee		
Sub-agent Fee (if workers were recruited through a sub-agent, or if a labor agent staff person asked for additional payments independently of the agency)		
Documents and Medical Fees		
Passport		
Government Verification/Registration/Approval		
Welfare Fund		
Stamping Fee		
Government Tax		
Visa		
Documentation Fees (in sending country)		
Medical Examination (in sending country)		
Medical Examination (in receiving country)		
Health Certificate/Clearance (in sending country)		
Health Certificate/Clearance (in receiving country)		
Insurance		
Foreign Worker Levy		
Work Permit		
Training Expenses		
Government Required Pre-departure Orientation		
Skills Training		
Language Training		
Training Exam		
Transportation and Lodging Cost		
Transport & Lodging (from home town to broker)		
Inbound air ticket (Average cost)		
Airport Tax		
Deposit		
Deposit/Surety Bond/Surety Bond Insurance		
Miscellaneous		
E.g. jacket bearing the logo of the labor agency		
Total Estimate of Fees Paid, as reported by Worker Interviewed		

In the same vein, workers should be asked if they were asked to take out loans for any of the above costs.

ⁱ Transparency in supply chains etc: A practice guidance, UK government Home Office

ⁱⁱ http://www.ilo.org/global/topics/forced-labour/news/WCMS_237569/lang--en/index.htm

ⁱⁱⁱ http://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_FL_FAQ_EN/lang--en/index.htm#Q9

^{iv} http://www.antislavery.org/english/slavery_today/bonded_labour/

^v Transparency in supply chains etc: A practical guidance, UK government Home Office

^{vi} Fair Hiring Toolkit for Brands, Tool 2: Understanding the Role of Labour Brokers in Human Trafficking and Forced Labour of Migrant Workers, Verite.

^{vii} This refers to situations where migrant workers are recruited in their home town.

^{viii} In some sending countries sub-agents are illegal (e.g. India and Nepal).