

BESTSELLER

MIGRANT WORKER POLICY

**FAIR RECRUITMENT &
TREATMENT IN THE WORKPLACE**

RESPONSIBLE SOURCING
Version 1 - July 2023

BESTSELLER

BESTSELLER'S MIGRANT WORKER POLICY

BACKGROUND

Migrant workers (both internal¹ and international²) make a valuable contribution to society, supporting the development of their home communities through remittances and helping fill critical labour shortages. Nonetheless, migrant workers face heightened risk of discrimination in the global apparel supply chain, and it is thus important for BESTSELLER to adopt policies and practices that address these risks. This discrimination can take many forms, such as pay discrimination and deductions, poor working conditions, and forced labour. Given the well documented increased risk for human and labour rights abuses, due diligence should be conducted to ensure that the employment of migrant workers is responsible.

BESTSELLER has developed this policy to commit to the protection of migrant workers and support compliance with international standards and national regulations within BESTSELLER's supply chain. This policy intends to clarify requirements and expectations on our suppliers with regards to protecting migrant workers' human and labour rights, safety, dignity, and fundamental freedoms of all migrant workers.

This policy recognises the role employers play in facilitating the fair and ethical recruitment and employment of migrant workers.

It is important to note that this policy does not intend to dissuade business partners from employing migrant workers. The intention of the policy is to ensure that these people are treated with respect and dignity.

POLICY SCOPE

This policy is directed at any supplier, and their subcontractors, that manufactures products for BESTSELLER A/S, including labour recruiters, employment agencies, and service providers.

BESTSELLER POSITION

As stated in BESTSELLER's Code of Conduct, all workers, including migrant workers should enjoy the protection of employment law. Migrant workers should be subject to all applicable human and labour rights on equal terms as non-migrants. For example, they should have a legally recognised employment relationship with an identifiable and legitimate employer in the country where the work is performed and as permitted by national legislation. BESTSELLER has a zero-tolerance policy towards harassment and discrimination of migrant workers in hiring, compensation, access to training, promotion, termination or retirement and all other areas of employment.

¹ **Internal Migrant Worker:** A person moving within his/her own country to pursue employment.

² **International Migrant worker:** A person who is to be engaged, is engaged or has been engaged in a remunerated activity in a State of which he or she is not a national.

OUR COMMITMENT UNDER THIS POLICY

Under this policy, BESTSELLER commits to respect the rights of all workers, including migrant workers, in line with the United Nations Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises and other applicable guidelines, standards and frameworks, through:

- Engaging and collaborating with migrant workers or their representatives, international and local stakeholders to assess and address the risks and challenges related to migrant labour in apparel supply chains.
- Integrating this policy into internal management systems to ensure consistent implementation, and to communicate this policy to relevant BESTSELLER functions and business partners.
- Addressing any adverse impacts on human and labour rights specific to migrant workers in our supply chain, including, taking adequate measures for their prevention, mitigation and, where appropriate, remediation. If required or beneficial, our suppliers and other stakeholders will be included in such processes.
- Communicating externally about our efforts, challenges and experience related to the adoption of this policy.
- Using our leverage to facilitate that any victims of adverse impacts are provided adequate access to remedy and access to grievance mechanisms in a language understood by them, and that any whistleblowers are protected.
- Supporting our suppliers in safeguarding the rights of migrant workers in case of crisis and emergency.
- BESTSELLER encourages social dialogue and promotes its suppliers to engage with stakeholders directly involved such as migrant workers and their representatives and if possible and relevant, trade unions and civil society organizations to effectively build their internal policies or practices during remediation procedures.

BESTSELLER recognises that suppliers and factories may require support to adopt the provisions in this policy and we are committed to supporting all business partners on their journey of improvement to ensure all migrant workers are treated fairly and with dignity, through means of worker or management training programmes that aim to provide and improve access to materials on their rights and responsibilities. BESTSELLER welcomes enquiries, comments and feedback on any challenges suppliers may face in the adoption of this policy.

Suppliers may be requested to provide evidence of adequate adoption of the provisions of this Policy during BESTSELLER assessments, as part of our Factory Standards Programme.

SUPPLIERS' COMMITMENT UNDER THIS POLICY

Under this policy, suppliers of BESTSELLER A/S commit to ensure that any migrant workers employed are subject to all applicable human and labour rights on equal terms as non-migrants. Suppliers must respect all applicable laws and regulations in countries of origin, transit and destination in relation to recruitment, employment and migration. Suppliers must have adequate management systems to safeguard these rights. Suppliers must also take adequate steps to communicate and uphold the expectations of this policy throughout their supply chain.

BESTSELLER encourages its suppliers to review the Guide to Implementing the Dhaka Principles and the UN's International Organization for Migration (IOM)'s Migrant Worker Guidelines for specific step by step guidance to introducing best practice policies and processes.

BESTSELLER expects suppliers and factories to protect the human and labour rights of migrant workers and in respect to three aspects: recruitment, employment and return/onward migration.

A) Recruitment

The use of recruiters/agents can create layers of separation between the employer and the worker, and employers may be unaware of hiring practices, leaving workers at risk of exploitation. To reduce the risk of forced labour, discrimination, and other labour rights violations migrant workers must have a clear understanding of the work they are expected to do and their terms and conditions of employment.

- If the employer is using recruitment agents, it is the employer's responsibility to ensure the agents are legally recognised and duly authorised to conduct all the functions they perform, and that all human and labour rights are upheld in the recruitment process.
- If a worker is hired from outside the manufacturing unit's region/country, before leaving their country/region of origin, all migrant workers must have received a written contract in a language that they understand or, if they are illiterate, they must have received an explanation of the conditions of work and salary or have had the contract read to them.
- All international migrant workers should have a proper visa and/or work permit, as required by law before they enter the country of employment. Suppliers should respect all applicable laws and regulations in countries of origin, transit and destination, relating to recruitment, employment and return/onward migration.
- As per expectations articulated in BESTSELLER's Code of Conduct, all workers must receive contracts that clearly indicate their rights and responsibilities related to employment, including, but not limited to: Working days, holidays, working hours, breaks, remuneration, benefits, overtime work and overtime compensation, and valid grounds for termination. This policy also prohibits contract substitution³; worker contracts should align with the terms and conditions offered to the worker prior to migration. No worker contract can include a clause that financially punishes the worker for terminating a contract before the end date.

This policy prohibits the charging of recruitment fees⁴ and related costs to migrant workers, and promotes the ILO's Employer Pays Principle, which requires that no worker should pay for a job - the costs of recruitment should be borne by the employer, not the worker.

³ The practice of changing the terms of employment and failure to deliver on what has been promised to the worker, either in writing or verbally. Contract substitution includes deceptive recruitment practices such as providing false information regarding - working conditions and wages; type of work; housing and living conditions; acquisition of regular migration status; job location; identity of the employer.

⁴ Recruitment Fees (as set by ILO General Principles and Operational Guidelines on Fair Recruitment and the Definition of Recruitment Fees and Related Costs) Recruitment fees include: payments for recruitment services offered by labour agencies, whether

B) Employment

- Suppliers must treat migrant workers, irrespective of their legal status, fairly, and undertake measures to prevent abusive conditions and fraudulent practices that may lead to coercion and trafficking for labour exploitation.
- Migrant workers shall benefit from conditions of work no less favourable than those available to non-migrants.
- All migrant workers shall have the right to enter into and terminate employment (with reasonable notice in accordance with national law or collective agreement) voluntarily and freely, without the threat of penalty.
- Employers shall not threaten migrant workers or their family members with denunciation to the authorities or otherwise coerce workers into taking up or maintaining employment.
- Practices such as confiscating or withholding worker identity documents or other valuable items (e.g., work permits and travel documentation) are prohibited. However, if requested by workers, employers may provide secure storage for such documents. Workers must then be free to access them at any time upon request. Employers shall not retain personal documents for the purpose of binding workers to employment.
- Living in employer accommodation should not be compulsory, unless this is a requirement mandated by the worker's visa.
- Any accommodation offered by the employer should be structurally safe, provide reasonable levels of hygiene and comfort, be affordable and comply with the relevant legal requirements wherever applicable.
- Upon termination of employment, the worker should be given a reasonable period of time to vacate the premises.
- Migrant workers should not be denied freedom of movement or confined to their living quarters.

C) Return or onward migration

- Suppliers must respect the right of migrant workers to seek employment and change employers at the destination country or pursue onward migration, in accordance with applicable laws and regulations.
- Suppliers must, prior to migrant workers returning to their country of origin, pay all outstanding wages, benefits, severance payments, and any other amount still owed to the worker.
- In cases where temporary migrant worker visa status is linked to the work permit, suppliers must, in coordination with the labour recruiter, facilitate the safe and orderly return travel of migrant workers to their communities in the country of origin at no cost to the worker.
- Suppliers should prepare migrant workers to return to their countries of origin and provide any documentation that recognizes the skills and competencies developed during their employment.

public or private, in matching offers of and applications for employment; payments made in the case of recruitment of workers with a view to employing them to perform work for a third party; payments made in the case of direct recruitment by the employer; or payments required to recover recruitment fees from workers.

PROCEDURE IN CASE OF EXPLOITATION OF MIGRANT WORKERS

If any exploitation of migrant workers or compromission of migrant workers' labour rights is suspected or identified, the following actions will be taken:

- Our local office – and, if relevant, our headquarters – will closely assess the situation onsite through review of documentation and dialogue with management, workers and other relevant parties.
- Each incident will be handled on a case by case basis through close dialogue between our HQ, our local office, the supplier and worker, with the primary focus being the safety and wellbeing of the worker.
- If migrant workers are found without working permit, to prevent dismissal of the workers, BESTSELLER will require the supplier to help the worker apply for a working permit, so the worker can keep his/her job with assured labour rights and decent working conditions. The cost of application should be borne by the employer, not the worker.
- If required, BESTSELLER will involve relevant NGOs and consultants and assist the supplier in the remediation process.
- Suppliers must work in close collaboration with BESTSELLER representatives in order to ensure that the needs of the worker are prioritised, and the supplier should agree to and carry out all agreements made.

If the supplier does not adequately collaborate and support the process of mitigating any adverse impacts on migrant workers, and providing access to remedy, BESTSELLER will uphold the right to terminate the relationship with the supplier. The suppliers' level of cooperation will be reviewed on a case-by-case basis.

End

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