

Your Voice Matters Pilot:

Responsible Recruitment of Migrant Workers in VF Corporation's Global Supply Chain

Summary

Hidden costs may appear throughout the job seeker's journey and migrant workers are understood to be particularly susceptible to the impacts of abusive recruitment practices in supply chains across the globe. To address this, VF Corporation (VF) launched the 'Your Voice Matters' pilot program at 14 supplier facilities in its extended supply chain. Leveraging VF's robust human rights program and Worker Rights Social Impact Model, the pilot sought to improve employment practices and workplace dialogue for more than 5,000 facility employees, of which over 90% were identi ied as migrant workers in 2021.

Overview

Workers who face limited job opportunities in their home country often explore employment options abroad, becoming part of the migrant labor force. One hundred and sixty-nine million migrant workers comprise nearly five percent of the global labor force, as estimated by the International Labor Organization (ILO) in 2019.[1] Whether a worker seeks employment due to family responsibilities, limited education, economic hardship or geopolitical crises, they may become susceptible to various forms of abuse in the global supply chain. Language barriers, protections not being codified into local law and limited access to organizations offering support are a few of the many difficulties migrant workers encounter. Each step in the recruitment process has an associated cost, and the individuals that advance through this journey are often forced to pay fees for job placements. Recruitment fees are defined by the ILO as costs to secure employment or placement, and include medical fees, insurance, skills and qualification testing, training and orientation, equipment, travel and lodging, return to home country and administrative costs.[2]

Commitment to Human Rights

VF is committed to respecting the fundamental human rights of anyone who engages in work or other activities connected to company business operations and supply chain. VF strives to champion the rights of everyone the business touches, including those who work in its global supply chain to help manufacture materials and products. VF's Human Rights Commitment is aligned with the United Nations (UN) Declaration on Human Rights, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the Organization for Economic Co-operation and Development (OECD) Guidelines.

In accordance with the UN Guiding Principles, VF conducts human rights impact assessments (HRIAs) to identify salient human rights issues. HRIAs identify potential risks through the due diligence process with human rights experts, engagement with internal and external stakeholders and collaboration with industry peers. VF routinely discloses the results of these assessments, including the human rights issues determined to be most salient to VF and its stakeholders. The results of VF HRIAs are used internally to align and guide progress toward VF goals and commitments *to the betterment of people and planet.*

Addressing Salient Issues

In 2019, a VF impact assessment of the company's global value chain identified priority salient human rights issues for VF's operations and supply chain, including responsible recruitment and migrant workers.

Responsible recruitment is increasingly a critical issue for many industries with global supply chains, including the fashion industry, as migratory movements continue to expand rapidly. VF employs the principles for responsible recruitment offered by the ILO, which are widely accepted throughout the industry. These principles provide a definition for responsible recruitment: "workers are not charged for their employment, retain control of their travel documents and the agency to move freely, and are informed of the terms of their hire before leaving home." Additionally, responsible recruitment addresses United Nations Sustainable Development Goal (UN SDG) 10.7.1: Recruitment cost borne by employee as a proportion of monthly income earned in country of destination.[3]

Addressing recruitment issues across the global supply chain requires a methodical approach as hidden costs may appear throughout the job seeker's journey, from selection interviews and document processing in the origin country to labor standards and living conditions in the host country. Migrant workers are highly susceptible to the negative impacts of recruitment fees and costs, according to the International Organization for Migration (IOM). With an expansive multitiered supply chain that spans nearly 50 countries, identifying and addressing recruitment issues of migrant workers at contracted facilities requires VF to take a diligent approach to supply chain management. This comprehensive approach includes auditing authorized contract facilities beyond tier-one and tracing raw materials to their origination. For several years, VF has leveraged such an approach, enabling the company to identify over 9,000 migrant workers in its supply chain, as of 2021. VF aims to employ greater protections for these individuals in contracted facilities through the implementation of VF's Migrant Worker program – Your Voice Matters.

VF's pledge to employ greater protections for individuals in its contracted facilities is embedded in VF's Anti-Forced Labor and Responsible Recruitment Commitment. In this Commitment, VF recognizes that unethical recruitment practices, including recruitment fees and related costs charged to migrant workers, along with deceptive recruitment practices, may be enablers of forced labor. The company has set a public goal that by the end of 2026, no worker in VF's supply chain will pay any recruitment-related fees, in alignment with the Employer-Pays Principle.

Worker Rights Social Impact Model

To address salient human rights issues identified in the extended supply chain, VF's Worker Rights Strategy aims to promote dignity, social dialogue and equal opportunities for supply chain workers. The Worker Rights Strategy prioritizes issues where VF has the greatest opportunity to affect change and address high-risk challenges. These priorities include Freedom of Association, Responsible Recruitment, Gender-Based Violence & Harassment (GBVH) and Child Rights.

To advance the goals of the Worker Rights Strategy, VF has developed a Worker Rights Social Impact Model which aims to go beyond basic compliance for each priority issue area. By developing programs that implement worker trainings, measure worker comprehension and support the activation of knowledge gained, VF will leverage data-driven insights to drive long-term impacts for people across the globe. The Model's implementation approach, which will be applied to each VF Worker Rights program, consists of three main components:

1. **Stakeholder Engagement:** Partnering with subject matter experts at global organizations (e.g., IOM) to integrate issue-specific best practices into VF supplier policies and programs; including training programs for VF associate upskilling, facility management and worker education guidance and remote impact assessment methodologies.
2. **Remote Impact Assessments**: Implementing virtual, anonymous worker surveys at the outset to gain valuable real-time insight into workers' employment journey and conditions at their workplace and communities, providing access to grievance mechanisms and assessing worker concerns and satisfaction with their employment. VF and the suppliers will evaluate insights to determine the need for further interventions.
3. **Tailored Training Material:** Developing and translating engaging digital platform-based worker training content into a variety of local languages for multiple mobile interfaces. Content consists of short films, quizzes and other tools to increase worker understanding and measure knowledge retention to identify gaps and opportunities.

Establishing an efficient monitoring and evaluation system is critical to the successful implementation of Worker Rights programs. Focusing solely on worker trainings, as a 'check-the-box' exercise, may have the unintended outcome of designing training content workers do not understand or utilize. Incorporating monitoring and evaluation aspects into facility trainings and directly engaging with workers in their native language will allow VF to continuously improve the facilitation of dialogue and engagement and share aggregated data insights with facility management to drive improvement.

The first implementation phase of the Worker Rights Social Impact Model, which focuses on responsible recruitment practices for migrant workers in VF's extended supply chain, has been successfully achieved. The learnings have helped to clarify what works best and equally what does not work well. Going forward, VF will apply the three main components of the Model and key learnings to Worker Rights programs for each priority area identified.

Your Voice Matters

In 2021, the VF Worker Rights team launched the Your Voice Matters (YVM) pilot program at 14 Tier 1 and Tier 2 supplier facilities located in Jordan, Thailand and Taiwan. Over a nine-month period, the VF YVM pilot reached more than 5,000 facility workers and supervisors through trainings on responsible recruitment, including:

- **Employment Practices:** foreign contract worker protections and recruitment agency responsibilities,
- **Workplace Policies:** worker visa permits and remediating risks in the workplace and
- **Workplace Dialogue:** facility grievance systems and the importance of migrant worker representation in worker committees.

In alignment with the Worker Rights Social Impact Model, VF entered a partnership with the IOM to enhance responsible recruitment policies and implement leading due diligence procedures to eliminate worker vulnerabilities during the migration process. Through the partnership, VF will seek to engage with international labor recruiters to facilitate the ethical recruitment and enhance the labor migration outcomes of migrant workers. As of 2021, all relevant VF associates on the Factory Compliance and Sustainable Operations teams have completed trainings with the IOM regarding responsible recruitment best practices to better understand the vulnerabilities of migrant worker journey. The IOM also provided guidance on the development of VF's 'Supplier Guidelines for the Responsible Recruitment and Employment of Migrant Workers,' which align with the key principles of the Migrant Worker Guidelines, developed by the IOM's Corporate Responsibility in Eliminating Slavery and Trafficking (CREST) program. VF's engagement with leading experts in the field helped to lay the groundwork for the successful implementation of the YVM pilot program.

The YVM pilot program consisted of three main components: supplier facility management engagement, digital educational trainings and remote impact assessments. To establish a baseline, facility management was asked to complete supplier Self-Assessment Questionnaires (SAQ) before workers and supervisors participated in remote anonymous worker surveys and completed digital trainings on the fundamental components of worker rights and responsible recruitment. Additionally, throughout the pilot program, the VF Worker Rights team, in partnership with VF's Factory Compliance and Sustainable Operations departments, engaged frequently with participating facility management on the implementation and outcomes of the pilot program to gather feedback and communicate recommendations.

Based on the findings of virtual educational toolkits from VF's implementation partner, Quizrr, more than 5,000 facility employees, 59% of whom are female, were successfully trained throughout the duration of the pilot program. To expand the scope of the target group of workers reached through the program, training modules were translated into more than nine languages. Training quiz results showed that employees at nine of the 14 participating facilities scored an average of 80% or higher on comprehension of the content. Participant feedback noted that trainings were easy to use and that the audible feature elevated worker understanding when compared to text-based trainings.

For the supplier SAQ, VF partnered with Ulula on implementation at participating supplier facilities. Outcomes from the SAQ helped to detect potential gaps in the rights of migrant workers and increased engagement between facility management and the VF Worker Rights team. VF also partnered with Ulula on the implementation of two remote anonymous worker surveys, which served as baseline and endline assessments to determine the impact of the digital training. Both types of worker facility engagement tools were co-designed by the IOM, VF and Ulula. Participation was free, anonymous, virtual and made accessible via mobile phone interface, audio calls, WhatsApp and other platforms in 11 languages. Assessment results from Jordan and Thailand facilities showed that the majority of workers and supervisors surveyed were 'satisfied' or 'very satisfied' with both their recruitment process and current workplace experience. Aggregated facility-level data insights and targeted opportunities for improvement (e.g., freedom of movement, voluntary overtime) were identified by the assessments and shared with VF and facility management to be addressed following the pilot program.

Despite obstacles presented by the COVID-19 pandemic over the course of the program, VF considers the YVM pilot program a success based on the high-level of facility management engagement and recorded improvements in worker comprehension of responsible recruitment principles. Since the culmination of the YVM pilot program, several participating factories have also opted to renew their training licenses with Quizrr and will continue offering responsible recruitment trainings to their migrant workforces.

The YVM pilot program has helped to identify several areas for improvement that can be applied to future VF worker rights programs. Examples include 1) facility supervisor knowledge of worker rights and 2) facility management resistance to anonymous worker surveys.

1. Assessment results from several facilities showed that workers unexpectedly outperformed their supervisors on comprehension of responsible recruitment principles, identifying an area of improvement for both factories and in the development of VF training content. Moving forward, VF is placing further attention on suppliers' need to train supervisors regarding worker rights and responsibilities and will implement similar learnings from this pilot to support continuous improvement of the program.
2. Most participating facility management teams were highly engaged and supportive of the YVM pilot program. However, challenges occurred at a select number of facilities related to management engagement in the program, resulting in some facilities falling short of the required worker participation targets. Following the completion of the pilot program, the VF Worker Rights team has re-engaged these facilities and made participation in the program mandatory. The YVM anonymous worker surveys are being implemented again for those factories that did not meet the initial worker participation targets.

Additional key learnings from the pilot include a recognition that on-the-ground support by VF associates at factories is essential for successful program implementation and that cultural approaches to worker rights issues plays a critical role in achieving the desired programmatic outcomes.

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1 Black, J., 2021. *Global Migration Indicators 2021*. International Organization for Migration (IOM), Geneva, 28

2 "VF Responsible Recruitment and Anti Forced Labor Commitment," Commitment, VF Corporation, https://d1io3yog0oux5.cloudfront.net/vfc/files/pages/vfc/db/436/description/Responsible+Recruitment+and+Anti+Forced+Labor+Committment+.pdf.

3 Diez de Medina and Serajuddin, Statistics for SDG indicator 10.7.1, 3.