

## **RECRUITMENT FEES POLICY**

S&A Fresh Produce (UK) Limited is committed to ensuring no recruitment fees or related costs are paid by workers, and where evidence of fee-charging is discovered, effective remediation is ensured, including repayment.

We define recruitment fees and related costs according to the ILO Definition as set out in Appendix 1.

### **SCOPE**

This policy applies to the application, recruitment, and subsequent employment/engagement of any worker recruited by S&A and its business partners in the supply chain, including:

- Labour Providers
- Labour Recruiters
- Recruitment Intermediaries and sub-agents
- Organisations that provide services for workers during recruitment and employment, e.g. health centres, insurance providers, visa processing providers, travel agents, training providers, dormitory providers, translation agencies, accommodation agents and any other relevant business partners

S&A will include the principles and terms of implementation of this policy in all contracts and service level agreements with all supply chain business partners, with sanctions in case of violation.

### **POLICY PRINCIPLES**

- **Employer Pays Principle:** No worker should pay for a job – the costs of recruitment should be borne not by the worker but by the employer.
- **Remediation of Recruitment Fees:** If it is discovered that workers have paid recruitment fees effective remedy is ensured, including compensation, rehabilitation and satisfaction and guarantee of non-repetition as appropriate.

### **POLICY COMMITMENTS**

#### **Employer Pays Principle**

S&A and its business partners commit to:

- Directly paying recruitment fees or related costs where possible. Where not possible, or where the worker is legally required to pay a fee or cost directly, repaying the worker as soon as practicable.
- Ensuring effective systems are in place to maintain records demonstrating that all recruitment fees and related costs have been paid by our business and any business partners involved at every stage in the recruitment process and not by the worker.
- Ensuring recruitment fees or related costs are not charged directly or indirectly to workers. “Indirectly” in this context means not:
  - Charging workers for purportedly optional services, which are, in fact, integral to the recruitment process.
  - Making providing recruitment services conditional on the worker using other services or hiring or purchasing goods supplied by the recruiter/employer or any person connected.
- Not charging back or accepting reimbursement from workers to recover any fees in the recruitment or hiring of the worker.
- Ensuring that any expenses payable by workers that are not included in the definition of recruitment fees

or related costs, comply with legal requirements, reflect fair market value, are itemised, and are specified and explained to workers.

- Ensuring that contracts, offer letters, or any other types of communication with workers clearly state that recruitment fees and related costs will not be charged to them.
- Ensuring that all public communications, including our website and job advertisements, clearly indicate our commitment to the Employer Pays Principle and Remediation of Recruitment Fees and advocate for wider adoption of this approach amongst business networks.
- Ensuring that our staff are trained, aware of and implement our commitment to this policy.
- Providing full transparency of our labour supply chain to customers, including written details of any business partners that may be used and the terms of engagement in place.
- Undertaking our own due diligence to ensure responsible recruitment throughout our labour supply chain.
- Ensuring contracts, service level agreements, tender documents and guidance documents for business partners contain clear requirements in line with this policy that they and their sub-contractors/agents must conform to and sanctions in case of violation.
- Working collaboratively with business partners to agree on a commercial charge rate that demonstrably covers the full costs of recruitment, including the cost of processing applications, interviewing, worker documentation, worker assessment, placement, orientation, training, and travel to the destination country in case of migrant workers recruited in the country of origin. *See Appendix 2.*
- Reviewing purchasing practices to ensure there is no unintended impact on charging of recruitment fees such as short lead times, short-term contracts, sudden changes in workload, poor labour planning or unsustainable purchase prices.
- Engaging with recognised worker representative and civil society organisations to identify and map recruitment fees and support remediation, where applicable.
- Terminating contracts with any business partners where there has been a gross violation of terms and explicit intent to exploit workers after ensuring workers will not be negatively impacted by this termination.

## Remediation of Recruitment Fees

S&A and business partners commit to:

- Regularly interviewing a sample of workers, jobseekers, and staff confidentially and anonymously to identify cases where workers have paid recruitment fees or related costs.
- Providing effective grievance mechanisms to support workers, staff, business partners and other stakeholders to confidentially report violations of this policy. These include:
  - Open Door Policy; Informal complaint lodged with direct supervisor, a member of the management team or the HR team
  - SLO; All sites have a staff liaison officer to share comments, improvements, suggestions and concerns
  - Worker Forums; held monthly across all our sites, chaired by a member of the HR team
  - Whistle B; Whistleblowing service available on the Self-Service portal or typing the following link into a smart phone or browser - <https://report.whistleb.com/sagroup>.
  - Supplier Helplines; all numbers are on notice boards across the sites.
  - National Crime Agency 0370 496 7622
  - Modern Slavery Helpline on 08000 121 700
  - Police 101

- Where payment of recruitment fees by current or ex workers has been identified:
  - Ensuring the process of repayment includes, but is not limited to:
    - Conducting a thorough investigation to determine who is responsible for the violation and whether this was within reasonable due diligence control.
    - Gathering all available evidence relating to the charging of recruitment fees.
    - Securing an agreement between all relevant parties (business partners, worker representatives, affected worker(s)) on the fee repayment amount to be reimbursed which reflects the actual value of money originally paid by the worker considering interest, inflation, exchange rate and opportunity cost.
    - Ensuring the reimbursement of the agreed amount within an agreed timeframe.
    - Treating wilful staff breaches of this policy as misconduct and manage such cases consistently and proportionately.
  - Providing other appropriate remedies to the workers impacted, including seeking judicial restitution for any crimes, seeking support for the rehabilitation of victims harmed, and guarantee of non-repetition, this may include, where appropriate, referring affected workers to support organisations.
  - Recording the outcomes of any investigation and remediation as part of a management systems approach.
- Where the payment of recruitment fees by workers was within the due diligence control of relevant business partners, holding them commercially liable for their own violations.
- Where the payment of recruitment fees by workers was, in the reasonable determination of the relevant business partner(s), not within its due diligence control (for example where hidden actors are charging workers recruitment fees), working in partnership with the relevant partners to ensure remediation. This may include, but is not limited to:
  - Using joint leverage to seek judicial restitution for illegal fee charging.
  - Using joint leverage to seek compensation from civil procedures where workers are victims of crimes.
  - Contributing to programmes and collaborative projects to address systemic issues of fee-charging and drive out worker exploitation in relevant industries/countries.
  - Where possible, sharing the burden of reimbursing recruitment fees where civil compensation is not available.
  - Seeking to develop a contingency fund for remediation, which can be drawn on when other routes to repay workers (e.g. commercial terms, leverage or judicial mechanisms) have been exhausted.

## ACCOUNTABILITY

The Board of Directors has the responsibility to oversee the implementation of this policy among the business. As part of the implementation, they are required to:

- Oversee all the necessary activities to uphold our business commitment.
- Support and train relevant staff to implement the policy.
- Communicate the principles and terms of implementation of this policy.
- Carry out appropriate labour supply chain due diligence.
- Investigate and identify remedies for suspected or identified cases.
- Monitor, review and improve this policy regularly.



**Appendix 1**  
**ILO Definition of recruitment fees and related costs**

According to the International Labour Organization (ILO):

The terms 'recruitment fees' or 'related costs' refer to any fees or costs incurred in the recruitment process in order for workers to secure employment or placement, regardless of the manner, timing or location of their imposition or collection.

Recruitment fees or related costs should not be collected from workers by an employer, their subsidiaries, labour recruiters or other third parties providing related services. Fees or related costs should not be collected directly or indirectly, such as through deductions from wages and benefits.

The recruitment fees and related costs considered under this definition should not lead to direct or indirect discrimination between workers who have the right to freedom of movement for the purpose of employment, within the framework of regional economic integration areas.

**A. RECRUITMENT FEES**

Recruitment fees include:

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

These fees may be one-time or recurring and cover recruiting, referral and placement services which could include advertising, disseminating information, arranging interviews, submitting documents for government clearances, confirming credentials, organizing travel and transportation, and placement into employment.

**B. RELATED COSTS**

Related costs are expenses integral to recruitment and placement within or across national borders, taking into account that the widest set of related costs are incurred for international recruitment. These costs are listed below and may apply to both national and international recruitment. Depending on the recruitment process and the context, these cost categories could be further developed by the governments and the social partners at the national level. It is recognized that the competent authority has flexibility to determine exceptions to their applicability, consistent with relevant international labour standards, through national regulations, and after consulting the most representative organizations of workers and employers. Such exceptions should be considered subject, but not limited, to the following conditions:

- i. they are in the interest of the workers concerned; and
- ii. they are limited to certain categories of workers and specified types of services; and
- iii. the corresponding related costs are disclosed to the worker before the job is accepted.



When initiated by an employer, labour recruiter or an agent acting on behalf of those parties; required to secure access to employment or placement; or imposed during the recruitment process, the following costs should be considered related to the recruitment process:

- i. Medical costs: payments for medical examinations, tests or vaccinations;
- ii. Insurance costs: costs to insure the lives, health and safety of workers, including enrollment in migrant welfare funds;
- iii. Costs for skills and qualification tests: costs to verify workers' language proficiency and level of skills and qualifications, as well as for location-specific credentialing, certification or licensing;
- iv. Costs for training and orientation: expenses for required trainings, including on-site job orientation and pre-departure or post-arrival orientation of newly recruited workers;
- v. Equipment costs: costs for tools, uniforms, safety gear, and other equipment needed to perform assigned work safely and effectively;
- vi. Travel and lodging costs: expenses incurred for travel, lodging and subsistence within or across national borders in the recruitment process, including for training, interviews, consular appointments, relocation, and return or repatriation;
- vii. Administrative costs: application and service fees that are required for the sole purpose of fulfilling the recruitment process. These could include fees for representation and services aimed at preparing, obtaining or legalizing workers' employment contracts, identity documents, passports, visas, background checks, security and exit clearances, banking services, and work and residence permits.

Enumeration of related costs in this definition is generalized and not exhaustive. Other related costs required as a condition of recruitment could also be prohibited.

These costs should be regulated in ways to respect the principle of equality of treatment for both national and migrant workers.

### **C. ILLEGITIMATE, UNREASONABLE AND UNDISCLOSED COSTS**

Extra-contractual, undisclosed, inflated or illicit costs are never legitimate. Anti-bribery and anti-corruption regulation should be complied with at all times and at any stage of the recruitment process. Examples of such illegitimate costs include: bribes, tributes, extortion or kickback payments, bonds, illicit cost-recovery fees and collaterals required by any actor in the recruitment chain.



**Template to calculate recruitment fees and related costs for the supply of workers**

This template document is intended for labour users and labour providers/recruiters to collaboratively agree on a commercially sustainable charge which covers the costs of all recruitment fees, so these are not passed on to workers. This charge will differ for each sourcing country, as each country will have its own unique costs for legally required fees such as documentation and pre-deployment medical exams. Itemising these costs transparently will:

- Support labour users to budget accordingly for the true/legitimate recruitment costs.
- Support labour providers/recruiters to run a sustainable business model without the need to push costs down to workers.
- Provide labour users with an inventory of fees for which documentary evidence should be available from the labour provider/recruiter to demonstrate they have paid these costs or reimbursed workers for them. Brands, retailers, and third-party auditors could also verify this inventory and documentary evidence through desk-based audits, site visits and social compliance audits.
- Provide labour users with an inventory of fees and related costs, which they can go through with workers in interviews to confirm that they have not paid these fees, or have been reimbursed for them, and have not paid any additional fees or charges that have not been itemised.

**Template table to calculate recruitment fees for the supply of workers**

Template table to calculate recruitment fees for the supply of workers				
<b>Labour user</b>				
<b>Labour Provider/Recruiter</b>				
<b>Date of the recruitment campaign</b>				
<b>Sourcing country or city</b>				
<b>Number of workers</b>				
	Nature of fee and numeric code	Cost per worker	Paid directly or reimbursed?	Receipt attached?
1. General overhead, processing, advertising and sourcing costs				
2. Pre-departure				
3. In-transit				
4. On-arrival				
5. During employment				
6. End of employment				
7. Sub-agents used				
8. Labour provider overheads and net margin				
	<b>TOTAL</b>			