

Statement of Principles on Responsible Recruitment in Global Supply Chains

Background

Walmart's Standards for Suppliers are the foundation of Walmart's Responsible Sourcing program. The Standards are based on Walmart's values, including Respect for the Individual. One way Responsible Sourcing implements this principle is by promoting the dignity of workers. Responsible Sourcing is addressing worker dignity—in part—through efforts to mitigate risks of involuntary labor in global supply chains. This includes its effort to promote the use of responsible recruitment practices through the Employer Pays Principle.

Foreign migrant workers in particular may be vulnerable to involuntary labor conditions when they pay for a job or incur high fees in the course of attempting to obtain employment. We believe that when employers in the supply chain implement and adhere to the Employer Pays Principle it will reduce the potential that foreign migrant workers end up in situations that may constitute involuntary labor.

Walmart is proud to be a member of organizations advancing the Employer Pays Principle and responsible recruitment more generally, including the [Consumer Goods Forum](#) and the [Leadership Group for Responsible Recruitment](#).

What is the Employer Pays Principle?

The Employer Pays Principle means that workers should not pay for a job and that the costs of recruitment should be borne not by the worker but by the employer. Costs of recruitment include fees incurred to obtain a specific job and do not include fees customarily incurred to prepare for employment generally. Foreign migrant workers should not be charged any fee unless it is generally recognized as an acceptable fee to be paid by foreign recruited workers.

Walmart and the Employer Pays Principle

Walmart expects suppliers to:

- Comply with all relevant laws regarding the recruitment, hiring and transport of foreign migrant workers, and use facilities that meet these requirements in their supply chains
- Comply with Walmart's Standards for Suppliers, including not charging vulnerable workers recruitment or similar fees
- Adopt and enforce the Employer Pays Principle throughout their supply chain, including cascading it to agents or brokers used to hire foreign migrant workers
- When utilizing labor agents, use agents that adhere to the Employer Pays Principle. In addition to directly supporting the principle by securing responsibly sourced workers, this increases overall demand for agents that use responsible recruitment and responsibly recruited workers

- Work with facilities in their supply chains to implement a process to interview foreign migrant workers upon arrival to determine whether they incurred any fees that should be paid by the employer or labor broker. The process should provide a mechanism to reimburse workers in a timely manner if fees were paid by a foreign migrant worker are not consistent with the Employer Pays Principle

Walmart Implements the Employer Pays Principle by:

- Providing training resources for suppliers and factories to learn about how to address challenging issues in their supply chains including mitigating risks of involuntary labor
- Reviewing social compliance audits for indications that foreign migrant workers were charged fees, and review allegations that suppliers have charged worker fees
- Benchmarking with NGOs, other companies and social compliance programs
- Influencing social compliance programs to embed the Employer Pays Principle into their audit protocols
- Engaging with other stakeholder groups on issues related to responsible recruitment
- Inspiring others to embrace the Employer Pays Principle in order to increase the demand for workers that are recruited responsibly