



# COLUMBIA SPORTSWEAR COMPANY(CSC) FOREIGN MIGRANT WORKER POLICY

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## CSC's Commitment Statement and Objective

At Columbia Sportswear Company (CSC), we value, expect and promote fair and ethical treatment of people and are committed to assuring that the partners with whom we do business share these values. Our Standards of Manufacturing Practices (SMP) (also known as our Code of Conduct) outlines our expectations in eight core areas: Forced Labor, Child Labor, Harassment or Abuse, Nondiscrimination, Freedom of Association, Compensation, Employment Relationship, Hours of Work, Health and Safety, Environment, Ethical Conduct, Documentation and Inspection.

Regarding our forced labor standard, CSC is committed to eradicating all forms of human trafficking and forced labor in our company's supply chain. Recognizing that the most vulnerable groups are migrant workers who have traveled from another country to obtain employment, we have established a set of standards based upon ILO Core Conventions, internationally recognized principles and industry best practices that we require our supplier partners to adhere to in order to offer the greatest protection to this class of workers.

We acknowledge that reaching and maintaining these standards is a long-term and ongoing commitment by our supply chain partners. CSC will encourage and support our supply chain partners toward continuous and sustainable improvement over time. Furthermore, we will seek partnerships with key stakeholders such as government, NGO's and local communities in order to make system-wide change that will have an impact beyond our supply chain.

## Scope and Definitions

This Foreign Migrant Worker Standard applies to all CSC Suppliers and Supplier facilities globally that employ migrant contract workers, their sub-contractors, and their next-tier Suppliers (each referred to herein as a "Supplier" and collectively "Suppliers") producing goods for CSC or for use in CSC products.

- **Due diligence** is a comprehensive investigation of a business or person prior to signing a contract, concerning the organization's ability to offer a certain standard of care regarding a specific product or service.
- A **foreign migrant worker** is an individual that migrates from his or her home country to another country for specific purposes of employment. An **intra-country migrant worker** is an individual that migrates from his or her home province or state within a country to another province or state for specific purposes of employment. For purposes of this document, we are focusing on foreign migrant workers.
- **Recruitment agents** shall mean private employment agencies (PEA), labor recruiters, labor brokers, and any other third parties involved in the recruitment, selection, hiring,

transportation, and/or in some cases management of foreign migrant workers in either sending or receiving countries.

- **Sub-agents** are any third parties used by a recruitment agent to help facilitate the recruitment, selection, hiring, and/or transportation of foreign migrant workers.
- **Sending country** is the foreign migrant worker's country of origin and citizenship.
- **Receiving country** is the country where the Supplier's facility or business operation is located and where the foreign migrant worker is working.
- **Native language** is the language of the foreign migrant worker's country of origin or a language that the foreign migrant worker speaks and understands.
- **Human trafficking** is the recruitment and transportation of people from one place to another, or one country to another by use of deception, threat or force for the purposes of exploitation, including forced labour. (cite)
- A **Supplier** is a person or company that CSC does business with directly or indirectly, that provides goods and/or services that contributes to the development process and/or completion of a product that is sold to our consumer; for example, they could produce finished goods, produce and deliver raw materials, partially assembled components, custom parts, or any consumable supplies or services.

## CSC's Standard and Expectation

This section details the standards for the ethical and fair employment of foreign migrant workers. The Supplier is responsible for ensuring that these standards are met for its company, subcontractors and for the companies that it hires to recruit and employ foreign migrant workers.

We recognize that some of the standards listed herein exceed many countries' national laws or cover elements that are not legislated. When this is the case, we expect that the Supplier will comply with the CSC standard. In any cases where there may be a conflict of standards, the Supplier will comply with the standard that offers the most benefit and protection to the worker. If a situation arises where this may be unclear, the Supplier is asked to contact CSC's Social Responsibility department.

### Supplier Migrant Worker Policy

- Supplier should have a written policy regarding its treatment of foreign migrant workers.
- The policy should, at a minimum, include the requirements of fair treatment, payment of employment eligibility fees, payment of transportation costs, repatriation and any requirements under country law. The Supplier must effectively communicate its migrant worker policy to its migrant worker employees so that they are aware of their rights under the policy. And the Supplier shall train its staff responsible for implementing and enforcing its migrant worker policy regarding their roles and responsibilities.
  - Fair treatment of foreign migrant workers means they should be treated equally with that of local workers except where specified by law. This typically includes pay equity

(the same wage rate for the same job), equal opportunity for bonuses, regular and overtime hours, shift arrangements, holidays, insurance and any other benefits, except where different pay provisions and benefits are mandated by local law.

- Supplier's policy should include accommodating for communication in migrant worker's local language, including but not limited to providing all policies and procedures and posting all required documents in the foreign migrant workers' native language, ability to submit grievances in local language, as well as providing a translator if and when it is needed.
- Supplier shall implement a non-retaliation policy that prohibits reprisals against workers, which should include but is not limited to: information provided on recruitment fees or expenses paid by them during the recruitment, selection, hiring, or employment processes; and reporting grievances.
- At a minimum, the Supplier's policy or code of conduct shall meet or exceed the standards included in this document.

#### **Forced or Involuntary Labor**

- As outlined in CSC's SMP: Supplier must not use forced labor, whether in the form of prison, indentured, slave, bonded, trafficked or any other form of compulsory labor.
- Foreign migrant workers (or their family members) shall not be threatened with denunciation to authorities to coerce them into taking up employment or preventing them from voluntarily terminating their employment, at any time, without penalty.

#### **Third Party Labor Brokers**

- Suppliers are encouraged to hire and employ foreign migrant workers directly, minimizing the use of labor agents and other third parties in the recruitment and management of foreign migrant workers.
- The Supplier must use legally approved/registered labor agencies in accordance with country law (where applicable).
- Suppliers shall conduct proper due diligence on recruitment agents and sub-agents prior to their engagement. Such due diligence shall evaluate the recruitment agent's legal status, ethical practices, any record of penalties or complaints, and their ability to fulfill all Supplier's requirements as well as meeting the specifications of this standard and CSC's SMP.

#### **Fees and Expenses**

- Foreign migrant workers shall not be required to pay for their employment. The costs and fees associated with recruitment, travel and processing of foreign migrant workers shall be covered by the Supplier.
- Suppliers should pay the costs of recruitment directly to the extent possible. When not possible, or where the migrant worker is legally required to pay a fee or cost directly, the migrant worker shall be reimbursed by the Supplier as soon as practicable upon arrival, but no later than one month after the worker's arrival in the receiving country.
- Suppliers must not require a deposit or entry fee or hold earned wages as a deposit.

- Supplier paycheck deductions: If Supplier pays for any transportation or fees not listed above or that are required by law that should be covered by foreign migrant workers, the Supplier must provide proof of payment if deducting from workers' paycheck.

### **Contracts**

- Employment contracts shall be provided to foreign migrant workers for review in their native language in advance of their departure from the sending country, region, province or state. Contracts must be signed voluntarily and may not be provided to foreign migrant workers for signature at the airport.
  - For illiterate foreign migrant workers the contract terms and conditions shall be verbally explained in their native language prior to signing the contract.
- Supplier should ensure that employees understand and agree to the terms and conditions listed on the contract before leaving home country, region, province or state.
- Supplier should ensure employees are provided with a signed copy of their employment contract in their native language prior to their departure from the sending country.
- All employment contracts shall include required information according to local law as well as minimum requirements of this standard outlined in appendix 2.

### **Arrival Orientation**

- Supplier shall implement a process to ensure that every migrant worker attends a comprehensive orientation in a language they understand after arrival in the receiving country, region, province or state and before they commence work.
- The orientation shall be conducted by the Supplier at the workplace, and should include orientation on CSC's SMP and Supplier's human resources management policies and procedures, labor broker policies, health & safety requirements including exit routes in case of fire or other emergencies, and any other job related requirements necessary to their role prior to commencing their employment.

### **Identity Documents**

- Workers shall retain possession and control of their personal identity documents, such as passports, identity papers, travel documents, and other personal legal documents at all times. The only permitted exception is after workers' arrival in the receiving country where there is a short term need to make original identify documents available to government agencies for the processing of visas, work permits or other legally mandated purposes.
- Supplier shall not require surrender of original identity documents, withhold identity documents, or restrict workers' access to their identity documents under any circumstances.
- Supplier may obtain and retain copies of workers' original identity documents.
- Third party recruiters, employment agents, and labor brokers are expressly prohibited from holding workers personal identity documents.
- Supplier shall provide each migrant worker with individual secure storage for identity documents, such as passports, identity papers, travel documents, and other personal legal documents. Storage shall be freely and immediately accessible to foreign migrant workers at



all times. Storage shall be accessible to foreign migrant workers without assistance and there shall be no barriers to access. Storage shall be lockable, fire-resistant, water-resistant, and secured against unauthorized access.

### **Discrimination**

- Suppliers should treat all workers fairly and equally in the workplace, irrespective of their nationality or employment status, consistent with CSC's SMP Nondiscrimination standard: Supplier must not subject any person to any discrimination in employment, including in hiring, salary, benefits, advancement, discipline, termination or retirement on the basis of race, religion, gender, marital status, capacity to bear children, age, disability, sexual orientation, nationality, political opinion, social or ethnic origin or other status of the individual unrelated to the ability to perform the job.
- Foreign migrant workers shall not be subject to any discrimination in any aspect of the employment relationship including recruitment, hiring, compensation, benefits, work assignments, access to training, advancement, discipline or termination.
- Foreign migrant workers shall be provided terms and conditions of employment that are no less favorable than those available to receiving country nationals.

### **Compensation**

- Foreign migrant workers shall be compensated at the same rates for the same work as local workers, and be compensated according to CSC's SMP Compensation Standard: Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Supplier must pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any benefits required by law. Supplier must also provide employees with a clear written accounting for every pay period and must not deduct or withhold wages or benefits for disciplinary infractions. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with CSC to take appropriate actions that seek to progressively realize a level of compensation that does.
- Foreign migrant workers shall be paid directly by the Supplier. They may not be paid by/via a third party.
- Foreign migrant workers shall be provided a pay slip with appropriate details to understand the basis on which they are compensated. This shall include separate itemization for overtime, bonuses, deductions and other components of wages.
- Pay slips shall be provided in the foreign migrant worker's native language, or the worker shall be provided a key to enable them to translate the itemization.

### **Hours of Work**

- Foreign migrant workers shall be subject to the same requirements in relation to working hour limits and voluntary overtime as local workers, consistent with CSC's SMP Hours of Work Standard: Supplier must not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The

regular work week shall not exceed 48 hours; other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours. Supplier must allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Supplier must not request overtime on a regular basis and shall compensate all overtime work at a premium rate.

- Foreign migrant workers must not be targeted specifically for overtime work or threatened with forcible return home or other punishments if they do not work overtime.

### **Freedom of Movement**

- Foreign migrant workers shall not be unreasonably restricted in their movements including during working hours to access drinking water and toilets, to leave the facility during meal breaks or from Supplier provided accommodations unless there are legitimate security concerns or where required by law. Any such restrictions should be clearly specified in the employment contract and should be applied equally to both local and migrant workers.
- Foreign migrant workers shall be free to return home during leave, without having to pay any form of deposit, and free from threat of termination or other penalty.

### **Freedom of Association**

- Foreign migrant workers shall be subject to the same freedom of association allowances as local workers, consistent with CSC's SMP Freedom of Association and Collective Bargaining Standard: Supplier must recognize and respect the right of employees to associate, organize and bargain collectively. Where the right to freedom of association and collective bargaining is restricted under law, the supplier allows the development of parallel means for independent and free association and bargaining

### **Harassment and Abuse**

- Suppliers shall ensure that foreign migrant workers are treated ethically and humanely, consistent with CSC's SMP Standard: Supplier must treat all employees with respect and provide work environments that are free of physical, sexual, psychological and verbal harassment and abuse, retribution for grievances, and corporal punishment.

### **Grievance Policy**

- Suppliers shall have effective, confidential grievance mechanisms, available in the migrant worker's native language, and shall ensure that workers can raise issues without intimidation or fear of retaliation. Such mechanisms should also include the ability to report issues anonymously if desired, unless restricted by law.
- No retaliation shall be taken against foreign migrant workers who report issues in good faith.
- Suppliers shall have procedures in place to respond to and address issues in a prompt manner. The resolution of issues will be reported back to workers. Workers who disagree with how a grievance is resolved shall be given the opportunity to appeal the decision.

### **Worker Accommodation**

- Where Suppliers provide accommodations for foreign migrant workers, they shall be safe, hygienic, and well maintained with access to potable water, clean toilet facilities, sanitary food preparation areas (if applicable), appropriate emergency exits, fire suppression and notification equipment, clean bathing / showering facilities, adequate heat and ventilation, reasonable personal space, and secure storage. Such accommodations shall meet or exceed host country housing and safety standards.
- Foreign migrant workers shall also be provided with safe transportation between their accommodations and place of work where applicable.
- Food provided to workers shall be prepared, stored, and served in a safe and sanitary manner and at a minimum, meet receiving country laws and regulations. Sanitary or health licenses, permits, and inspection records shall be maintained and posted in accordance with receiving country laws and regulations.

### **Repatriation**

- Suppliers shall pay legally or contractually required return transportations costs for workers (airfare, taxes, exit fees and/or any other related employment costs) upon completion of an employment contract
- Should a Supplier need to terminate a worker's contract early due to downsizing, facility closure, or other related event, the Supplier shall pay the cost of return transportation to the worker's home country. Alternatively, if other legal employment opportunities are available in the receiving country and the worker wishes to take such employment instead of returning home then they may do so.
- Transportation costs either to the receiving country or return costs to the sending country are not required to be paid by the Supplier for foreign migrant workers already within the receiving country at time of hire with valid working documents. Additionally, return transportation costs are not required to be paid by the Supplier if the migrant worker finds alternative legal employment in the receiving country upon completion of the employment contract.
- Suppliers should consider providing for transportation costs if a migrant worker terminates his or her contract early due to unforeseen circumstances such as family emergency or critical illness.
- If a migrant worker does not give required notice the Supplier may charge penalty as per local law. Exemptions from payment in lieu of notice:
  - Termination for cause, through proper discipline and termination procedures
- The Supplier should consider waiving the notice period requirements if the worker requests early contract termination due to family emergencies, health reasons, or other legitimate uncontrollable events.
- Supplier shall not penalize foreign migrant workers for voluntarily terminating their employment contracts at any time. Examples of penalties include, but are not limited to, withholding of wages, bonuses, or allowances already earned, early termination fines or deductions, or the forfeiture of lawful deposits or savings accounts.



## **Appendix 1: Resources and Guidance**

- Legal References:
  - ILO Convention No. 29, Concerning Forced Labor (1930)
  - ILO Convention No. 105, Abolition of Forced Labor Convention (1957)
  - ILO Convention No. 181, Private Employment Agencies Convention (1997)
  - Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children (Trafficking Protocol) (2000)
  - The Trafficking Victims Protection Act, 22 USC §7101 (2000)
  - United Nations, International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families 1990
  - United Nations Global Compact, Addressing the Retention of Identity Documents, 2013
  - United Nations Global Compact, Principle 4 (Forced and Compulsory Labour), 2009
  
- Guidebooks and best practices for managing Foreign Migrant Workers:
  - US Department of State's Responsible Sourcing Tool
    - [https://www.responsiblesourcingtool.org/uploads/tool/file/2/Tool\\_01A.pdf](https://www.responsiblesourcingtool.org/uploads/tool/file/2/Tool_01A.pdf)
  - Business for Social Responsibility's (BSR) Migrant Worker Management Toolkit: A Global Framework, 2010
  - ILO's International Labour Standards on Migrant Workers' Rights
  - Verité's Fair Hiring Toolkit: <http://helpwanted.verite.org/helpwanted/toolkit>
  - Manpower Group and Verité, Ethical Framework for Cross Border Labor Recruitment 2012
  - Hewlett Packard's – Migrant Worker Policy Guidance
    - A good tool for guidance on transitioning to:
      - Direct Employment
      - "Supplier Pays" Recruitment Fees Model
      - Workers holding their own documents
      - Managing recruitment agents
  - Patagonia's Migrant Worker Employment Standards & Implementation Guidance Toolkit:
    - Sample Labor Broker Audit Checklist
    - Newly Arrived Migrant Worker Interview Checklist
    - Migrant Worker Employment Standards Implementation Checklist
  - Institute for Human Rights and Business, Dhaka Principles for Migration with Dignity 2012
  - Sedex, Supplier Workbook, Part 1, 2013
  - The Fair Labor Association, Enhancing the FLA Workplace Code of Conduct and Compliance Benchmarks, 2011

## ***Appendix 2: Required Information in Contracts***

Contracts should include country-required information, as well as at minimum:

- Name and address of the Supplier (the employer)
- Worker's full name
- Worker's date of birth
- Work start date and duration of contract
- Contract termination requirements including notice period not to exceed 1 month, or less per local law
- Contract renewal provisions
- Description of the location and nature of work to be performed
- Regular wage rate
- Overtime and holiday rates
- Regular work hours and shifts
- Anticipated overtime hours with total working hours not to exceed 60 hours per week or local law, whichever is lower
- Estimated minimum net pay per month
- Method and frequency of wage payment
- Any bonuses and conditions for earning them
- Any allowances
- Full listing of any and all deductions including specifications of the type and amount of each deduction and which, if any, are optional
- Description of additional benefits including medical insurance coverage, accident/injury insurance, holidays, annual leave, sick leave, and/or any other applicable benefits (some details may be included in employee handbook or other policy documents)