



Questions for investors to guide risk assessment and stewardship on ethical recruitment

To identify risks of unethical recruitment and forced labor, investment firms can ask portfolio companies this set of questions before and throughout the investment relationship:

1. Are migrant workers employed in your company's operations and/or in your company's supply or value chains?

2. What are the steps involved in recruiting those migrant workers, and are recruitment agents part of the process?

3. What party pays the recruitment fees and related costs associated with recruiting migrant workers?

- If migrant workers pay: What steps have your company taken to change policies to prohibit such fees, repay previously recruited workers, and ensure that newly hired workers do not pay?

- If another entity, like a supplier, pays: What documentation and assurances confirm that migrant workers did not bear recruitment costs? (Examples include receipts of payment by suppliers and assessments by a local labor union that has independent access to the workers.)

4. How does your company determine whether migrant workers in your supply or value chains paid recruitment fees or related costs, or were deceived in the recruitment process?

- If no such processes are in place (examples include employee training and effective grievance mechanisms): What is the timeline for the development and implementation of those processes?