

TO:



# COMMUNICATION ON PROGRESS

THE UNITED NATIONS GLOBAL COMPACT  
FEBRUARY 2019

GLOBAL WORKFORCE SOLUTIONS  
UNLOCKING HUMAN POTENTIAL ENABLING SUCCESS



## **LETTER FROM THE CEO: MESSAGE TO OUR STAKEHOLDERS / FEBRUARY 2019**

FSI has continued to establish ethical recruitment initiatives in new sectors in the GCC and also in the United Kingdom. FSI is also developing a strong alliance of business and other stakeholders in the UK, US and the GCC to help increase the demand for workers deployed under the protection of a FairLabour model.

FSI has signed a partnership agreement with a GCC group of companies for the delivery of facilities management and security services in the region in 2019. This will mark significant progress in our strategy to scale up our FairLabour services in this important market.

We have been in discussions with the States of Jersey in the Channel Islands and are likely to be providing personnel from both Nepal and Kenya to work on temporary permits in the hospitality and agriculture industries. This is an exciting new market for FSI that has been opened up directly because of our FairLabour model. Once the Jersey project has been successful we may see this leading to the provision of personnel on temporary work permits from multiple source countries into the wider UK.

FSI has partnered with Global Agricultural Holdings to provide innovative technological agriculture solutions combined with FairLabour to enhance food security and ethical job creation in new markets in the GCC, Nepal and other markets.

FSI working in partnership with Ethical Innovations has managed to secure support for the establishment of a Not-for-Profit organisation called the FairLabour Alliance which will provide actionable advice for businesses who are committed to addressing exploitation and debt bondage in their labour supply chains.

In 2019, we will increase the engagement of impact investment partners to scale-up FSI's ethical recruitment capability across the GCC and within US Federal Labour Supply Chains.


FSI continues to invest in establishing source country training initiatives to provide high quality skills training to candidates keen to access employment with FairLabour employers.

Furthermore I am pleased to confirm that the FSI Worldwide Group reaffirms its continued support of the Ten Principles of the Global Compact on human rights, labour, environment and anti-corruption. We are committed to continue to make the Global Compact and its principles part of the strategy and ethos of our company.

A key requirement for participation in the Global Compact is the submission of a Communication on Progress that sets out FSI's efforts to implement the Ten Principles. FSI commits to do this annually and thereby record our involvement and improvements in attaining and maintaining the Ten Principles transparently.

FSI is also committed in sharing this information with its stakeholders using its primary channels of communications.

Yours sincerely



**Tristan Forster**  
Founder and CEO FSI Worldwide Group

# INTRODUCTION

FSI Worldwide (FSI) is an award-winning Global Workforce Solutions Company. It was founded in 2006 in response to widely corrupt and illegal recruitment practices to provide an ethically sound and commercially sustainable recruitment and management solution for former military personnel migrating for work from South Asia into the post-conflict environments of Iraq and Afghanistan. It has since broadened the scope of the business to include all categories of migrant workers from multiple source countries into various sectors including construction, manufacturing, agriculture, facilities management, hospitality and catering.

FSI used its indepth understanding of both the exploitation faced by workers which include, but are not limited to; fraudulent documentation, extortionate demands for payment and deception ahead of worker value and effectiveness, and the challenges faced by recruitment companies and employers in delivering ethical recruitment to develop its own ethical FairLabour recruitment model. This pioneering FairLabour model brings together a complex set of processes and infrastructure in both source countries and destination countries, which cut out the risk of external agents corrupting the recruitment process, ensuring all

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personnel are protected from paying fees and free from exploitation, whilst enabling FSI to recruit, train, mobilise, and manage workers to a very high ethical and quality standard.

FSI has recruitment and training operations to multiple source countries. To date, it has helped over 10,000 vulnerable people move from conditions of modern day slavery into decent work, an achievement that was recognised with the UN Business Leaders' Award in 2013.

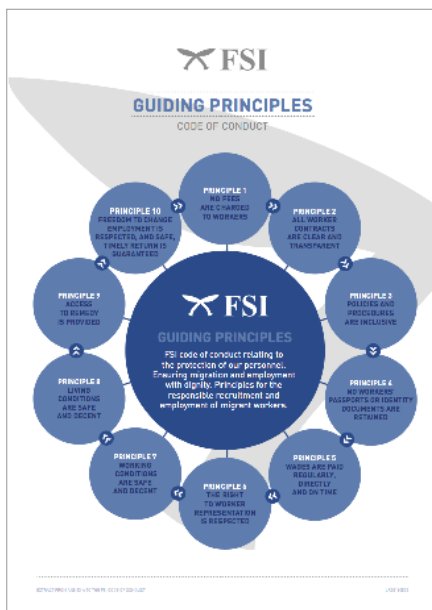
# INTRODUCTION

Illustration demonstrating FSI's unique and wholly owned ethical staffing system:



# CONTENTS:

HUMAN RIGHTS  
LABOUR  
ENVIRONMENTAL  
ANTI-CORRUPTION



Posters from the series that form part of FSI's Code of Conduct and Guiding Principles.

## HUMAN RIGHTS PRINCIPLES ASSESSMENT, POLICY AND GOALS

FSI was founded on the ethos that investing in people and protecting vulnerable migrant workforces from exploitation is an imperative both from a human rights perspective and a business one. The core values of FSI's FairLabour recruitment model wholly commits it to respecting and promoting the Universal Declaration of Human Rights, which aligns its practice with the Global Compact principles. Its world class services provide businesses with the highest standards and enhance business productivity, whilst more widely creating a value for ethical recruitment.

In stark contrast to FSI's pioneering FairLabour model is the widespread practice of debt bondage, which blights the lives of migrant workers the world over by forcing them into punitive financial arrangements with agents and deploying workers without any relevant experience or skills training.

The ILO estimates that there are 21 million people globally in forced labour, however it is recognised that many more than this suffer from debt bondage and the associated exploitation, which it calls modern day slavery.

FSI's guiding principles and Code of Conduct encompass The Universal

Declaration of Human Rights and are more specifically based on:

- The UN's Guiding Principles,
- ILO Operational Principles and Guidelines,
- ILO Convention 181,
- Dhaka Principles,
- Palermo Protocol,
- The Verité Framework for Ethical Recruitment.
- The IOM IRIS Principles

FSI's vision and values take from all of the above and systematic adherence is applied to its Code of Conduct in all of its operations, procedures, processes and practice. FSI places great importance on integrity, honesty, transparency and



accountability, taking responsibility to ensure both the protection of those recruited by FSI and respect in all employee engagement. FSI invests in due diligence of partners, clients and suppliers before briefing them extensively on its guiding principles and Code of Conduct and informs them of the need to comply to its high ethical standards. Additionally, FSI integrates internal and external audit mechanisms to ensure compliance. FSI looks to working transparently with clients in both conception and execution of projects, understanding that this promotes both effectiveness and value. FSI is passionate about providing satisfying employment with dignity to the people that it recruits and manages, whilst being committed to supporting its clients and colleagues. FSI's leadership role in ethical recruitment requires it to regularly and proactively review and develop its policies, processes and implementation, ensuring full compliance of human rights across the organisation at all times. FSI employs a range of mechanisms to safeguard adherence to its Code of Conduct; including internal and external audits, use of an independent violation reporting hotline service called Safecall, through rights training for recruits and clients and the use of state-of-the-art lie detection technology. FSI is committed to ensuring its high ethical standards are upheld across the business from the grassroots all the way to its executive leadership.

**IMPLEMENTATION**

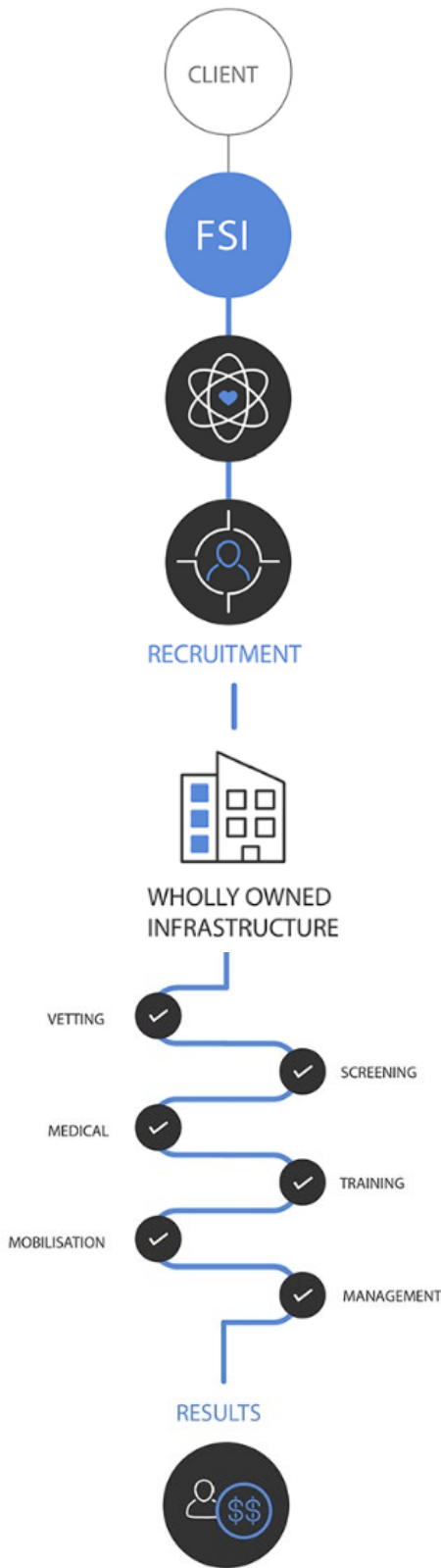
FSI operates a robust mechanism of compliance and transparency. All of its work is built around its Code of Conduct and Guiding Principles, which are published on its website and posted publicly in all of its offices. It ensures worker protection through its vertically integrated FairLabour model, which means it self performs the whole process of recruitment under its own license and infrastructure, therefore cutting out corruption and exploitation from third party agents.

All FSI personnel and new recruits, whether for internal employment or on external contracts receive comprehensive training on FSI's Code of Conduct and its guiding principles. Recruits also receive comprehensive orientation training prior to deployment, including an overview of any third party employer policies that are relevant to their welfare and protection. This induction training covers job site country briefs, working hours, and grievance reporting tools, such as, Safecall; an independently operated toll free number anyone can call anonymously to log a breach of policy. Clients are required to display Safecall posters, so workers can readily access this service when needed.

Training on FSI's Code of Conduct is refreshed annually for existing employees ensuring that adoption of these policies are incorporated throughout FSI's operations at all levels. The Staff Handbook given to all employees, outlines the grievance reporting process, encouraging vigilance



## THE FSI MODEL



View the interactive version of this model:  
[www.fsi-worldwide.com/about-us/approach](http://www.fsi-worldwide.com/about-us/approach)

and reporting of policy violations. All employees sign a non-extraction form at the start of their employment. A non-extraction form is a statement that the FSI employee understands that no payment is to be taken from candidates and clearly states that the employee will be terminated if this happens, which has proven to be very effective. Internal policies are regularly reviewed and enhanced as part of internal and external audits, so that FSI is always working to the highest ethical standards. Each department is individually and collectively responsible for the day-to-day implementation and compliance of FSI's FairLabour model with any deviation taken very seriously.

FSI's approach to client engagement is unique; it includes comprehensive due diligence on all its clients and suppliers before engaging contractually, including an initial assessment of working and living conditions, health and safety protocols, and welfare provisions. Workers receive the salary they expect, contracts are not duplicated or revoked, work hours and leave allowance is as contracted and agreed by the worker and accommodation meets an acceptable standard. Clients are offered training where required. Transparency and regular auditing ensures breaches of compliance are spotted and resolved without delay. FSI will only work with clients and partners that respect and embrace ethical recruitment principles. Additionally, FSI management visits each job site regularly, on a 3 to 6 month basis to make sure standards are maintained and to provide workers with an additional forum to which they can raise any issues and concerns.

Some clients want a very basic recruitment service without additional management services, but much of FSI's work is based on a blended turnkey recruitment service. The FSI turnkey service is a bespoke opportunity for clients, who don't have the infrastructure, a mechanism to outsource the management of recruits to FSI. The service is matched specifically to client/partner needs, but will consist of all or some of the add-on services listed here:

- Training in the source country
- Air and ground movement between the origin country and the work site
- Visas, medicals and other government requirements in the work country
- Non-employment insurance
- Accommodation
- Feeding and other life support
- Provision of equipment and clothing
- Provision of medical services

- Training and certifications
- Work country orientation to the employer, the work site and the job
- Workforce leadership and management including dispute resolution
- Welfare provision to workers' dependants in origin countries
- Welfare provision to workers in work countries
- Payroll
- HR processes including annual reviews, remedial training and disciplinary interviews
- Leave management including travel
- Consultancy to employers
- Replacement of workers

Ideally, clients chose all or most of the services listed above and FSI embeds its staff at the work site to wholly support the delivery of the project, which means FSI is directly responsible for the duty of care of workers and compliance of ethical practice throughout the supply chain. The market is fiercely competitive however, so not all of FSI's contracts engage on a full turnkey service, despite this, standards remain an imperative and are monitored through robust asymmetric auditing methods, which are dynamic in nature and cannot be planned for by target organisations.

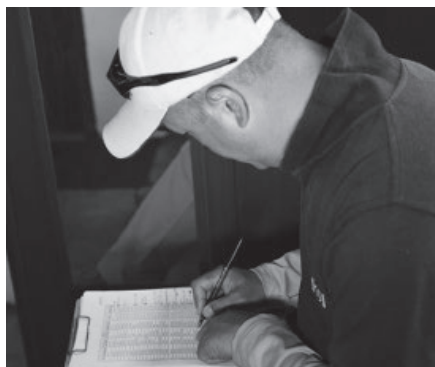
FSI has developed a FairLabour tech platform; which is in a beta testing phase, but designed to cut out agents and fixers whose malign influence is responsible for a significant portion of the exploitation of vulnerable workers. FSI recognises that technology alone will not solve the problems associated with debt bondage and that it needs to be combined with education to change corporate culture, governance and corrupt political practice.

### MEASUREMENT OF OUTCOMES

The FairLabour recruitment model has been fundamental in changing the lives of thousands of people worldwide seeking employment and better conditions for their families and communities. Clients are immediately impressed by the difference in attitude displayed by hard working and loyal staff, and the benefits of FSI's approach are immediately apparent. On the international stage FSI is a regular contributor and speaker at conferences, including those hosted by the ILO and UN.



Posters from the series that form part of FSI's Code of Conduct and Guiding Principles.



FSI was recognised at the World Economic Forum in Davos in January 2013 with the UN GIFT Award for leading international industries in the fight against human trafficking and exploitation of workers. In 2017 FSI received a honourable mention by the Thomson Reuters Foundation at its Stop Slavery Awards. Additionally, acclaim has been received from the US Department of State, the UK Foreign and Commonwealth Office, the UK Ministry of Defence, the UN, the ILO, and the IOM.

FSI continually boasts an impressive record of high standards with minimal complaints against the company from either recruits, employees or clients. If a complaint is made against FSI or any of its staff being in breach of its Code of Conduct, the allegations are investigated thoroughly and any issues are addressed promptly and seriously with a positive outcome. FSI is clear about its zero tolerance policy with concerns to corruption and exploitation.

FSI recruits are chaperoned to their destinations from source countries, unless they are seasoned recruits, well versed in FSI policy, in which case they know to report issues experienced whilst deploying. FSI takes every precaution to diminish risk. All suppliers it works with for services such as the provision of air transportation, insurance and accommodation, are inducted on FSI's Code of Conduct. All service providers such as medical clinics, tailoring services, hotels and travel agencies are required to sign formal contracts, incorporating FSI's ethical recruitment principles, including a clause of contract withdrawal in the event the service provider is in breach of FSI's standards. In the case of a breach of contract, where possible a corrective action plan will be employed, or otherwise the contract will be terminated.

FSI operates entirely transparently and opens itself up for external evaluation and scrutiny to identify any gaps in its training, processes and practice. When FSI is audited, its service providers are also audited as a part of the process, so as to ensure the whole supply chain is free of corruption and exploitation. Verité conducted an audit of FSI's Nepal operations in 2017/2018 resulting in it being awarded the highest standard

and IOM is conducting an audit this year through its IRIS programme. Additionally, the U.S. Department of State conducts detailed audits of FSI's operations on behalf of its prime contractors annually and has always found that its standards exceed their recommendations.

A prime example of FSI's high standards is the ILO Fair Project, part of the 'Work in Freedom' programme, which created a safe pipeline for female migrant workers from Nepal into the apparel sector in Jordan. Compliance of ILO's Labour Standards throughout the process is a requisite for all partnering organisations, of which FSI is now the only one.

FSI has developed an unparalleled reputation for the successful provision of the highest quality 'FairLabour' workforce solutions. Leading by example, it regularly consults on why ethical recruitment practices are important and how they can be adopted to end widespread debt bondage.



## LABOUR PRINCIPLES

### ASSESSMENT, POLICY AND GOALS

FSI adheres strictly to the ILO’s Operational Principles and Guidelines, and to Convention 181, operating to best practice standards stipulated by the Athens Ethical Principles, the Dhaka Principles, Palermo and Luxor protocols, and UN Guiding Principles on Business and Human Rights. Additionally, FSI adheres with the U.S. Trafficking in Persons regulations, the Federal Acquisition Regulations. It is also compliant with UK legislation: the Modern Slavery Act 2015 and the Bribery Act of 2012.

FSI delivers specifically recruited workers matched and sourced to the needs of both the client and the job, safeguarding workers from being exposed to risk in jobs they are not qualified for and ensuring a happy and productive workforce. Workers are selected on merit through a transparent recruitment process where they are security screened, ability tested and participate in compulsory statutory medical tests, without the charge of fees and with no bias or nepotism. Medical clinics carrying out tests in the source countries are vetted for discrepancies by having workers medical tests repeated in the destination countries. FSI’s dual testing process obliges the source country clinics to take financial responsibility for the costs of participants who fail the tests in destination countries, which is a costly deterrent against malpractice. Misconduct is taken extremely seriously and would result in action against the source country medical clinic.

The context in which FSI works is high risk of slavery and debt bondage. FSI

leverages its services to work against these risks and to offer business an alternative route to what could otherwise be argued as ‘the only choice’. FSI consults with businesses to identify, map and quantify these risks, often in complex supply chains, offering them solutions to mitigate and eradicate exploitation.

### IMPLEMENTATION

The FSI staff handbook is translated into all the languages of its employees/ recruits and accompanied with training to ensure comprehensive understanding of FSI’s Code of Conduct. Policies concerning equal opportunities, anti-harassment and bullying, whistleblowing, health and safety, stress at work, social responsibilities and grievance mechanisms are all covered in the handbook.

**FSI's Code of Conduct contains the following provisions, specifically in relation to forced labour:**

- We do not charge any fees or costs of recruitment to the candidate in whole or in part, including costs associated with travel and visa processing.
- We ensure that workers are not subject to any form of forced labour and have the freedom to terminate their contracts.
- We do not withhold identity documents such as passports. Where it is necessary to take documents from workers (for visa processing or similar), or if the worker requests we hold them for safe keeping, a signed receipt is given to the worker and they may request the document back at any time as well as a photocopy of the document.
- We ensure workers' freedom of movement is not unreasonably restricted.
- We ensure employment contracts are understood and translated into native languages where required. FSI ensure that employees receive copies of their employment contracts prior to deployment. Contract substitution (the replacement of an original contract or any of its provisions with those that are less favourable) is strictly prohibited.
- We ensure all employees receive pre-deployment orientation covering topics such as the terms and conditions of work, their rights and responsibilities, living conditions and grievance mechanisms.
- We ensure that workers are paid in full on time every month and that clear and transparent information is provided to workers regarding days worked, rates of pay, etc.

**MEASUREMENT OF OUTCOMES**

As a pioneer of FairLabour, FSI is making a major contribution to ending debt bondage. FSI is shaping opinion, demonstrating valuable leadership and offering workable solutions. To date FSI's efforts have protected over 10,000 migrant workers and their families from debt bondage.

FSI allocates significant resources and capacity to engage collaboratively with a broad range of stakeholders, such as the ILO, IOM, the UN, Humanity United, Verité, Open Society Foundations, governments and business to share best practice and expertise. Tristan Forster, FSI's CEO was invited to speak on a panel at a conference organised by the Qatar Chamber of Commerce, the ILO and IHRB in Doha on 'Labour Law Reforms in Qatar: Challenges and Opportunities for Business' in October 2018. Followed by a presentation at the World CEO Forum event in Dubai. The event was a meeting of industry innovators, thought leaders, internationally recognised CEO's of over 50 leading organisations of the region and government brought together to discuss emerging regional and global trends, to share knowledge and best practice. Then in November he spoke on a panel on 'Human Trafficking' at ICoCA's annual general assembly in Geneva. ICoCA is the association that

promotes, governs and oversees the implementation of the International Code of Conduct and promotes the responsible provision of private security services.

FSI is in partnership with the Circus Kathmandu Foundation (CKF), supporting it launch the film "Even When I Fall" on children trafficked into circuses. It is also half way through a year long series of outreach education workshops on human trafficking, debt bondage and fair recruitment, which are being carried out in rural locations across Nepal at particular risk of human trafficking and migrant exploitation. These outreach events have proven very successful thus far with large numbers in attendance and audiences proactively engaging in Q&A sessions.





### ENVIRONMENTAL PRINCIPLES

#### ASSESSMENT, POLICY AND GOALS

FSI's work doesn't put it at the forefront of environmental challenges. Despite this, FSI promotes an environmentally responsible approach to its business employing environmentally friendly technologies where applicable.

FSI is in the process of engaging with an organisation that measures carbon emissions, so it can offset its carbon footprint. FSI's environmental impacts are largely secondary through the work of its clients, and suppliers, so FSI consciously looks to work with companies that operate responsibly when purchasing products and services to mitigate harm to the environment.

Environmental Principles are not at the forefront of FSI's operational policies, due to its core business not having a direct impact on the environment. Any impact FSI has on the environment is largely secondary, through the work of its clients. FSI consciously looks to work with companies that operate responsibly. FSI also uses suppliers that are environmentally conscious, when purchasing products and services to ensure minimum harm to the environment.

#### IMPLEMENTATION

Environmental policies are incorporated in FSI's Code of Conduct and staff handbook, including a section on employee obligation to report

suspicious of anyone undertaking any activity that may cause serious harm to the environment.

FSI is committed to review its actions and continuously develop its working practice to achieve a diminished negative impact on the environment. Its office's operate with environmental responsibility at their core such as, conserving water, recycling waste, switching off monitors and printers at night and using energy more efficiently.

#### MEASUREMENT OF OUTCOMES

FSI continues to have a clean record in terms of issues involving environmental misconduct. General waste and energy consumption in its offices is being reduced, paper and plastics recycled and a responsible and environmentally conscious culture encouraged.



## ANTI-CORRUPTION PRINCIPLES

### ASSESSMENT, POLICY AND GOALS

FSI's policy on corruption references global legislation, such as the UN Convention against Corruption, the OECD anti-bribery convention, the Dhaka Principles, the UK Bribery Act and the US Foreign Corrupt Practices Act (FCPA). FSI is also committed to abiding with all source country legislation of the jurisdictions where it operates, such as employment law and regulations on minimum salary standards. FSI's policy covers zero tolerance on facilitation fees and payments, bribes, involvement in any political campaigning and gifts, including hospitality and expenses. All FSI clients and suppliers are contractually obligated to also observe the laws and regulations of source and destination countries.

FSI operates a transparent zero tolerance policy to bribery and corruption. We are specialists in identifying and mitigating labour supply chain risks and developing practical solutions to achieve ethically compliant supply chains. We understand the challenges faced by employees, employers, government and other stakeholders, and our approach is based on constructive collaboration to the benefit of all parties, but without flexibility where corruption is concerned.

FSI was founded on the principles that endemic corruption and exploitation in supply chains needed to be tackled and it has remained committed to fighting unethical and corrupt practices. FSI's vertically integrated FairLabour Model mitigates corruption risks and allows for prompt decisive disciplinary action in the rare instances it may occur.

### IMPLEMENTATION

FSI's staff handbook is clear on its zero tolerance policy to corruption, bribery and any kind of facilitation fees. It also clearly outlines the procedure to follow to whistleblow suspected misconduct. The Safecall free hotline call service is a tool for workers to whistleblow. Any sort of misconduct by an employee will result in their dismissal and will be dealt with without delay. FSI reserves the right to suspend and/or terminate contracts with business partners who fail on compliance of its Code of Conduct.

FSI largely works where corruption is endemic and widely accepted, which means traditional auditing processes end up being largely nugatory, with bribes bypassing the process. FSI however, has found asymmetric auditing an effective tool to both mitigate and expose non-compliance, as it is carried out on projects without notice and often undercover, although FSI employees and partners are aware it takes place which works as an important deterrent.

The FSI accounting department is routinely scrutinised via monthly trading meetings, quarterly board meetings and yearly audits carried out by external auditors. The Board, the CEO and divisional heads have full visibility of the accounts.

### MEASUREMENT OF OUTCOMES

FSI has passed all of its audits since its inception without issue.

FSI's reputation amongst clients and broadly across the migrant recruitment sector, is one of integrity, transparency, accountability and quality. FSI has a clean legal track record.



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BUILT ON INTEGRITY & EXCELLENCE**

