

TO:



COMMUNICATION ON PROGRESS

THE UNITED NATIONS GLOBAL COMPACT
MAY 2021

GLOBAL WORKFORCE SOLUTIONS
UNLOCKING HUMAN POTENTIAL ENABLING SUCCESS



CONTENTS:

03 LETTER FROM THE CEO Message to Stakeholders for the Global Compact

04 INTRODUCTION TO FSI

05 HUMAN RIGHTS PRINCIPLES

- Assessment, Policy and Goals
- Implementation
- Measurement of Outcomes

12 LABOUR PRINCIPLES

- Assessment, Policy and Goals
- Implementation
- Measurement of Outcomes

16 ENVIRONMENTAL PRINCIPLES

- Assessment, Policy and Goals
- Implementation
- Measurement of Outcomes

18 ANTI-CORRUPTION PRINCIPLES

- Assessment, Policy and Goals
- Implementation
- Measurement of Outcomes



LETTER FROM THE CEO: MESSAGE TO OUR STAKEHOLDERS / MAY 2021

Dear Mr Secretary-General

I am pleased to attach the latest Communication of Progress (CoP) report for FSI Worldwide. This is the 7th such report we have submitted, which is itself testimony to the commitment we have to the Ten Principles of the UN Global Compact.

The past 12 months have brought extraordinary challenges in the form of Covid-19 and the impact it has had on the health and wellbeing of so many people around the world. Whilst some governmental and inter-governmental interventions, not least in the form of vaccine development, have been impressive, many other aspects of the global response have been lacking. The inability or unwillingness to care for the world's poorest at this time is a reminder that all of us, in government, business and civil society must strive to improve by the only metric that really counts; how we treat those less fortunate than ourselves.

FSI has also had its challenges this year and this has brought painful choices. However, our commitment to the UN Global Compact and its aims remains undimmed. Indeed, we recognise more than ever the need to live by our ethical principles and to redouble our efforts to bring about a more sustainable, ethical and fair form of global commerce.

Our business is the ethical recruitment and management of workers, particularly vulnerable migrant workers. We help people find decent employment on fair terms as part of our FairLabour model. This year that has included the Covid-safe recruitment and deployment of many hundreds of workers from Nepal, India and Kenya. Far too many workers have found themselves laid off or unpaid as a result of poor business practices by multinational companies. They have forced their most vulnerable staff to pay the price of the pandemic, despite such companies previously failing to equitably share their profits in better times. We completely reject this business model and see these days of struggle as precisely the time to invest in those with the least, to protect employment where possible and allow dependent communities to continue their development.

We all hope that the pandemic will begin to ease in 2021 and we can return to something like normal life with our friends and family. However, this must not herald a return to 'business as usual'; that model was broken. We must retool the global economy so that it works for the majority of people and for the planet. We live our FairLabour values every day and look forward to submitting our next COP.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tristan Forster'. The signature is fluid and cursive, with a large initial 'T' and 'F'.

Tristan Forster
Founder and CEO, FSI Worldwide

EXECUTIVE SUMMARY

FSI Worldwide (FSI) is an award-winning global leader in the ethical recruitment and management of personnel, across a range of sectors and geographies. Founded on the conviction that the adoption of ethical employment practices is both a moral imperative and business critical mission, FSI has developed an unparalleled reputation for the successful provision of the highest quality 'FairLabour' workforce solutions.

Founded in 2006, FSI has developed a network of recruitment and management offices across South Asia, the Middle East and East Africa, as well as UK based operations. Our experience has given us a deep understanding of the exploitation faced by workers, in particular migrant workers from the global south. Our pioneering FairLabour model brings together a complex set of processes and infrastructure in both source countries and destination countries. This system eliminates the use of external agents and thus reduces the risks from corruption and exploitation. FSI builds on this corruption-free model to recruit, train, mobilize, and manage workers to very high standards of ethics and efficiency.

Although FSI initially focused on the provision of recruitment and management services for former military personnel migrating for work from South Asia into the post-conflict environments of Iraq and Afghanistan, we have since diversified our offering. We now offer employment to migrant workers spanning the security, construction, manufacturing, facilities management, agriculture, hospitality and catering sectors. We also now recruit from multiple source countries across Asia and Africa, including Nepal, India, Kenya, the Philippines, Uganda, Zimbabwe and Colombia.

HUMAN RIGHTS PRINCIPLES

Assessment, Policy and Goals
Implementation
Measurement of Outcomes

HUMAN RIGHTS PRINCIPLES



ASSESSMENT, POLICY AND GOALS

FSI is wholly committed to the Global Compact principles and the Universal Declaration of Human Rights. Its pioneering FairLabour recruitment model provides businesses with the highest standards of human rights, while improving business productivity. Human Rights are at the core of FSI's foundations as it was established with the aim of ending debt bondage amongst migrant workers, who are widely vulnerable to exploitation.

FSI's Guiding Principles and Code of Conduct are based on:

- The UN's Guiding Principles on Business and Human Rights
- ILO Operational Principles and Guidelines
- ILO Convention 181
- Dhaka Principles
- Palermo Protocol
- The Verité Framework for Ethical Recruitment

These principles are at the core of FSI's business model and are applied systematically throughout our operations. Integrity, accountability, honesty and transparency are at the heart of our business.

FSI's FairLabour model invests in people and protects vulnerable workers from exploitation. This model stands in stark contrast to the exploitation and debt bondage so common in the migration-for-work system that has led 40 million people into modern-day slavery. The exploitative model sees large fees paid to agents and workers saddled with debts that they cannot repay without the job they have paid for. This places them in a position of extreme vulnerability to exploitation and abuse. The exploitative system also results

in large numbers of poorly qualified people being selected for roles, as the criteria is based on willingness to pay fees, not ability to do the job.

Despite major legislative and policy changes that have occurred since 2006, it remains the case that many companies operating in the Middle East do not pay for the recruitment of their migrant workers. As a result, the workers themselves, who are often recruited from South Asia and East Africa, have to assume debts amounting to several thousand US Dollars to obtain work. They are charged high rates of interest on this debt. As a result, the amount of money they earn is reduced as is the remittance they can send home to their families.



... "from government procurement policies down to 'first handshake' village level recruitment, to ensure the organization is always fully compliant with human rights principles and legislation"

These bonded labour practices are abusive per se and are often used as levers of further exploitation. They can also result in sub-optimal performance outcomes in terms of productivity and quality of work, as well as being a significant contributor to poor mental health amongst workers. They are a recognized form of modern slavery and are thought to affect some 8 million workers in the global private economy. Media scrutiny of these illegal activities has increased exponentially in the last 10 years and the commercial, legal and reputational risks for companies associated with such practices have expanded commensurately.

In 2019, FSI, with funding support from Humanity United and DFID set-up the Fair Labour Alliance (FLA), an innovation hub for the development of practical, effective measures to drive the market towards a fair labour model.

These innovations span the entire length and breadth of the labour supply chain, from government procurement policies down to 'first handshake' village level recruitment, to ensure the organization is always fully compliant with human rights principles and legislation.



www.fairlabouralliance.com

Fair Labour Alliance, funded and supported by:



IMPLEMENTATION

FSI's FairLabour system is a vertically integrated model of recruitment which means it self-performs the whole process of recruitment under its own license and infrastructure, thereby removing the risk of corruption and exploitation from third party agents. FSI operates transparently and employs robust mechanism of compliance to safeguard adherence to its Code of Conduct, including integrating regular internal and external audits.





All of FSI’s 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. All FSI personnel and new recruits, whether for internal employment or on external contracts receive comprehensive training on FSI’s Code of Conduct and Guiding Principles. Training on FSI’s Code of Conduct is refreshed annually for existing employees ensuring that adoption of these policies is incorporated throughout FSI’s operations.



Personnel recruited by FSI 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 destination country briefs, working hours, and grievance reporting tools, such as Safecall, which is an independently operated toll-free number anyone can call anonymously to log breaches of

policy. Internally, FSI audits its systems and people in a way that ensures compliance with our principles and rules, but which also respects individual rights.

FSI has a unique approach to client engagement which includes comprehensive due diligence on all its clients and suppliers before engaging with them contractually. This includes an initial assessment of working and living

conditions, health and safety protocols, and welfare provisions, which are updated through the life of the project.

Where it is practical to do so, FSI insists that its suppliers sign contracts incorporating the Code of Conduct, which permits FSI to terminate the contract in the event that the service provider is in breach of the Code, if breaches cannot be remedied.

MEASUREMENT OF OUTCOMES

FSI's clients frequently comment on the professionalism, dedication and loyalty of FSI recruited personnel and the positive impact they have on organizational efficiency and productivity. A prime example of this is the ILO Fair Project, part of the 'Work in Freedom' program. This created a safe corridor for female migrant workers from Nepal to take up work in the apparel sector in Jordan. FSI is the only organisation that met the stringent ILO Labour Standards for this project.



FSI's FairLabour model has helped to improve the lives of thousands of migrant workers by offering work with dignity and without debt. Workers receive the salary they expect, contracts are not substituted, working hours and leave allowances are clear and accommodation is suitable. To date, FSI has helped over 13,000 vulnerable people move from conditions of modern-day slavery into decent work.

FSI operates transparently and regularly opens its systems 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 so as to

ensure the whole supply chain is free of corruption and exploitation. Verité conducted such an audit in 2017/2018 and FSI was awarded its highest rating. IOM is in the process of conducting an audit through its IRIS program in 2021. FSI is the first recruitment agency to go through the IRIS audit process. 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.

In 2013, FSI was recognized with the UN GIFT Business Leaders Award at the World Economic Forum in Davos. In 2017, FSI received an honourable

mention by the Thomson Reuters Foundation at its Stop Slavery Awards. FSI has also received acclaim from the US Department of State, the UK Foreign and Commonwealth Office, the UK Ministry of Defence, the UN, the ILO, and the IOM. As a result FSI is regularly asked to contribute to symposia and conferences on the international stage, including events hosted by the ILO and UN.

The positive response to the introduction of the FLA and the uptake of membership in the last six months with requests for consultancy and training is also a successful outcome of progress being made in influencing the market place to adopt fair labour practices.

RECOGNITION

FSI Worldwide, awarded the UN Global Compact Business Leaders Award



“The Award highlights the excellent work being done by private sector companies in addressing this global challenge” said Mr. Fedotov. “I hope that the achievements, so clearly evident today, will encourage other business leaders to come forward and to add their own creativity and insight to the fight against human trafficking.”

- Mr. Fedotov, UN.GIFT.HUB

LABOUR PRINCIPLES

Assessment, Policy and Goals
Implementation
Measurement of Outcomes

LABOUR PRINCIPLES



ASSESSMENT, POLICY AND GOALS

The recruitment for overseas employment sector is highly vulnerable to modern slavery practices. It is FSI's mission to eradicate such exploitation. As such, we hold ourselves to the highest ethical standards.

We follow and adhere to all applicable global labour laws and standards, including:

- The ILO's Operational Principles and Guidelines and Convention 181 operating to best practice standards stipulated by the Athens Ethical Principles,
- The Dhaka Principles,
- Palermo and Luxor protocols,
- UN Guiding Principles on Business and Human Rights,
- The U.S. Trafficking in Persons Regulations,
- The US Federal Acquisition Regulations,
- The UK Modern Slavery Act 2015,
- The UK Bribery Act 2010.

FSI offers businesses an ethically sound and commercially viable alternative to the exploitative model of migrant worker employment. The FairLabour model delivers a happy and productive workforce, whose skills are matched to the job and who are managed in line with international best practice. FSI also works with stakeholders to identify, map and quantify risks, often in complex supply chains, offering them solutions to mitigate and eradicate future risks.

FSI recruits are selected on merit through a transparent recruitment process where they undergo thorough screening, skills testing and medicals. The medicals are undertaken at specially selected clinics that have been trained in FSI's Code of Conduct and Guiding Principles.

Source country medicals are repeated in the destination countries to ensure consistency. Source country clinics are contractually meet the costs associated with destination country medical failures, which is a strong deterrent against the sort of malpractice that is sadly all too common in source country clinics.





IMPLEMENTATION

FSI employees receive training on the Code of Conduct and Guiding Principles, which are also set out in the Staff Handbook. The handbook is translated into all relevant languages. Policies concerning equal opportunities, harassment and bullying, whistleblowing, health and safety, stress management, social responsibilities and grievance mechanisms are all covered in the handbook. FSI recruits are also given training in the Code of Conduct, Guiding Principles and their rights as part of their induction training, before being deployed.

FSI'S CODE OF CONDUCT

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

FSI's pioneering FairLabour model is making a major contribution to the fair and ethical recruitment of migrant workers, which is critical to ending debt bondage and modern slavery. FSI and the FLA are influencing the market place, shaping opinion, leading by example, setting standards, demonstrating valuable leadership and offering practical, commercial solutions.



FSI is also a member of a number of industry associations:

- FSI is a member of ISOA (formerly a Board Member) and has engaged regularly on panels at their annual gatherings.
- FSI Europe (our UK based company) is a member of several prestigious industry groups and is licensed by the Security Industry Association as well as being a trusted specialist labour sub-contractor on a range of critical national infrastructure projects.

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.



FSI Worldwide's work centers around demonstrating to employers that an ethically recruited and managed workforce is significantly more efficient and effective than one made up of bonded, demoralized and exploited workers. All recruits are selected on merit, and the company has provided an umbrella of employment protection for over 2,000 recruits.

- UN.GIFT
(United Nations Global Initiative to Fight Human Trafficking)

ENVIRONMENTAL PRINCIPLES

Assessment, Policy and Goals
Implementation
Measurement of Outcomes

ENVIRONMENTAL PRINCIPLES



ASSESSMENT, POLICY AND GOALS

FSI is committed to environmental improvement goals, but much of its work in this regard is through supporting the work of clients. However, FSI’s policy across the organization promotes an environmentally responsible approach. It conducts due diligence on its clients and suppliers in order to avoid, as far as possible, any harm caused to the environment through its work.



FSI’s Code of Conduct and staff handbook include policies that steer the business’s environmentally responsible approach to all its work. The staff handbook highlights the process in which to alert the organization of anyone, including employee suspected of undertaking any activity that may cause serious harm to the environment.

IMPLEMENTATION

FSI adopts environmentally friendly technologies wherever possible. For example, we have banned the use of single use plastics in all our offices. We are committed to continuously developing working practices that achieve diminished negative impact on the environment. We only fly when necessary, undertake remote working extensively and do all we can to limit the consumption of paper. Our offices seek to conserve water, recycle waste, and we have implemented a range of energy saving measures.

We regularly review our policies and actions in order to evaluate compliance with our policies for environmental protection and continuously improve its working practice to diminish negative impact on the environment.

MEASUREMENT OF OUTCOMES

FSI embeds an environmentally conscientious and responsible culture throughout the organization.



ANTI-CORRUPTION PRINCIPLES

Assessment, Policy and Goals
Implementation
Measurement of Outcomes

ANTI-CORRUPTION PRINCIPLES



ASSESSMENT, POLICY AND GOALS

As an organization working at the forefront of combatting modern slavery, FSI has a clear zero-tolerance policy regarding bribery and corruption within the organization and within any of its labour supply chains.



FSI's policy on corruption references global legislation, such as the UN Convention Against Corruption, the Dhaka Principles, the UK Bribery Act, the US Foreign Corrupt Practices Act (FCPA) and the OECD anti-bribery convention. FSI is also committed to abiding by all source country legislation and employment law such as legal recruitment processes, minimum salary regulations and recruitment time frames.

Being an organization that prides itself on pioneering ethical recruitment, FSI plays a leadership role in the development of best practice across the sector. As such, it is imperative that FSI's policies are clear and transparent at all levels. The FairLabour recruitment model is founded on a transparent, ethical approach and we have a zero-tolerance policy to bribery and corruption.

FSI is a specialist in identifying and mitigating labour supply chain risks and developing practical commercial solutions for clients. FSI's vertically integrated FairLabour Model mitigates corruption risks and allows for prompt decisive disciplinary action in the rare instances it may occur. We are committed to challenging the corruption, bribery and exploitation that is so common in labour supply chains.

"My HR Director was being offered over \$1,000 for every security guard candidate that my company would take from this particular agent..."

General Manager Facilities Management/Security Company Gulf



IMPLEMENTATION

FSI’s staff handbook clearly communicates its zero-tolerance policy towards corruption and bribery and outlines clear guidance on the procedures to follow to report suspected misconduct, including the use of Safecall free hotline. FSI investigates all such reports and, if substantiated will take immediate action, which may include dismissal of employees or termination of contracts with failing business partners.

FSI regularly works in parts of the world where corruption is endemic, which means that traditional auditing processes end up being ineffective, as bribery or infiltration can undermine the process. FSI conducts asymmetric auditing on its own operations and on behalf of clients. This is a more effective tool to expose non-compliance.

The FSI accounting department is regularly scrutinized through 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 the audits we have faced since 2006.

We are fully licensed in all of the jurisdictions we operate in and are a trusted and award-winning partner to governments, NGOs and businesses around the world, working at a range of sensitive sites.

**Wrongdoing at work?
Be BOLD...
Speak up!**

If you have any concern over wrongdoing at work

1. Report it to your line manager, or
2. Speak to a senior manager, or
3. Call Safecall

0800 915 1571

Report online at:
www.safecall.co.uk/report

All calls are treated confidentially by Safecall and you may remain anonymous if you wish.

working with

CONTACT US

FSI Worldwide Limited

E: info@fsi-worldwide.com

www.fsi-worldwide.com

**GLOBAL WORKFORCE SOLUTIONS
BUILT ON INTEGRITY & EXCELLENCE**

