

SAMPLE POLICY

ETHICAL RECRUITMENT

1.0. Purpose

This policy defines and explains the company's policy and practices with regard recruitment of foreign workers from source countries. The Company is committed to ensuring all foreign workers are recruited ethically and professionally in line with the company's Foreign Workers Management Policy and international standards on ethical recruitment. This policy mandates the protection of rights of all persons who come into contact with the company's foreign worker recruitment process throughout the application, recruitment and subsequent employment.

2.0. Preamble

The Company upholds high standards in upholding the rights of its foreign workers in line with international standards. As such, the company has the responsibility to ensure its workers are hired ethically and responsibly. Ethical recruitment sets the cornerstone of the company's fundamentals in ensuring foreign workers' welfare and rights are protected and strengthened. The Company adopts a zero-tolerance policy towards all forms of forced or bonded labour, slavery, and human trafficking. The Company selects its recruitment partners stringently and rigorously to ensure workers recruited are in line with the company's aspirations to be a leader in best-in-class foreign worker management.

3.0. Ethical recruitment

Ethical recruitment comprises a set of principles to ensure that the recruitment and hiring of foreign workers are managed consistently, professionally, fairly and transparently. The ethical recruitment policy aims to ensure safe migration and reduce the potential vulnerability of foreign workers to forced labour exploitation, including child labour, slavery and human trafficking.

4.0. The Company commits to ILO's guiding principles for fair recruitment as below except in cases where there is a limitation by Malaysian laws ;

4.1. Recruitment should take place in a way that respects, protects, and fulfils internationally recognized human rights, including those expressed in international labour standards, and in particular the right to freedom of association and collective bargaining, and prevention and elimination of forced labour, child labour and discrimination in respect of employment and occupation.

- 4.2. Recruitment should respond to established labour market needs, and not serve as a means to displace or diminish an existing workforce, lower labour standards, wages, or working conditions, or otherwise undermine decent work.
- 4.3. Appropriate legislation and policies on employment and recruitment should apply to all workers, labour recruiters and employers.
- 4.4. Recruitment should take into account policies and practices that promote efficiency, transparency and protection for workers in the process, such as mutual recognition of skills and qualifications.
- 4.5. Regulation of employment and recruitment activities should be clear and transparent and effectively enforced. The role of the labour inspectorate and the use of standardized registration, licensing or certification systems should be highlighted. The competent authorities should take specific measures against abusive and fraudulent recruitment methods, including those that could result in forced labour or trafficking in persons.
- 4.6. Recruitment across international borders should respect the applicable national laws, regulations, employment contracts and applicable collective agreements of countries of origin, transit, and destination, and internationally recognized human rights, including the fundamental principles and rights at work, and relevant international labour standards. These laws and standards should be effectively implemented.
- 4.7. No recruitment fees or related costs should be charged to, or otherwise borne by, workers or job seekers.
- 4.8. The terms and conditions of a worker's employment should be specified in an appropriate, verifiable, and easily understandable manner, and preferably through written contracts in accordance with national laws, regulations, employment contracts and applicable collective agreements. They should be clear and transparent, and should inform the workers of the location, requirements and tasks of the job for which they are being recruited. In the case of migrant workers, written contracts should be in a language that the worker can understand, should be provided sufficiently in advance of departure from the country of origin, should be subject to measures to prevent contract substitution, and should be enforceable.
- 4.9. Workers' agreements to the terms and conditions of recruitment and employment should be voluntary and free from deception or coercion.
- 4.10. Workers should have access to free, comprehensive, and accurate information regarding their rights and the conditions of their recruitment and employment.
- 4.11. Freedom of workers to move within a country or to leave a country should be respected. Workers' identity documents and contracts should not be confiscated, destroyed or retained.
- 4.12. Workers should be free to terminate their employment and, in the case of migrant workers, to return to their country. Migrant workers should not require the employer's or recruiter's permission to change employers.

- 4.13. Workers, irrespective of their presence or legal status in a State, should have access to free or affordable grievance and other dispute resolution mechanisms in cases of alleged abuse of their rights in the recruitment process, and effective and appropriate remedies should be provided where abuse has occurred

5.0. Overview of the ethical recruitment process

The ethical recruitment process covers the end-to-end stages of hiring and managing foreign workers.

- 2.1. Pre-selection
- 2.2. Interview and post-interview
- 2.3. Pre-departure
- 2.4. Post arrival
- 2.5. Ongoing commitments

5.1. Pre-Selection Stage

5.1.1. Selecting recruitment agents

- 5.1.1.1. Company shall conduct an open tender process to identify recruitment agents
- 5.1.1.2. Advertisement shall be published in reliable channels to invite potential agents to submit their interest
- 5.1.1.3. Company to conduct due diligence on agents via and visit their operations to ensure their work operations fulfill ethical standards which include the below:
 - a. Self-Assessment Questionnaire (SAQ)
 - b. Possess a valid license to operate issued by the home country government and recognized by the Malaysian Government (if applicable).
 - c. Possess credible track records and does not have any publicly available reports of legal or human rights and/or labour violations.
 - d. Review the legality of using sub-agents and ensure sub-agents are legal and possess the license to operate
 - e. Ensure all agent's personnel are adequately trained and fully understand ethical standards and social compliance framework.
 - f. The agent has established the necessary policies to govern their operations and procedures in the hiring of foreign workers.
 - g. Company to educate the potential agents on the company's policy on Foreign Workers

- 5.1.1.4. All bidders shall be evaluated consistently and transparently.
- 5.1.1.5. Outcome of the tender process shall be presented to the Management for the selection decision.

5.1.2. Training of selected agents

- 5.1.2.1. All selected agents shall undergo training on any gaps identified in the tender and selection process. Topics shall include but are not limited to:
 - a. ILO's 11 forced labour indicators
 - b. Ethical recruitment process
 - c. Company policies on foreign workers management
 - d. Grievance mechanism
 - e. Mapping of recruitment and employment process
 - f. Identifying risks in the recruitment process

5.1.3. Monitoring of recruitment agencies

- 5.1.3.1. Agents that have been selected for recruitment for and on behalf of the Company shall be required to sign a Service Contract and shall comply with all provisions of the ethical recruitment framework.
- 5.1.3.2. Successful agents shall agree to be liable and accountable to ensure strict conformance to the ethical recruitment framework.
- 5.1.3.3. Recruitment agents who have continuously failed to meet the compliance level required shall be suspended and subsequently terminated from representing the Company and shall be blacklisted from future engagements.

5.2. Interview and post-interview

5.2.1. Recruitment Cost

- 5.2.1.1. All costs of advertising and recruitment are to be borne by the Company.
- 5.2.1.2. The Company does not authorise any parties including those appointed by agents to charge or collect any fee, payments, or any form of financial commitments from potential candidates.
- 5.2.1.3. The Company pays for all costs from the point the candidate formally accepts the offer of employment to the point of return (repatriation upon completion of contract).
- 5.2.1.4. The Company shall pay for the following cost but are not limited to:

- a. All cost of recruitment and associated cost at the source country
- b. All costs of foreign workers' employment in Malaysia
- c. All cost of repatriation from embarkation points in the source country to Malaysia and from Malaysia to the embarkation point in the source country at the end of employment.
- 5.2.1.5. Any cost incurred in the source country shall be borne by the appointed agents and shall be made transparent to the Company. The Company shall reimburse such cost to the appointed agents. The appointed agent shall notify the company at the earliest possible of any unforeseen cost that requires reimbursement.
- 5.2.1.6. No cost or penalty shall be assessed on workers or their families under all circumstances other than any personal cost that is not related to the recruitment process and throughout their employment by any means.
- 5.2.1.7. Appointed agent shall be responsible to ensure no cost is incurred or charged to workers or their families.
- 5.2.1.8. Should any workers (or their family) claim to have paid towards any cost of recruitment or have paid a deposit / illegitimate and unreasonable costs unless in exceptional circumstances the appointed agents shall be held accountable and shall reimburse the workers within five (5) working days.
- 5.2.1.9. Successfully selected workers shall be educated to raise their grievance and report to on such fee or money paid directly to the Company or its appointed official or through the grievance channels established by the company. In addition, periodic checks with workers to report any fee-charging during pre-departure, upon arrival and post-arrival will be conducted.

5.2.2. Prevention of Deceptive Recruitment

- 5.2.2.1. During the recruitment process, a worker at the source country shall be briefed on the below but not limited to:
 - a) Terms and conditions of employment including information on wages and benefits, work hours, leaves
 - b) Zero cost recruitment policy
 - c) Employment termination conditions and cost of repatriation
 - d) Grievance channels and complaints raising mechanism
 - e) Workers' rights



- f) Prevention of forced labour
 - g) Housing
 - h) Basic Malaysian employment laws
 - i) And other related provisions/information
- 5.2.2.2. Appointed Company representatives shall brief successful workers in a language understood by workers.
 - 5.2.2.3. Company work environment, living and others should be shown via video for workers to have an idea of their future employment.
 - 5.2.2.4. Where necessary, a translator should be present to ensure the information shared is well understood by the successful workers.
 - 5.2.2.5. Workers must be given the opportunity to seek further information or clarification they may have.
 - 5.2.2.6. Employment contract to be issued prior to the company's application for a calling visa. Workers must be briefed thoroughly on the details of the employment contract before signing them. The employment contract shall be in their native language.
 - 5.2.2.7. Workers shall agree to the conditions in the employment contract and subsequently sign an acceptance of their own free will without coercion, intimidation, or threats.
 - 5.2.2.8. A copy of the signed employment contract is to be provided to the workers for their safekeeping.
 - 5.2.2.9. Company handbook in their native language shall be provided and briefed in detail.
 - 5.2.2.10. Workers must be briefed on the condition imposed by the government for them to pass their medical test in both the source country and upon arrival in Malaysia before they can obtain their work permit, failing which, they shall be repatriated, and the cost shall be borne by the Company.
 - 5.2.2.11. Workers shall be interviewed if they have paid any fee or payment towards their recruitment or if there has been any facilitation money or bribes requested or made to the agents or any company officials or any parties in order for them to secure the job. The interviews shall be documented and witnessed by appointed officials.
 - 5.2.2.12. Workers must be encouraged to raise their grievances or complaints if there are lapses in the recruitment process.
 - 5.2.2.13. Workers who fail to obtain their calling visa shall be considered unsuccessful and they shall be briefed on their outcome and ensure they do not incur any cost or required

to pay any fee or money to any parties. They shall be requested and advised to raise a grievance if they are approached by anyone at a later stage to make any payments due to their failure to obtain a calling visa or if they are promised a second chance to re-apply for a calling visa.

- 5.2.2.14. Company shall keep records of all workers who fail to secure the calling visa to ensure they are not penalized or given false promises at a later stage.
- 5.2.2.15. Should there be a valid and legitimate complaint by any successful or unsuccessful workers, the company shall immediately investigate and carry out remedial action immediately. Should there be a violation committed by any parties, the company shall take prompt action which may include removing them from the recruitment process and initiating other actions against them.
- 5.2.2.16. Company shall carry out a risk assessment to ensure risk is avoided and loopholes are plugged in to prevent any future lapses.

5.3. Pre-departure stage

- 5.3.1. All workers who successfully obtained calling visa to undergo a two (2) day orientation prior to departure and institutes or organizations approved by the Government of the source country or in absence of such requirement by the company's appointed representative. The orientation shall cover the below but is not limited to;
 - a) General terms of employment
 - b) Zero cost recruitment policy
 - c) Employment termination conditions and cost of repatriation
 - d) Grievance channels and raising complaints
 - e) Workers' rights
 - f) Prevention of forced labour
 - g) And other related provisions/information
- 5.3.2. The communication approach shall be consistent with the presence of translators.
- 5.3.3. Workers must be given the opportunity to seek further information or clarification they may have.
- 5.3.4. Workers shall be once again interviewed if they have paid any fee or payment towards their recruitment or if there has been any facilitation money or bribes requested or made to the agents or any company officials of or any parties in order for them to secure the job. The interviews shall be documented and witnessed by appointed officials. Should any worker is found to have paid such fee or money, the company shall immediately investigate and remediate the sum paid by

the workers. The company shall take immediate action against the parties involved which may include legal action.

- 5.3.5. Workers must be encouraged to raise their grievances or complaints if there are lapses in the recruitment process.
- 5.3.6. Should there be a valid and legitimate complaint, the company shall immediately investigate and carry out remedial action immediately. Should there be a violation committed by any parties, the company shall take prompt action which may include removing them from the recruitment process and initiating other actions against them.
- 5.3.7. Company to carry out a risk assessment to ensure risk is avoided and loopholes are plugged to prevent any future lapses.

5.4. Post arrival stage

- 5.4.1. Company shall carry out post-arrival induction that shall cover the below topics but are not limited to:
 - a) General terms of employment
 - b) Zero cost recruitment policy
 - c) Employment termination conditions and cost of repatriation
 - d) Grievance channels and raising complaints
 - e) Workers' rights
 - f) Company disciplinary policy
 - g) Workers Committee
 - h) Prevention of forced labour
 - i) Housing
 - j) Medical services
 - k) Leave application procedure
 - l) Wages details and salary calculation
 - m) Job details and training on the job
 - n) Health and safety
 - o) And other related provisions/information
- 5.4.2. The communication approach shall be consistent with the presence of translators.
- 5.4.3. Should a worker request to return to their home country or fail to secure the work permit, the worker shall be repatriated safely to their source country and all costs shall be borne by the Company.
- 5.4.4. Workers must be given the opportunity to seek further information or clarification they may have.
- 5.4.5. Workers shall be once again interviewed if they have paid any fee or payment towards their recruitment or if there has been any facilitation money or bribes requested or made to the agents or any company officials or any parties in order for them to secure the job. The interviews shall be documented and witnessed by appointed officials. Should any worker is found to have paid such fee or money, the company shall

immediately investigate and remediate the sum paid by the workers. The company shall take immediate action against the parties involved which may include legal action.

- 5.4.6. Workers must be encouraged to raise their grievances or complaints if there are lapses in the recruitment process.
- 5.4.7. Should there be a valid and legitimate complaint, the company shall immediately investigate and carried out remedial action immediately. Should there be a violation committed by any parties, the company shall take prompt action which may include removing them from the recruitment process and initiating other actions against them.
- 5.4.8. In case of non-compliance to the signed employment contract by the workers, it shall be recorded as a grievance and will be dealt with according to the grievance procedure.
- 5.4.9. Company shall carry out risk assessment to ensure risk is avoided and loopholes are plugged to prevent any future lapses.

5.5. Ongoing commitments

- 5.5.1. The company shall periodically educate the workers on the below but not limited to:
 - a) General terms of employments
 - b) Zero cost policy
 - c) Employment termination conditions and cost of repatriation
 - d) Grievance channels and raising complaints
 - e) Workers' rights
 - f) Company's disciplinary policy
 - g) Workers Committee
 - h) Prevention of forced labour
 - i) Medical services
 - j) Leave application procedure
 - k) Wages details and salary calculation
 - l) Health and safety
 - m) And other related provisions/information
- 5.5.2. The communication approach shall be consistent with the presence of translators.
- 5.5.3. Should a worker request to return to their home country at any time during their employment, they shall resign from their job, observe the notice period and shall be repatriated safely to their source country. The cost of repatriation shall depend on the nature of termination as spelled out in the Foreign Workers Management Policy and Employee Handbook.
- 5.5.4. Workers must be given the opportunity to seek further information or clarification or raise concerns that they may have.

- 5.5.5. Workers shall be interviewed if they have paid any fee or payment towards their recruitment or if there has been any facilitation money or bribes requested or made to the agents or any company officials or any parties in order for them to secure the job. The interviews shall be documented and witnessed by appointed officials. Should any worker is found to have paid such fee or money, the company shall immediately investigate and remediate the sum paid by the workers. The company shall take immediate action against the parties involved which may include legal action.
- 5.5.6. Workers must be encouraged to raise their grievances or complaints if there are lapses in the recruitment process.
- 5.5.7. Should there be a valid and legitimate complaint, the company shall immediately investigate and carry out remedial action immediately. Should there be a violation committed by any parties, the company shall take prompt action which may include removing them from the recruitment process and initiate other actions against them.
- 5.5.8. In case of non-compliance to the signed employment contract by the workers, it shall be recorded as a grievance and will be dealt according to the grievance procedure.
- 5.5.9. Company shall carry out a risk assessment to ensure risk is avoided and loopholes are plugged to prevent any future lapses.

6.0. **Grievance mechanism**

- 6.1. Workers and all parties involved in the recruitment process shall be briefed on the below grievance and complaint channels and shall be encouraged to raise concerns if they have any or to bring critical matters or information to the company's attention discreetly to ensure their welfare is taken care off and no transgressions are committed against the company policies.
- 6.2. Grievance can be raised via the established grievance channels or via the appointed third-party monitoring.
- 6.3. Workers who raise complaints of grievance in good faith shall be protected from any form of retaliation, threats and intimidation by any parties.
- 6.4. All grievance and complaints shall be handled in accordance with the company's policy of grievance and whistle blowing policy.

- 7.0. This policy may be read together with other company's policy such as Foreign Workers Management Policy, Prevention of Forced Labour Policy, Grievance Reporting and Management Policy, Whistle Blowing Policy, Workplace Harassment Prevention Policy and other related policies and procedures.

- 8.0. The Company reserves the right to amend this policy from time to time and shall notify all employees when such amendment has been made and has been approved by the Management.
- 9.0. Should there be a translation of this policy into other languages, the English version of this policy shall be authoritative in the event of any dispute or confusion.

This sample policy/letter/document is merely a sample or guidance and for educational purposes. Companies are advised to practice caution when drafting their HR documentation and shall always be in compliance with the Employment Act and Industrial Relations Act, Malaysian Laws as well as past case laws so as to ensure the policy does not violate or infringe the prevailing employment regulations. Companies are advised to seek legal advice when drafting their policies and documentation. This template and all templates shared by the Malaysia HR Forum are merely samples. Companies are encouraged to adopt best practices to be an attractive employer and promote a productive and competitive operating landscape. The author nor the Malaysia HR Forum shall not be held liable for any damages or claims arising from the usage of the contents of this document.

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