



**FROM CHALLENGES TO SOLUTIONS:
NAVIGATING THE PATH TOWARDS ETHICAL
RECRUITMENT AND FAIR LABOUR PRACTICES
IN GARMENT AND FOOTWEAR SUPPLY CHAINS**

A CASE STUDY OF IOM AND FAST RETAILING PARTNERSHIP

As a global manufacturing hub for the garment, textiles and footwear industry, Asia remains a critical region for multinational enterprises. Prior to the COVID-19 pandemic, the region accounted for more than half of the world’s textiles and clothing exports.¹ As such, the industry drives economic growth while providing direct employment to about 94 million people globally including millions of migrant workers, and an estimated 42 million women workers in Asia alone.²

Migrant workers are essential in global supply chains, yet they face heightened vulnerabilities and are more likely to experience exploitative conditions including paying excessive recruitment fees and related costs, deception and non-transparent terms and conditions of employment, and a lack of freedom of movement. The Walk Free Foundation's 2022 [Global Estimates of Modern Slavery](#), released in collaboration with the International Labour Organization (ILO) and the International Organization for Migration (IOM),

revealed that while no region is spared from issues of forced labour, Asia and the Pacific has the highest prevalence of cases, posing significant risks for migrant workers in the region. Notably, 86 percent of forced labor is attributed to the private sector.

Multi-stakeholder efforts between governments, civil society, international organizations, and the private sector are necessary to bring about positive change. To this end, IOM and Fast Retailing partnered from 2019 to 2023. The collaboration analyzed Fast Retailing’s supply chain and diagnosed high risk practices, enhanced the capacity of sustainability staff to respond to human and labor rights challenges, and helped adopt and implement production partner guidelines for fair and ethical recruitment. This partnership is an example of how stakeholders can come together meaningfully to create positive change for individuals and communities, as envisioned in the UN Guiding Principles on Business and Human Rights (UNGPs).

FROM COMMITMENT TO ACTION

Fast Retailing, a Japanese multinational retail holding company, has aimed to enhance people's lives through innovative clothing through its UNIQLO brand which started in 1984. In addition to its primary subsidiary Uniqlo, it owns several other brands, including GU, Theory, PLST, Comptoir des Cotonniers, Princesse tam.tam, J Brand, and Helmut Lang. Recognising the vulnerability of migrant workers in its global supply chain, Fast Retailing signed the American Apparel and Footwear Association and Fair Labor Association’s [Industry Commitment to Responsible Recruitment](#) in February 2019.

Through its Migration, Business and Human Rights programming, IOM collaborates with businesses to promote corporate responsibility to respect migrant workers’ rights. Our mission is to promote integrity, transparency, and human dignity in recruitment and labor practices through collaboration with business, governments, and civil society.

IOM and Fast Retailing partnered to set its commitment to action through assessing and improving suppliers' recruitment processes, identifying and addressing recruitment risks, and building internal capacity to address migrant worker-related challenges in a sustainable way.

¹ Employment, wages and productivity trends in the Asian garment sector, ILO, 2022

² How to achieve gender equality in global garment supply chains, ILO InfoStories, 2023

The long-term objectives are:

- No worker pays for their recruitment.
- If workers paid recruitment fees and any related costs for employment, they get refunded in a timely manner.
- Workers retain control of travel documents and other personal property, and have freedom of movement throughout the entire recruitment and employment process.
- Workers are informed of employment terms and conditions in a language they understand before leaving home.



Labour rights training for migrant workers at garment factory in Ayutthaya, Thailand. © IOM 2021/Javier Vidal

THE PARTNERSHIP

Self-Assessment and Capacity-Building

In Phase I, IOM supported a self-assessment of recruitment practices at Fast Retailing's suppliers in Japan, Malaysia, and Thailand. The findings revealed challenges, such as excessive recruitment fees and related costs being paid by migrant workers.

IOM delivered a tailored capacity-building programme to enhance Fast Retailing's Sustainability Supply Chain Labor Management Team's skills and capacity to understand and address the challenges. The team then set priorities for improvement and reached agreements with the assessed suppliers on corrective action plans. Notably, with support of IOM, [Fast Retailing adopted its first Standards and Guidelines on Responsible Recruitment of Migrant Workers for Production Partners](#). The Standards and Guidelines are aligned with IOM's [Migrant Worker Guidelines for Employers](#), and can be found on Fast Retailing's website – [English](#) and [Japanese](#) versions.

Progress and Standardization

In Phase II with IOM's assistance, Fast Retailing further enhanced its supplier engagement to improve management systems. To this end, IOM developed a Pre-Departure Orientation (PDO) programme for production partners, which was adopted as a standardized approach by the company. IOM and Fast Retailing continued to hold sessions to raise awareness of production partners so that they implement principles set forth in the Guidelines. With the onset of COVID-19 pandemic, IOM delivered training sessions on measures to protect migrant workers.

Continuous Improvement

In Phase III, IOM provided a risk assessment report on migrant worker vulnerability and labour rights risks in Malaysia, Thailand, and Vietnam. Fair and ethical recruitment and employment trainings were extended to suppliers in Japan and to associated labour recruiters in Nepal and Sri Lanka. IOM also provided Fast Retailing with actionable recommendations for continuous improvement. Throughout the partnership, IOM and Fast Retailing adjusted the tools for ongoing use, ensuring sustained progress in the recruitment and employment for migrant workers.



Migrant workers in Cambodia. © IOM 2016/Muse Mohammed

FEATURED RESULTS

As a result of the partnership:



79 supplier representatives

in Japan, Malaysia and Thailand have strengthened their knowledge and capacity through targeted trainings, assessments and policy development.



Almost **15,000** workers

benefitted from changes to policies, updated processes and improved procedures related to fair and ethical recruitment.



46 labour recruiters

were trained on fair and ethical recruitment standards and Fast Retailing's Guidelines on Responsible Recruitment.



9800+ migrant workers

in Japan, Thailand and Malaysia received repayment of recruitment fees and related costs, which amount to over **USD 4.5 million**.



SELF-ASSESSMENT TOOLS for suppliers

Fast Retailing now has access to online self-assessment tools for suppliers and IOM's Ethical Recruitment Due Diligence Toolkit, which inform Fast Retailing's standard workplace monitoring programme to assess and address migrant worker-related challenges together with its suppliers.



ONLINE TRAINING for labour recruiters

A Fair and Ethical Recruitment online training is available to all labour recruiters in Vietnam, supporting their awareness and understanding of how they can start contributing to creating a more responsible recruitment landscape in Viet Nam.



PRE-DEPARTURE ORIENTATION

Fast Retailing and its production partners can benefit from a comprehensive standardized Pre-Departure Orientation (PDO) programme, including videos, checklists, and a curriculum tailored to its Guidelines.

LESSONS LEARNED

Comprehensive human rights risk assessments are essential.

Through the partnership, Fast Retailing gained valuable insights by conducting thorough self-assessment surveys and understanding human rights risks comprehensively, especially those embedded within its own supply chain.

Clear guidelines on fair and ethical recruitment are indispensable.

Fast Retailing's adoption and understanding of its own guidelines by all production partners provides a structured approach to address labour migrant-related challenges and introduce sustainable improvement measures.

Tailored toolkits and guidance enhance organizational capacity.

The provision of online self-assessment tools and PDO materials tailored to Fast Retailing's guidelines equipped the relevant teams and stakeholders to navigate and address challenges effectively.

Worker protection is vital.

The establishment of grievance mechanisms underscores the importance of a worker-centric approach. Collaboration with external partners also facilitates ongoing learning and the partnership between IOM and Fast Retailing enables the business to adapt and improve its approach over time.

This partnership with IOM has given Fast Retailing and our production partners a solid foundation to continue implementing responsible recruitment practices, and protecting the rights of migrant workers”, said **Yukihiro Nitta, Fast Retailing Group Executive Officer**, responsible for Sustainability, “It has been a useful learning journey for our team, our production partners and the recruitment agencies, and we look forward to building on our existing efforts, especially on supporting our production partners back in the sending countries on risk prevention and remediation.

Our partnership with Fast Retailing exemplifies the vital role of the private sector in safeguarding the rights of migrant workers in global supply chains,” said **Sarah Lou Y. Arriola, IOM Regional Director for Asia and the Pacific**. “Through practicing ethical recruitment and conducting human rights due diligence, we are collectively taking proactive steps to ensure the well-being and dignity of those who contribute significantly to global production and economic development. Together with Fast Retailing, we are committed to setting new benchmarks for responsible business practices, creating a sustainable and inclusive environment where the rights of migrant workers are respected, encouraging a better model for the industry at large.

CREATING IMPACT AND WAY FORWARD

The lessons learned from the Fast Retailing-IOM partnership emphasise the importance of shared responsibility and supplier engagement, transparency, continuous improvement, a worker-centric approach, and proactive remediation strategies. These insights serve as a guide for future collaborations, fostering sustainable and responsible practices in the garment and footwear industry and beyond.

In light of the increasing amount of mandatory legal requirements that are put on business enterprises to carry out proactive Human Rights Due Diligence across its own operations and business relationships, Fast Retailing, together with IOM, will continue to promote good and innovative practices at the industry level and support small and medium enterprises with access to guidance and easy-to-use tools to improve management systems and better protect migrant workers.



Migrant workers employed in garment factory in Ayutthaya, Thailand. © IOM 2021/Javier Vidal

