



WORKING TOGETHER TO PROTECT MIGRANT WORKERS IN THE GARMENT, TEXTILES, AND FOOTWEAR INDUSTRY

A CASE STUDY OF THE IOM AND ADIDAS PARTNERSHIP

Asia remains a global manufacturing hub for the garment, textiles, and footwear industry. Prior to the COVID-19 pandemic, the region accounted for more than half of the world's textiles and clothing exports¹. While the industry is evolving, it continues to drive economic growth in the region and provides direct employment to about 60 million people. This includes millions of migrant workers.

The human and labour rights risks migrant workers face in global supply chains are well documented. In many cases, the exploitation of migrant workers begins in their home country when they are charged excessive recruitment fees and related costs, misled about the job on offer and/or not appropriately informed about their rights and responsibilities when living and working abroad. The charging of recruitment fees and related costs is particularly problematic as it can push migrant workers into debt bondage and prevent migrant workers from leaving exploitative situations.

A COMMITMENT TO ETHICAL RECRUITMENT

adidas is a German sporting goods company that has been in operation for more than 70 years. Its products are manufactured in more than 40 countries (with a heavy presence in Asia) and distributed and sold to customers all over the world. Its supply chain extends through various tiers from strategic manufacturing partners to componentry and materials suppliers, to raw material sources, such as cotton, leather, and natural rubber.

The challenges facing migrant workers are serious and cannot be addressed by any one stakeholder in isolation. Rather, a collaborative effort is needed on the part of governments, civil society, international organizations, and the private sector. This approach is reflected in the United Nations Sustainable Development Goals (SDGs) and the Global Compact for Safe, Orderly and Regular Migration, both of which recognize the importance of engaging the private sector to bring about positive change.

The International Organization for Migration (IOM) and adidas partnership provides an example of how two different stakeholders can come together to promote the rights of migrant workers in the garment, textiles, and footwear industry and create transformative change for individuals and communities.

adidas recognizes its responsibility to respect human rights under the [UN Guiding Principles on Business and Human Rights](#) and strives to operate responsibly along its entire value chain. This includes working to safeguard the rights of its employees as well as the rights of workers who manufacture its products through its [Workplace Standards](#). It also seeks to apply its influence to affect positive change when human rights issues are linked to its business activities.

1. Employment, wages and productivity trends in the Asian garment sector, International Labour Organization, 2022

Since the initiation of its social compliance and labour rights programme at the end of the 1990s, adidas has been systematically addressing the risks associated with forced labour, child labour and migrant labour in its supply chain. In 2016, adidas launched its [modern slavery outreach programme](#) to cover those tiers that fall outside the existing mainstream social compliance and labour rights programme, including Tier 2 processing facilities that engage in textile manufacturing and material finishing, and Tier 3 suppliers of raw materials, which may employ migrant workers.

Within this context, adidas identified the recruitment and treatment of migrant workers as a priority area under its sustainability programme. Since 2017, adidas has focused efforts on implementing a recruitment approach that ensures migrant workers retain control of their travel documents, have freedom of movement and are free from debt-bondage and do not pay recruitment fees or related recruitment costs. As part of these efforts, adidas and IOM established a partnership in 2017 to promote fair and ethical recruitment.

A NEW PARTNERSHIP IS FORMED

IOM is part of the United Nations System and works with a variety of stakeholders to promote safe, regular, and orderly migration and inclusive development for the benefit of all. In 2016, IOM launched its [Corporate Responsibility in Eliminating Slavery and Trafficking \(CREST\)](#) initiative in Asia to support business enterprises to uphold the human and labour rights of migrant workers in key sectors and migration corridors. Through CREST, IOM develops partnerships and projects with business enterprises to:

- Build commitments to end the exploitation of migrant workers
- Implement human rights standards that address migrant workers' vulnerabilities
- Promote collaboration across sectors and all stakeholders for sustainable positive change

Within this context, the partnership between IOM and adidas was formed with the aim of improving access to ethical recruitment and decent work for migrant workers in the garment, textile, and footwear industry.

A STRONG AND EVOLVING PARTNERSHIP

The IOM and adidas partnership has strengthened and evolved over the years in line with labour migration and business and human rights trends and developments. It is a partnership that has been built on trust, communication, and a shared goal.

Increasing awareness of adidas suppliers

At the beginning of the partnership, IOM and adidas focused on increasing adidas suppliers' awareness of the human and labour rights risks migrant workers face during their recruitment



IOM conducted a Training of Trainers with adidas trainers about ethical recruitment and employment of migrant workers. @ IOM 2019

and deployment, employment and return home. In addition, IOM supported adidas to update its employment guidelines on ethical recruitment and treatment of migrant workers, which incorporated adidas' new policy on zero recruitment fees for migrant workers.

In 2017, IOM developed a training package on forced labour and the risk to migrant workers for adidas. IOM then conducted a Training of Trainers with adidas trainers, who were able to roll out the training to adidas' Tier 2 suppliers in the local language. Although adidas holds no direct contractual relationships with Tier 2 materials suppliers or raw material suppliers, training is a key component to building awareness and capacity to take action to advance ethical recruitment in the supply chain.

Providing more targeted support

Following the success of the first phase, IOM and adidas dived deeper into the challenges men and women migrant workers face in the garment, textile and footwear industry. This led to IOM developing a comprehensive, gender-sensitive, ethical recruitment due diligence toolkit for adidas. The toolkit is based on adidas' Workplace Standards and Migrant Worker Employment Guidelines as well as the IOM [IRIS Standard](#) on ethical recruitment.

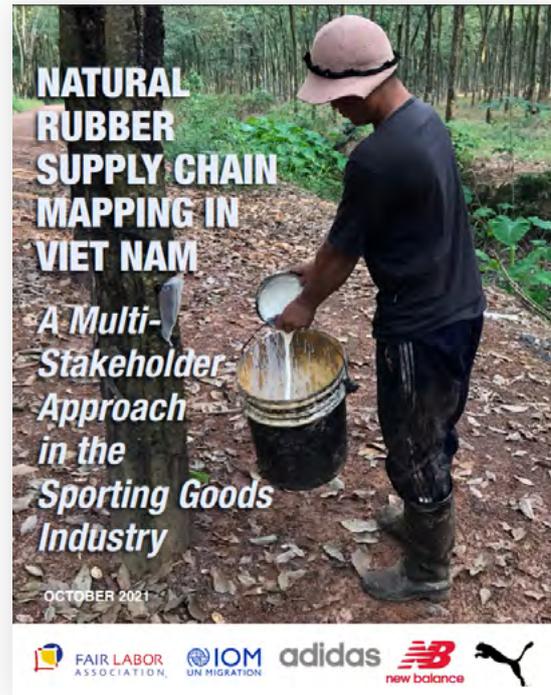
IOM also developed a gender-sensitive pre-migration orientation programme for migrant workers employed by adidas' suppliers. The programme helps educate migrant workers about their human and labour rights during their recruitment and deployment, employment and return home.

IOM and adidas also sought to address some of the practical challenges associated with implementing the employer pays principle of recruitment. This included addressing the lack of knowledge and capacity of many labour recruiters in adhering to ethical recruitment principles.

As a first step, IOM and adidas sought to identify and engage the main labour recruiters that were supporting adidas suppliers from Indonesia, the Philippines, Thailand, and Viet Nam. IOM and adidas then provided training to these labour recruiters on ethical recruitment and adidas' Code of Conduct.

Responding to the COVID-19 pandemic

When the COVID-19 pandemic emerged, IOM and adidas shifted the partnership's focus to addressing the needs of migrant workers that were impacted by sudden border closures, health and social distancing requirements and disruptions to business operations and supply chains.



As a starting point, IOM conducted a survey with employers to assess the impact of COVID-19 on migrant workers. IOM then developed detailed [guidance](#) and supporting tools for employers to help them protect the rights of migrant workers during the pandemic. adidas played a key role in promoting IOM's guidance and tools with its suppliers and the industry more broadly.

Promoting collaboration

Throughout the life of the partnership, IOM and adidas have worked together to promote greater collaboration between business enterprises in the garment, textiles, and footwear industry.

For example, in 2019 and 2020, IOM and adidas joined forces with the Fair Labour Association, as well as Puma and New Balance, to carry out an assessment of recruitment practices and working conditions for migrant workers in the natural rubber value chain. This joint project engaged over 40 suppliers in Viet Nam ranging from footwear manufacturers, component suppliers, traders, intermediaries, rubber processors to private plantations and smallholder farmers.

KEY ACHIEVEMENTS

As a result of the IOM and adidas partnership:



Almost 100 adidas Tier 2 suppliers from Viet Nam, Indonesia, the Republic of Korea, and the People's Republic of China trained on how to identify, mitigate, and address human and labour rights risks to migrant workers.



Over 250 adidas suppliers have access to a gender-responsive, ethical recruitment due diligence toolkit and a pre-migration orientation programme for migrant workers.



More than 40 labour recruiter representatives trained on ethical recruitment principles and adidas' Code of Conduct.



Improved understanding and visibility of the natural rubber value chain through the release of the report *Natural Rubber Supply Chain Mapping in Viet Nam: A Multi-Stakeholder Approach in the Sporting Goods Industry*.



All business enterprises benefited from IOM's open-source *Migrant Worker Guidelines for Employers*, which was informed by IOM's work with adidas and other partners.

QUOTES

"Migrant workers represent a significant part of global value chains, and make positive contributions to societies. Yet, they remain particularly vulnerable to unethical practices throughout their migration journey. Businesses have the power to act as catalysts for change, address, remedy and prevent abuse of migrant workers in own operations and entire supply chains. Our partnership with adidas is based on shared values of respect for human and labour rights and will continue promoting human rights standards, ethical recruitment practices and fair employment conditions for migrant workers."

Anastasia Vynnychenko
CREST Project Manager, IOM Viet Nam

"As a responsible business, we recognize that everyone's human rights must be respected. However, we also recognise that particular attention must be given to vulnerable groups – including migrant workers, who are exposed to greater risks of exploitation in the recruitment journey. Through our partnership with the IOM, adidas has taken a proactive approach to tackling the challenges faced by migrant workers. A proactive approach also means we are continuously reviewing our due diligence processes and engaging regularly with our suppliers to ensure no migrant worker is left behind."

Sung In Marshall
Senior Manager, Social & Environmental Affairs, adidas

LESSONS LEARNED

The IOM-adidas partnership has highlighted the importance of dialogue and shared responsibility among brands, suppliers and labour recruiters in addressing challenges facing migrant workers in their operations and supply chains.

Collaborative efforts to address unethical recruitment often garner significant interest and support across a spectrum of relevant stakeholders. However, harnessing this interest into commitments and concrete actions can be an obstacle. The development of an agreed governance structure and transparent process has been key to ensure full compliance of suppliers and recruiters with ethical recruitment standards.

Sharing good practice and learnings with industry peers and creating a safe space for dialogue helped improve the transparency and understanding of recruitment and employment related abuses migrant workers face.

It is also important to leverage digital technologies to migrant worker inclusion and engagement while promoting fair recruitment, preventing forced labour, and ensuring safe and regular migration.

CREATING IMPACT FOR RIGHTSHOLDERS

adidas has mapped migrant worker populations across all of its Tier 1 and Tier 2 strategic suppliers, to identify priority geographies for addressing risks related to fair and ethical recruitment. As of March 2022, there are four key countries of destination for migrant workers within the adidas supply chain: Jordan, Mauritius, Taiwan province of the People's Republic of China (PRC) and Thailand, with countries of origin spanning much of Asia, including Bangladesh, India, Nepal and Sri Lanka, to Indonesia, Myanmar, Philippines, and Viet Nam.

Based on the information from this assessment – which was conducted with the support of IOM – adidas analysed and prioritised key risk geographies and determined where its direct impact could be the greatest. Through this process adidas prioritized Taiwan Province of the People's Republic of China,

where its suppliers employ migrant workers from sending countries such as Philippines, Thailand and Viet Nam. This decision was made based on the need to strengthen initiatives in Taiwan Province of the People's Republic of China and to build the capacity of supply chain actors to mitigate risks, following other active programmes in other countries where risks were identified.

With over 10,000 international migrant workers employed in its global supply chain – approximately 2,000 of whom are employed at supplier facilities in Asia – programmes and initiatives such as those within the IOM – adidas partnership are critical to creating positive impact for rightsholders and ensuring no worker pays for a job.

THE WAY FORWARD

The UN Guiding Principles on Business and Human Rights outline the responsibility of the private sector to respect human rights and provide access to remedy in the event of harm.

While business enterprises can go at it alone, this partnership has demonstrated what is possible when stakeholders work together.

Moving forward, IOM and adidas will continue to work together to assess the gaps in adidas' ethical recruitment programme to inform future action in a meaningful way.

IOM and adidas will support adidas suppliers to carry out human rights due diligence on their business operations and supply chains in line with the European Commission's recent proposal for Corporate Sustainability Due Diligence Directive. In addition, IOM and adidas will continue to promote good practice at the industry level and support access to resources and tools by medium and small enterprises with less advanced management systems of recruitment and employment of migrant workers.



adidas' representative joined the panel of the IOM's workshop on ethical recruitment and employment of migrant workers in Hong Kong in December 2018. @IOM 2018

ABOUT IOM

Established in 1951, IOM is the leading intergovernmental organization in the field of migration and is committed to the principle that humane and orderly migration benefits migrants and society.



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the CREST website