

Applying Target's Standards of Vendor Engagement



Introduction

Target is committed to responsible and ethical business conduct. Respect for human rights and environmental stewardship are fundamental principles of our business practices and standards. We expect our domestic and international suppliers to share those principles and uphold our standards. We require all vendors, suppliers, third party sellers, manufacturers, contractors, subcontractors, and their agents (collectively, “suppliers”) to abide by the following standards and cascade them through their supply chain. Standards are applicable to all workers in production or non-production roles, including regular workers, piece-rate workers, casual workers, contract workers, foreign migrant/guest workers, trainees, students, apprentices, part-time, or temporary workers.



We expect all our suppliers to respect human rights, comply with Target's Standards of Vendor Engagement (SOVE) and all applicable laws pertaining to human rights. This guidebook builds upon Target's SOVE to provide detailed information on our expectations for ethical business practices, social, labor, and environmental sustainability.

Target expects that all suppliers establish management systems to ensure that locations and subcontractors comply with these Standards and applicable laws and regulations. Each location should have a minimum of one person accountable for social and environmental compliance. This system should include proper management and governance, training, monitoring, and continuous improvement mechanisms such as corrective action plans. This guidebook is a tool to be used in the development of that management system.

Target monitors for compliance to SOVE using a multipronged approach, including our Responsible Sourcing & Sustainability Audit Program. Locations must be disclosed to Target according to our disclosure requirements, which can be found in the Location Disclosure Scope Guide on [Partners Online](#). Locations in-scope of Target's Responsible Sourcing & Sustainability Audit Program must complete the audit requirements. Further details can be found on [Partners Online](#).

We are continuously working to do better, but if there are adverse impacts, our approach is to provide access to effective remedy. All stakeholders may utilize the Integrity Hotline details on the next page to report a violation.

Reporting Misconduct: If you encounter what you believe to be a potential violation of local laws or regulations, Target’s Standards of Vendor Engagement, or unethical behavior, you must report your concerns to Target by emailing Ethics@Target.com or visiting www.targetintegrityhotline.com. Report anonymously by calling the Integrity Hotline. The call is free and handled by an independent third-party. Local language interpreters are also available.

We engage only the necessary partners and investigate every allegation received.

Retaliation of any kind against an individual who reports concerns in good faith violates Target’s principles and will not be tolerated.



Scan the QR Code or Visit:

www.TargetIntegrityHotline.com to report anonymously, by completing the online **Hotline Webform** or

Call the Integrity Hotline, 24 hours a day, managed by a third-party provider (interpreters available)

Email: Ethics@target.com

Write: Corporate Compliance & Ethics
Target Corporation
1000 Nicollet Mall #3110
Minneapolis, MN 55403

U.S.	1-800-541-6838
India	000-800-100-1657
Bangladesh	(0) 9610-998509
China	4001201894
Hong Kong	800906528
Indonesia	(021) 50918413
Vietnam	024 4458 3187
Other non-U.S. locations: place a collect call to the U.S.	470-219-7116

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Ethical Business Practices

We seek business partners who adhere to the highest ethical standards in their business practices and their interactions with Target. Suppliers are expected to act in an ethical manner and comply with all applicable laws, regulations, and Target's Standards. Target does not allow any exchange of favors, money, gifts, entertainment, or travel with our team members with the intent to influence business decisions. As with the other standards outlined, Target Team Members are held to the same standards and are strictly prohibited from soliciting anything of value from business partners. Suppliers must conduct their business with a high level of integrity and maintain transparent and accurate records.



Suppliers should not offer anything of value to Target team members or third-party auditors to attempt to influence audit results or any other business decision.

Requirements

- Never directly or indirectly offer a Target team member, team member family member, third-party auditor, or a government official a bribe (offer anything of value including but is not limited to, gifts, gift cards, meals, entertainment, transportation, travel, accommodations, expenses, cash, jobs, internships, or donations on behalf of Target or a team member) with the intent to influence business decisions or receive favorable treatment, an improper advantage, or personal gain.
- Immediately report any Target team member solicitation (*asking for*) of a meal, gift, entertainment, travel, or anything else of value from a vendor or vendor representative.



Offering or accepting bribes or kickbacks with the intent to influence business decisions is a zero tolerance violation.

Retaliation of any kind against an individual who reports concerns in good faith violates Target's principles and will not be tolerated.

Suppliers should maintain accurate records and provide them transparently during audits.

Requirements

- Suppliers must be transparent during the audit process not interfere with any audit procedures. Auditors must have access to all areas of the location, must be provided access to records, and must be allowed to conduct worker and management interviews. Workers must not be coached or bribed to influence interview responses.
- Target requires locations to be transparent regarding all hours worked and wages paid. Time keeping and wage payment records should be accurately maintained. Locations are required to provide Target Responsible Sourcing & Sustainability or third-party representatives' full access to accurate records.
- Suppliers must not falsify or misrepresent any permits or licenses.



Falsified, misrepresented and/or the absence of a valid business license and required environmental permits and licenses is a zero tolerance violation.

Suppliers and workers should report any violations of local laws or regulations, Target’s Standards, or unethical behavior to Target.

Requirements

- Suppliers and workers should report any violations of local law or regulations, Target’s Standards, or unethical behavior to Target by emailing Ethics@target.com or using the third-party Integrity Hotline. Report anonymously by calling the Integrity Hotline. The call is free and handled by an independent, third-party. Local language interpreters are also available.
- Suppliers must develop a confidential and anonymous internal process for employees to report potential violations of law, regulations, Target’s Standards, or unethical behavior. See grievance mechanism expectations on pg. 12.
- Suppliers should not retaliate against an individual who, in good faith, reports a potential violation of law, regulation, Target’s Standards, or unethical behavior.



Scan the QR Code or Visit:

www.TargetIntegrityHotline.com to report anonymously, by completing the online **Hotline Webform** or

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Indonesia	(021) 50918413
Vietnam	024 4458 3187
Other non-U.S. locations: place a collect call to the U.S.	470-219-7116

No Unauthorized Subcontracting

We do not tolerate unauthorized subcontracting. All locations within the scope of Target's Responsible Sourcing & Sustainability Program must be disclosed to Target before production begins. All locations must be approved by Target in accordance with Partners Online requirements.



Disclose all locations in-scope of the Responsible Sourcing & Sustainability program.

Requirements

- Prior to production, the business partner is expected to disclose all locations considered in-scope of Target's Responsible Sourcing & Sustainability Program. A complete description of production locations that are considered in-scope for Target's Responsible Sourcing & Sustainability Program can be found on Partners Online in the Location Disclosure Scope Guide.
- Locations which are in-scope for Target's Responsible Sourcing & Sustainability Audit Program must meet audit requirements. See Partners Online for scope and audit details.
- Suppliers must maintain a list of all locations that provide materials or services incorporated into the manufacturing, processing, harvesting or production of product sold to Target.



Unauthorized subcontracting is a zero tolerance violation.

Grievance Mechanisms

We require suppliers to implement effective grievance mechanisms to systematically receive, investigate, and respond to issues raised and implement remedies to resolve them. The United Nations Guiding Principles on Business and Human Rights (UNGPs) defines an effective grievance mechanism as legitimate, accessible, predictable, equitable, transparent, rights-compatible, based on engagement and dialogue, and used as a source of continuous learning.



Definitions

Grievance: Grievance(s) are issues/concerns raised by affected parties (e.g., workers) that laws, regulations, collective or individual contracts, and/or workplace rules, customs, or codes of conduct have not been honored. Grievances are filed by affected parties as a means to address the issue.

Effective Grievance Mechanisms: Grievance mechanism(s) are systemic methods to receive and address issues/concerns raised by affected parties, particularly as they relate to human rights. These mechanisms are most effective at the operational level (e.g., factory level), where they can be addressed the earliest and remediated directly. Examples include suggestion boxes, phones or text, emails, hotlines, or a Human Resources complaints process.

Effectiveness is measured according to Principle 31 of the UNGPs. The grievance mechanism must be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue.

Target expects suppliers to establish and maintain grievance mechanisms that meet the eight components of the UNGP effectiveness criteria.

Criteria	UNGP Definition	Requirements
Legitimate	Enables trust from the stakeholder groups for whose use they are intended, and being accountable for fair conduct of grievance processes	<ul style="list-style-type: none">• Clearly define the grievance mechanism process with a standardized set of policies and procedures to receive complaints confidentially, investigate, respond to, and remediate in a predictable and fair manner. Ensure that it can be used for sensitive topics such as sexual harassment and gender-based violence.• Establish and enforce a non-retaliation policy and disciplinary consequences for retaliation against workers who report grievances.<ul style="list-style-type: none">• Non-retaliation refers to clear guarantee(s) and protection(s) that ensure workers/claimants are not subject to retaliation following an expression of a grievance; engagement with grievance mechanisms; submission and/or withdrawal of claims; and throughout the grievance process.• Claimants must be protected from dismissal, penalties and any other kind of reprisal (e.g., ridicule, discrimination, pressure or violence) should they chose to engage with a grievance mechanism.• Grievances must be treated with confidentiality.

Target expects suppliers to establish and maintain grievance mechanisms that meet the eight components of the UNGP effectiveness criteria.

Criteria	UNGP Definition	Requirements
Accessible	Known to all stakeholder groups for whose use they are intended, and providing equitable assistance for those who may face barriers to access	<ul style="list-style-type: none"> The location must provide workers with more than one grievance mechanism, at least one of which can be used anonymously and one of which must be received by someone outside of their direct chain of command. The grievance mechanisms must be available during all stages of recruitment and employment. For foreign contract workers, this means it is available in their country of origin and destination. The grievance mechanisms must be available to all workers, with a clear guarantee that it is available for temporary and contract workers. A grievance mechanism must be available in the dormitory. Workers should be able to access grievance mechanisms without any type of barrier preventing them from communicating through the respective channel. Examples: <ul style="list-style-type: none"> A worker must be able to communicate in a language they understand when using the grievance mechanism and through dispute resolution. If a worker cannot read or write, there must be grievance mechanisms that do not require reading or writing. If a worker does not have digital literacy or access to digital technology, there must be grievance mechanisms that do not require the usage of technology.

Target expects suppliers to establish and maintain grievance mechanisms that meet the eight components of the UNGP effectiveness criteria.

Criteria	UNGP Definition	Requirements
Predictable	Provides a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation	<ul style="list-style-type: none"> Time frames must be provided for management to issue a response, including how long each step should take and how long workers should expect management to take to respond to their concerns. Available outcomes of the grievance process and remedies available should be documented to support consistent implementation.
Equitable	Seeks to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms	<ul style="list-style-type: none"> The grievance mechanism processes must be fair, impartial, respectful, and consistent for all workers.
Transparent	Keeps parties to a grievance informed about its progress, and providing enough information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake	<ul style="list-style-type: none"> Any worker who uses a grievance mechanism should receive communication of some form acknowledging their concern and/or feedback that has been received and is under review. Subsequently, they should receive follow-up communication regarding any action taken to address their feedback.

Target expects suppliers to establish and maintain grievance mechanisms that meet the eight components of the UNGP effectiveness criteria.

Criteria	UNGP Definition	Requirements
Rights-Compatible	Ensures that outcomes and remedies accord with internationally recognized human rights	<ul style="list-style-type: none"> This process should ensure workers are treated with dignity and respect. The Parties who have been directly or indirectly impacted by a grievance must be provided with a fair and just remedy that addresses the impact or harm committed against them. Examples of effective remedy can include restitution, financial or non-financial compensation, punitive sanctions against the offender(s) whose actions caused the impact or harm against the aggrieved or a formal apology. The process to develop and provide remedy must be free from corruption and of any outside political and non-political influence.
A source of continuous learning	Draws on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms	<ul style="list-style-type: none"> Conduct annual reviews of the effectiveness of available grievance mechanisms, using the effectiveness criteria defined by the UNGPs, and make improvements based on identified gaps. If multiple workers are affected, or similar feedback and/or concerns are raised, business partners should take action to address the root of the issue to ensure it does not repeat. Create and maintain a system to track grievance/complaint records, dispute resolutions and disciplinary activity.
Based on engagement and dialogue	Consults the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances	<ul style="list-style-type: none"> Practices ongoing workplace dialogue, which includes regular engagement between management and workers, to develop and implement solutions to improve working conditions.

Ensure the communication and training of grievance mechanism policies and procedures are aligned with the effectiveness criteria.

- Conduct training and refresher training with all workers to build awareness of the grievance mechanisms and the company's non-retaliation policy.
- Conduct training with management and supervisors on the grievance mechanism policies and procedures to help them understand the process and reinforce available mechanisms and non-retaliation process with workers.
- Conduct training with individuals who are responsible for implementing the grievance mechanism policies and procedures, including responsibilities for investigating issues raised.
- Communication of the grievance mechanism must be included in the pre-departure briefing for foreign contract workers.
- Communication of the grievance mechanism must be included in orientation training.

Target expects suppliers to establish and maintain grievance mechanisms that meet the eight components of the UNGP effectiveness criteria.

Best Practices

- Create workplaces where workers are empowered to provide feedback and engage with management to identify and implement solutions to improve working conditions.
- Collect sex-disaggregated data on types of grievances reported and their outcomes.
- The investigation team should be representative of the diversity of the workforce.
- Use specialized third-party investigators to investigate reports of gender-based violence and other highly sensitive matters.
- Use worker surveys to gain worker insight and improve working conditions.
- Provide supervisors and management with leadership training to build soft-skills on how to receive and respond to worker feedback.
- Establish employee resource groups/affinity groups for minority groups (e.g., a women's council) to provide extra support on matters affective the group, coaching, a regular forum to connect with management on issues, and provide resources to historically marginalized groups.

No Forced Labor or Human Trafficking

We condemn forced labor and human trafficking and will not knowingly work with suppliers who engage in these practices or the use of incarcerated labor. All workers have the right to engage in work willingly, without surrendering identification and without the payment of fees. Workers have the right to freedom of movement and our suppliers must ensure it is afforded to them. Workers have the right to terminate their employment without penalty upon providing reasonable notice. Suppliers must also procure their raw materials and/or components for products solely from sources that do not utilize forced labor or engage in human trafficking.

- No Debt or Fees
- Employment Contracts
- Freedom of Movement
- Labor Agents
- Equitable Treatment
- Termination of Employment
- Cascading Due Diligence



Workers must not be forced to work or be bound to employment in order to fulfill a debt.

Requirements

- Ensure all workers work on a voluntary basis and receive compensation in accordance with local law, in the form of cash or equivalent.
- Ensure no prisoners work in the location and/or no production is subcontracted to prison laborers.
- Ensure that no workers are employed through third-parties that also act as drug and/or alcohol rehabilitation service providers to workers (this does not prohibit factories from directly employing workers in drug and alcohol treatment programs, in supportive housing (a.k.a. half-way houses), or drug/alcohol users).
- Develop a written policy incorporating Target requirements and best practices on the prohibition of forced labor and human trafficking.
- Communicate the facility policy on the prohibition of forced labor and human trafficking to management personnel, and labor agents used in the recruitment, hiring, or management of workers.
- Ensure workers do not pay any fees to begin, continue, or terminate employment.
 - **Please see Appendix A for a list of expenses that are covered under this requirement.**
- Ensure workers are not asked to take out loans, post bonds, or make deposits in conjunction with their hiring and employment. Deposits may only be paid if these are required to be borne by the worker.
- Ensure all fees paid by workers are reimbursed by the employer within thirty days of their discovery.
- Ensure workers maintain exclusive access to and control over their own bank accounts, with the sole exception of employer access for depositing wages. This includes exclusive access to any documents needed by workers to access and use their accounts, such as bankbooks and chops.



Forced labor is a zero tolerance violation. Suppliers must take precautions not to purchase any raw materials or components produced by forced labor.

Use of prison labor is a zero tolerance violation.

Employing workers through third-parties that also act as drug and/or alcohol rehabilitation service providers to workers is a zero tolerance violation.

Workers must not be forced to work or be bound to employment in order to fulfill a debt.

Requirements (Cont.)

- Ensure any savings schemes implemented are voluntary and explicitly permit workers to opt out at any time.
- Recruitment agency fees must be paid by the factory and may not be deducted from worker wages.
- Uniforms, tools, or other items required for work must be paid for by the supplier.
- Labor agents must be licensed in accordance with local law and regulations.
- Workers must enter and terminate their employment freely. Workers have the right to refuse overtime above legal or contracted limit. Workers must not be disciplined or penalized for refusing overtime.
- Factories cannot withhold payment to workers in order to prevent the workers from leaving their jobs.
- Ensure any deductions from wages are only made if they are mandatory under local law or voluntary, reasonable, and clearly understood by workers. Fees for food and lodging cannot be deducted without the workers' consent.
- Factories must provide itemized pay slips or payment receipts in workers' local language(s).
- Ensure workers' complaints or suggestions can be easily delivered to management and that all information is kept confidential to prevent retaliation. Factory must establish and enforce a No Retaliation Policy.
- Workers should be able to decline working overtime without any repercussions or penalties, including the loss of future ability to work overtime.

Please see Appendix A for additional details concerning the prevention of forced labor and human trafficking related to foreign migrant workers.

Workers must not be forced to work or be bound to employment in order to fulfill a debt.

Best Practices

- Develop a written set of instructions for all labor agents establishing the prohibition of forced, human trafficking, prison labor, and the hiring of workers through rehabilitation service providers.
- Require labor agents to disclose their labor sources.
- Suppliers must not charge a worker interest on any debt owed to the factory.
- Ensure all final wage payments are made to workers who submit resignations with proper notice without penalty.
- Develop an internal procedure to confirm voluntary acceptance of overtime work.

Ensure all workers have a written employment contract and are aware of the location rules.

Requirements

Contracts

- Each worker must receive and sign an employment contract in their local language. Foreign migrant workers must receive and sign an employment contract at least five days prior to deployment.
- Employment contract contents must comply with applicable law and accurately reflect the position, place of work, and terms and conditions of employment. Where formal contracts are not required by law, offer letters and other methods of employment agreements are considered an acceptable equivalent.
- To ensure that workers understand the contents of their contract before signing, contracts must be accurately translated into a language which workers understand; contracts must be explained to illiterate workers; and workers must be given sufficient time to review contract contents before signing.
- The worker and the employer must sign employment contracts; workers must retain a signed copy; and signed copies of contracts must be kept in workers' personnel files.
- Employment contracts may be amended only if such amendments are equally or more favorable to the worker, legal, explained to the worker in full, and fully and freely consented to.

Contracts should cover the following:

- Worker identification and contact information;
- Employer name and address;
- Nature of work and the location where it will be performed;
- Contract start and end dates;
- Provisions for contract renewal, as applicable;
- Provisions for repatriation (in the case of a foreign migrant worker), including a breakdown of costs to be borne by the factory and foreign worker;
- Provisions for voluntary early termination of contract by worker with and without reasonable notice, including any special conditions under which the factory covers additional costs;
- The process for involuntary termination by the factory;
- Overview of living conditions provided, including a breakdown of any costs for meals, accommodation, and regular transportation;
- Expected regular working hours and overtime hours;
- Expected work schedule, including holidays and rest days;
- Clearly defined regular and overtime wage rates;
- Any applicable bonuses, allowances, or other cash compensation;
- Descriptions of work-related benefits, including medical and social insurance benefits, and leave, including sick, emergency, and annual leave;
- Frequency and method of payment, and an explanation of pay slips; and
- Any permissible legal deduction
- The contract should not contain any terms that prevent a worker from exercising their legal right to associate.

Ensure all workers have a written employment contract and are aware of the location rules.

Requirements (Cont.)

Communication and Training

- Ensure all workers attend an orientation training in a language they understand that covers Target requirements laid out in **Appendix A**. Training must be well documented.
- Provide workers with adequate information to understand all factory rules by, at a minimum, posting factory rules in workers' own language in visible locations, and providing workers with a handbook in workers' own language that is signed upon receipt. The location may also provide information via a company intranet, and in regular refresher trainings (at least annually). Ensure that posted or distributed material is up-to-date.

Ensure all workers have a written employment contract and are aware of the factory rules.

Best Practices

- Provide refresher training on location rules to all workers on a regular schedule (at least annually). Ensure training is conducted in languages understood by the workers and is done in an appropriate format so that it is understood by the workers.
- Keep a record showing when the contract was signed and evidence that a copy was given to the worker. Include the date, the worker's name and the worker's signature in the record.

Eliminate all unreasonable restriction on the movement of workers.

Requirements

Identity Documents

- Ensure that workers retain possession or control of their passports, travel documents, identification papers, and any other legal documents.
- Suppliers and labor agents are not permitted to withhold workers' personal identification documents, including passports, with the sole exception of if a document is temporarily required for completing a legal requirement.
- Explain any temporary collection of documents done to complete a legal requirement to the worker and accompanied by a form signed and dated to indicate the submission and return of the document. Include the number of days the document will be used for processing in the communication.
- Provide individual lockers to all foreign migrant workers in workers' accommodation to safely store their personal identification documents and valuables. Ensure lockers are fire- and water-proof and always available for individual workers in employer-provided residences.

Eliminate all unreasonable restriction on the movement of workers.

Requirements (Cont.)

Freedom of Movement

- Ensure workers are free to leave the location and/or dormitory at all times, aside from reasonable expectations for safety. In general, do not prohibit workers movement in and out of the dormitory.
- Do not lock workplaces and dormitories to restrict workers' movements.
- Ensure workers are free to avail of any home leave benefits they have accumulated without paying a deposit, being subject to wage withholding, or otherwise being discouraged from taking leave.
- Ensure workers have free access to drinking water and toilet breaks during their working hours as needed.

Eliminate all unreasonable restriction on the movement of workers.



Best Practice

- Provide security guards with refresher training on workers' freedom of movement requirements. Verify security guards are used to protect the factory and not to restrict the movement of workers.

Establish a due diligence process with all labor agents.

Requirements

- If labor agents are used, suppliers are expected to establish a due diligence process, implement a procedure for the management of labor agents, and assign an individual to assume responsibility for labor agent management.
- Perform a pre-selection due diligence assessment of each labor agent considered for use to determine the agent and any recruitment partners that may be used meet factory, customer and legal requirements. Suppliers must demonstrate that performance against Target requirements on recruitment, hiring, and employment form part of ongoing evaluation, and continuation, of the business relationship **Pre-assessment due diligence should cover the topics laid out in Appendix A.**
- Execute legally binding service agreements with all labor agents that will be used for the recruitment or management of workers.
- Ensure agreements with labor agents reflect that the agent must conform to factory, Target, and legal requirements as a condition for continuing the business relationship. **All agreements should cover the topics laid out in Appendix A.**

Establish a due diligence process with all labor agents.

Requirements (Cont.)

- Conduct regular audits, at least annually, of all labor agents and their recruitment methods to ensure they comply with factory requirements, Target's Standards and applicable law.
- The supplier must oversee implementation of a documented corrective action process for any identified violations by labor agencies of applicable laws or Target standards.
- After each recruitment, interview a representative sample of newly arrived workers to ensure agents did not engage in deceptive practices (such as contract substitution or misrepresentation of actual job conditions), and the recruitment process met factory requirements, Target Standards, and applicable law. Interviews should determine whether workers paid fees, as well as specific fee amounts paid. **See Appendix A for sample interview content.**
- Retain copies of any agreements signed between labor agents and workers in workers' personnel files at the location.

Establish a due diligence process with all labor agents.

Best Practices

- Ensure the supplier compensates the labor agents for their services at the current market rate, if workers are recruited by labor agents.
- Locations are encouraged to hire workers directly, without the use of labor agencies. Suppliers must demonstrate continuous improvement, as feasible, to directly employ all production workers, and not make use of outsourcing arrangements with labor agents for the employment of production workers.
- Require labor agents to disclose their labor sources.

Ensure all foreign migrant workers receive equitable treatment.



Requirements

Work Permits

- The location must ensure that foreign workers are in the country legally and have valid legal work permits, including visas where required.

Ensure all foreign migrant workers receive equitable treatment.

Requirements (Cont.)

Terms and Conditions

- Foreign migrant workers' contract terms and conditions of work must be materially equal to those of local workers, including hours, wages, and benefits.
- All overtime should be voluntary. Workers must not be subject to coercion, discipline or penalties for refusing overtime. Locations must develop an internal procedure to confirm voluntary acceptance of overtime work. Internal procedure may include a written policy that is communicated to workers through orientation and/or refresher training in workers' native language and/or the use of overtime approval sheets that must be signed by the worker in conjunction with clear procedures on how workers decline overtime.
- Suppliers must pay full wages due to workers, except when required to withhold a portion of the salary specified by local law, such as national health insurance fees, labor insurance fees, income taxes, etc.
- Wages must not be channeled through a labor agent. Workers must be paid directly by the employer.
- Deductions from workers' pay must always be legal, specified in employment contracts, and clearly defined in pay slips.
- Locations must provide itemized pay slips or payment receipts accurately translated in workers' local language(s).

Ensure all foreign migrant workers receive equitable treatment.

Requirements (Cont.)

Communication and Training

- Suppliers must ensure all workers attend a comprehensive briefing prior to departure from the sending country that meets the requirements laid out in **Appendix A**. Ensure training is well documented.
- Provide foreign workers with access to a grievance mechanism, meeting criteria on pg. 14-17, that enables them to report any experiences of deception, fee charging, or other unethical practices anonymously.

Ensure all foreign migrant workers receive equitable treatment.

Best Practices

- Location personnel conducts all hiring and pre-departure briefing activities in the sending country.
- Keep records showing when the contract was signed and evidence that a copy was given to the worker in the sending country. Include the date, the worker's name and the worker's signature in the record.
- At least quarterly, interview a sample of foreign workers to monitor their conditions and understanding of location rules.
- Directly employ management and line supervisors who are fluent in languages understood by workers.
- Provide foreign workers with material support needed to participate and be represented in any worker committees or associations.

Ensure all workers are free to terminate their employment at will without undue cost or penalty.



Requirements

- Ensure workers who resign receive all wages due to them without penalty. The supplier must not impose any fees or penalties for failure to complete a labor contract.
- Provide foreign workers return transportation after contract completion, when resigning with reasonable notice, when resigning under specific conditions, or when terminated under specific conditions, as laid out in **Appendix A**.

Cascading Due Diligence.

Facilities must apply Target's requirements on the prohibition of forced labor to the supply chain in its entirety. To this end, facilities must require their suppliers to acknowledge and implement requirements on the prohibition of forced labor. At a minimum, communication by the facility must cover all subsequent tier suppliers.

Requirements

- Communicate requirements to subsequent tier suppliers verbally and in writing.
- Include requirements in forms that will enable their enforcement by the location, such as in contracts and purchase orders.
- Provide training to relevant management personnel on next tier supplier due diligence.
- Ensure workers employed onsite by subsequent tier suppliers, such as onsite contractors, have employment terms and conditions that meet requirements.
- Supplier must validate compliance with standards at subsequent tier suppliers.

No Underage Labor

We do not tolerate the use of underage labor and will not knowingly work with suppliers that utilize underage workers. We define underage workers as any individual younger than the local minimum working age or the age of 15, whichever is older, and/or those not abiding by the international standards as defined by the International Labor Organization (ILO) regarding age-appropriate work governing family farming. Suppliers must comply with all age-related working restrictions as set by local law and adhere to international standards as defined by the ILO regarding age-appropriate work.

- **Minimum Age**
- **Personnel Records**
- **Local Law Compliance**



Ensure all workers meet the minimum age at the time of hire according to local law, or the age of 15, whichever is older.

Requirements

- Establish and enforce a comprehensive human resources system to prevent underage labor. Ensure policies include a clause that no department can hire anyone outside of the established hiring channels. Do not allow any exceptions, whether for permanent workers, contract workers, piece-rate workers, foreign and domestic migrant/guest workers, casual workers, students, interns, or temporary workers.
- Define consequences if managers or supervisors violate local laws and/or Target's Standards. Hold managers or supervisors accountable.
- **Business Partners:** Understand the definition of underage labor for all countries where you source product, and whether it meets Target's Standards.
- **Locations:** Understand the legal working age and adolescent working age, and how the laws compare to Target's Standards.
- Verify proof of age and identity for each applicant prior to hiring. Documentation must include an authenticated original identity document with a photograph, such as an Identification Card, Birth Certificate, Passport, Driver's License, Doctor's Certificate, or any other identity document accepted by local law. Never hire anyone without this information.
- Confirm all production work is performed in the factory or a controlled environment in order to prevent risk of participation by underage or adolescent laborers.



Underage labor is a zero tolerance violation for Target.

Ensure all workers meet the minimum age at the time of hire according to local law, or the age of 15, whichever is older.

Best Practices

- Critically examine the authenticity of age and identity documentation. In regions where falsification is widespread, substantiate age through other information sources, such as:
 - Contact source of original document, such as local government authority, for authentication.
 - Ask for multiple original document sources for cross comparison.
 - Utilize specialized document authentication machinery to rule out falsification.
 - In-depth interview using advanced interview techniques to crosscheck information.
- Track type and occurrences of falsified documents identified over time and train human resources staff to recognize common practices.
- Interview prospective workers to ensure appearance matches identity documents.
- Create a corporate “No Underage Labor” policy and include it in the company manual.
- **Business Partners:** Ensure locations have a hiring policy that specifies a minimum age in accordance with Target’s Standards.
- Share age requirements with hiring agencies, as applicable.
- Control access to production areas. Do not allow any individual below the legal working age or the age of 15 (whichever is older) access to the production floor.

Keep organized personnel records with proof of identity and age for all workers.

Requirements

- Each worker must have a personnel record.
- The personnel record must contain the full employment date (day-month-year), proof of age at the time of hire, and other information as required by law.
- Personnel records for each worker must be available for review.
- Personnel records must be created at time of hire. Do not allow workers access to production areas before completing age verification and creating the personnel file.
- Provide Target's Responsible Sourcing team and/or our designated third-party auditors with complete access to personnel records for all workers.

Comply with all local laws concerning adolescent workers.

Requirements

- Factories must understand and comply with local laws for adolescent workers including, but not limited to, type of work, working conditions, working days, working hours, and overtime hours.
- Where local law requires, adolescent workers must be registered with the local labor bureau and receive health examinations.
- Have a system in place to clearly identify and monitor adolescent workers and their workstations, as well as identify stations that are inappropriate for adolescent workers due to legal and safety concerns.
- Verify all workers engaged in high-risk activities such as working with hazardous substances, lifting heavy loads, working at high levels, etc. are above the legal age required for such work.
- Train adolescent workers to ensure they fully understand factory rules and, in particular, legal restrictions concerning adolescent workers.

Health and Safety

Suppliers must provide a safe and healthy working environment for workers. We expect hazards to be assessed and appropriate safeguards to be implemented, monitored, and trained to workers to prevent accidents, injuries, and illnesses. The safeguards must protect workers from exposure to toxic chemicals or materials, ensure life and building safety, and meet local laws. If suppliers provide residential facilities for their workers, they must be safe and sanitary.

*** Unless otherwise noted, all information pertains to both location and dormitory conditions.**

- **Electrical Safety**
- **Machine Safety**
- **Structural Safety**
- **Hazardous Materials**
- **Personal Protective Equipment**
- **Emergency Preparedness**



Comply with all applicable laws regarding electrical safety. Electrical boards, panels, wiring, circuit breakers etc. should be properly configured, adequately marked and securely protected.

- All electrical systems in the location and dormitory should comply with local health and safety regulations in order to prevent fire and hazards:
 - Properly cover electrical cables/wires with tubing, electrical tape, or covers.
 - Properly install and cover electrical outlet/switch box.
 - Post warning signs in accordance with local law.
- Fit all warehouses'/stores' lights with protective covers or guards that prevent shattering and contain a burst light bulb.
- Have a qualified electrician on staff or retain the services of a qualified electrical contractor to perform all electrical work in the location.

Comply with all laws regarding machine safety and take all steps to ensure machine safety.

- Ensure that all machinery and peripheral equipment has functioning safety features. Examples:
 - Machinery with hazardous parts such as conveyor belts, gears, and abrasive wheels, should be equipped with protective devices. Fans should have blade safety guards.
 - All stamping, punching, and cutting machines should be equipped with safety devices.
 - Sewing machines should have needle guards and pulley safety guards.
 - Machinery that has automatic feeds should have automatic shut-offs.
 - Guardrails are provided in any area of the location or dormitory which is accessible to workers and elevated high enough that a fall could cause personal injury (e.g., storage platform or second floor walkway).
- Workers should be provided training on machine safety.

Ensure that all buildings and dormitories are compliant with local laws. Take all steps to ensure that all location buildings and dormitories are structurally safe and well maintained.

- The location and dormitory building should be free of any major structural defects or issues.
- The location should apply and obtain approved building plan from the concerned building authority, prior to starting location/dormitory building construction or for any alternation or modification after the original building approval. The building plan should be updated and reflect current building structure and use.
- Ensure that the location has obtained building safety/stability certificate or permit if required by law, issued by official building authority/department to certify the building construction and quality meet legal requirements prior to location operation/production. It could be named differently by country, e.g., Occupancy Certificate, Building Acceptance Permit or Stability certificate, Location License, etc. The license or certificate should be updated and match the current building structure and use.
- The location should have documented policies and procedures to ensure the location and/or dormitory buildings are inspected by appropriate workers and/or government entities on a regular basis.
- Ensure the aisle/passageway has enough width and the exit door and staircase has enough height and width for workers to evacuate safely. If not, the location is required to build, construct or modify the existing aisle/passageway, exit door, and staircase to provide enough width and height for workers to evacuate safely, as required by local law or when local law does not exist, by international standards.
- Prohibit smoking in the location and warehouse buildings. A designated smoking area should be provided away from the buildings with adequate safety measures.

Ensure that all buildings and dormitories are compliant with local laws. Take all steps to ensure that all location buildings and dormitories are structurally safe and well maintained.

Best Practices

- In case of any major structural defects or issues in any location or dormitory building, a qualified third-party should assess the structural integrity, stability, and conformity by following the applicable standard.
 - Day/child-care center should be located on the ground floor of the production building or in a separate building.
 - Conduct periodic tests of the location electrical appliances, installation, connections, and load according to the applicable regulation and standard using a credible electrical contractor/firm and by using the appropriate tool(s).

Provide safe, clean, sanitary, and neat living and working areas.

- The location and dormitory should be clean and well maintained.
- Tools must be kept in a secured location.
- Toilets in the dormitory and location should be separated by gender, stalls should provide sufficient privacy with a door and lock, toilets should meet local standards for general cleanliness, and toilets should be operational. The location should provide one toilet per 15 workers, or more if required by local law. The dormitory should have one toilet per six workers, or more if required by local law.
- Ensure that the location has enough light for workers to work safely without vision damage.
- The location should provide adequate ventilation in the location, such as windows, fans, air conditioning, or heat to promote air circulation and comfort.
- Workers should always have access to safe drinking water free of charge in the location and dormitory. Water should be kept in a sanitary manner, including away from toilets, to prevent contamination. Testing should be conducted as required by law.
- Potable water should be provided within a reasonable distance from the dormitory and workstations. At a minimum, potable water should be provided on each dormitory and production floor. Workers should be able to always access potable water without restriction.
- If a child-care center exists at the location, it should be clean and dry, should have adequate light and ventilation, be equipped with the necessary furniture, food supplies, and safety equipment as required by law.
- Ensure that the dormitory is in a separate building from the production building. No production should be allowed in the dormitory.
- The dormitory should provide functional and clean shower and/or bath facilities separated by gender. In the absence of local law, the dormitory should have one shower/bath facility per six occupants.
- Dormitories should provide separate male and female sleeping facilities, except for those provided to couples.
- The dormitory should include a comfortable cot, bed, or bunk for each dormitory resident. Triple-bunk beds are prohibited. Shared beds are prohibited except for those in an individual family's accommodation.
- Ensure that the dormitory meets all local housing laws and regulations and provides adequate protection against weather conditions. The structure should be safe and secure with no exposure to the outdoors through gaps in structures. The windows and doors of each dormitory room should be well maintained.
- The dormitory rooms should meet local laws and customs for personal space and number of occupants. Each dormitory resident should be provided personal living space of no less than 3.6 square meters in their bedroom.
- Provide running water and functional laundry facilities for dormitory residents.
- The location is expected to provide a clean and well-maintained canteen or cooking space if outside food sources are not readily available. Workers should have access to a clean dining space or canteen away from the production floor.
- Provide dormitory residents with clean and well-maintained canteen or cooking and dining space. The cooking area should be separate from the sleeping area.

Minimize the risk of chemical exposure and hazardous materials for workers.

- Identify all chemicals and hazardous materials onsite. Document all chemicals and hazardous materials with valid Material Safety Data Sheets (MSDS) or Safety Data Sheets (SDS) in a Chemical inventory that is evaluated periodically to review risks associated with chemical usage and alternatives available.
- MSDS/SDS should be readily accessible to all in the local language of workers.
- Provide workers handling chemicals, or exposed to chemicals, special training to ensure safe usage. Training should include both orientation and ongoing components, and cover day-to-day responsibilities, systems and emergency management, and clean-up.
- Chemical containers should be maintained in good condition, properly labeled with the proper chemical names and hazard symbols in the language of workers, covered, and stored with secondary containment and proper ventilation.
- Hazardous material storage areas should be enclosed and protected against all hazards, with only authorized personnel having access.
- The location should not mix hazardous and non-hazardous waste.
- The location should have a chemical spill response kit readily available which includes personal protecting equipment, absorption material, and firefighting equipment.
- Dispose of chemicals and hazardous materials in accordance with local laws.
- Provide an unobstructed permanent eye wash station that is installed into a main water line for workers in a location that is easily accessible from anywhere that hazardous chemicals are being used. Eyewash should use potable water at an appropriate temperature and pressure.
- Adhere to Target's sandblast ban to avoid worker's long-term health issues.



Sandblasting is a zero tolerance violation for Target due to the health hazard that it poses to workers. Target defines sandblasting as any abrasive blasting with a media that contains crystalline silica such as aluminum oxide, aluminum silicate, silicon carbide, copper slag, or garnet. Target bans the use of sandblasting in the manufacturing process anywhere in the facility. Suppliers must procure raw materials and/or product components from sources that do not utilize sandblasting.

Minimize the risk of chemical exposure and hazardous materials for workers.



Best Practices

- Eliminate hazardous materials, when possible, by using non-toxic alternatives.
- Have documented written procedures for all handling of chemicals and hazardous materials.
- Store chemicals in an appropriate area away from the dormitory and production areas. This area should be cool and dry and equipped with a fire prevention system.
- Avoid all possible fire hazards, including improper chemical mixing or the accidental storage of combustible chemicals in close proximity to one another.
- Post emergency procedures in chemical mixing and storage areas.
- Research the most appropriate chemical safety and air quality systems for your industry in order to best protect worker health.
- Workers should not place their faces between sources of hazardous material and ventilation systems.
- Develop and document annual targets to reduce the amount of hazardous substances in the facility.

Make personal protective equipment (PPE) available to all workers.

-
- Perform a safety risk assessment to evaluate workplace hazards.
 - Provide workers with appropriate, functioning PPE based on the hazards identified through the hazard assessment to reduce the risk of accidents, injury, or illness – free of charge
 - Examples of PPE include metallic cutting gloves, facemasks, goggles, earplugs, ventilators, and reinforced footwear.
 - Location should ensure employees in outdoor work settings have access to cold-protective equipment and gear (e.g., lined hard hats, thermal-lined gloves, waterproof boots, layered socks, and fleece-lined bomber jackets); and/or heat-protective equipment and gear (e.g., gloves, breathable, reflective clothing, protective head coverings, and sunglasses)
 - Workers should be provided training on PPE usage.

Emergency Preparedness

Suppliers are expected to assess and monitor emergency-related hazards and implement emergency preparedness plans. Workers must be trained on prevention and response protocols.

*** Unless otherwise noted, all information pertains to both location and dormitory conditions.**

- Fire Prevention
- Fire Alarms
- Fire Protective Equipment
- Emergency Exits
- First Aid
- Hazardous Temperature
- Hazardous Weather



Location is expected to develop policies, team, practices, and training for fire prevention at dormitories and workplace.

- Develop policies and procedures on health and safety that include fire prevention, hot-work procedures, and emergency response procedures for fire and natural disaster preparedness.
- Location should develop a fire safety/fighting plan including emergency evacuation, firefighting personnel, and duties. Safety plan should contain (but not be limited to), location details and address, emergency contact number, floor layout with in-built equipment, safety personnel with their duties, firefighting equipment list, evacuation and rescue plan, assembly area, water reservoir location, and nearby back-up water and power supply location. Fire safety plan should be approved by the fire department where applicable. Safety plan should be posted at the location entrance, main gate, or common area.
- If required by law, the location should have a fire safety officer responsible for the implementation of the health and safety policies and procedures who is a part of senior leadership.
- Locations are expected to conduct emergency and fire drills, managed by qualified fire safety officers if available, for all workers in accordance with local law and in every work shift with power shut. If there is no applicable local law, conduct emergency and fire drills at least once a year. If there are other building occupants, the location should conduct drills with other occupants.
- Locations should educate their workers on fire emergency response including basic fire safety, safety policy, emergency preparedness and procedure, fire extinguisher operating system.
- Locations should ensure that the required number of workers are trained and certified by the local fire service or credible certified authority on firefighting, fire equipment, and rescue as required by local law or following Target's requirement where local laws do not exist.
- Locations should maintain a log of the workers who have completed the training and when recertification is required. Unless specified by local law, arrange refresher training for certified fire fighters/workers should be arranged every two years.
- Location should conduct a fire and safety risk assessment that covers all production, storage, and dormitory (if applicable) spaces in a location which should include a plan to mitigate all identified risk.
- Location should obtain the Fire License, NOC (No Objection Certificate), Fire Control Completion and Acceptance Report or other fire safety documentation from the fire service authority as applicable by local law and keep this license or acceptance letter available for review.

Location is expected to develop policies, team, practices, and training for fire prevention at dormitories and workplace.

Best Practices

- Develop a system for reviewing all health and safety requirements regularly to ensure compliance.
- Maintain thorough health and safety records on site for one year. Records should document training programs (prevention), any incidents that occur, and how incidents were addressed (corrective action).
- Investigate any incidents that occur, determine cause, develop and implement a plan for prevention, and keep records on file.
- Hold periodic dialogue between management and employees to address and improve workplace safety concerns. Location should ensure all the employees and management are part of conversations to work together to develop a culture of safety.

Install fire alarms at all areas to detect and notify workers during emergencies both at workplace and dormitories.

- All fire alarm devices should have emergency backup power supply supported by battery or generator.
- Visual fire alarms should be installed at location where workers use earplugs.
- Fire alarms should be interconnected within each building.
- All fire alarms should be checked and tested regularly to ensure functionality during emergency.

Provide unobstructed fire protective equipment such as fire extinguishers, fire hoses, hydrants, sprinklers throughout the location and dormitory as required by law.

- If there are no local laws and regulations, have enough equipment located throughout the location to successfully fight a fire. An approximate reference is one set of safety equipment per 100 square meters.
- Place fire extinguishers at an appropriate height to be used by all with written instruction in language that all workers can understand.
- Fire extinguishers should be appropriate by size and category as required by operation and category of identified fire hazard for specific area.
- All fire extinguishers should be charged and serviced periodically and properly.
- Fire hose/hydrants and/or sprinklers should have adequate water pressure to reach remote areas of location and dormitories.
- Ensure all fire protective equipment is regularly inspected to ensure its functionality during an emergency.

Ensure adequate, unlocked, unobstructed, clearly marked emergency exits for dormitories and workplace.

- Provide an adequate number of emergency exits on each floor of the location as defined by law or in absence of legal requirement, each worker should have access to at least two exits that lead to clearly marked assembly points.
- Location should maintain proper height and width of exit along with exit stairways.
- All exit route aisles and doors should be clearly marked, illuminated with adequate lights, maintained with adequate width and cleared from any form of obstruction.
- Ensure that all emergency exits are kept unlocked. Doors should push or slide to open in accordance with local law to provide quick and easy escape during an emergency.
- Each emergency exit should discharge away from the structure and not re-enter the structure. Emergency exits should not discharge through any hazardous area (e.g., chemical storage, boiler room).
- Location should post an accurate, easy-to-understand evacuation plan at each floor or workshop. All defined escape routes leading out of the location/dormitory from each section, department, line, etc. should be marked on the evacuation plan.
- Location should provide guardrail for any elevated exit/work/storage platform. Staircases should have a handrail or railing for going up and down safely.
- Ensure that high-beam emergency lighting is installed with a back-up power supply throughout the entire location and dormitory and tested regularly.

Ensure adequate, unlocked, unobstructed, clearly marked emergency exits for dormitories and workplace.

Best Practices

- Hazardous machineries such as boilers should be kept separate from the production floor or building.
- Following training or safety drills, conduct a debrief with management to discuss successes and failures.
- Remove excess product and production waste on a regular basis.
- Materials or boxed goods should be stored or stacked safely on pallets and shelves in stacks that are not too high or unstable. Workers should use appropriate safety equipment to retrieve items from high locations. Consider assigning someone to monitor storage practices regularly to ensure safety.
- Label doors that could be mistaken for exits but lead elsewhere, for example, “Bathroom” or “Not an Exit.”
- Paint a yellow or red box on the floor around fire safety equipment, extending approximately one meter. Educate workers that no equipment or other obstructions should be placed within the box.

Provide all first aid supplies along with adequately trained first aid person as required by law for dormitories and location.

- Provide first aid supplies for each floor or area even if a medical facility is also available onsite.
- Conduct inspections to ensure first aid kit supplies are always available and include basic supplies such as bandages, pain relievers, anti-bacterial ointment, tourniquets, tape, heat and cold packs, disposable thermometer, etc. as required by local law.
- First aid personnel should be trained on how to administer first aid measures in case of a medical emergency.
- Location should ensure adequate first aid personnel for each floor/area as defined by law—at least one per floor/area/shift. A minimum of two per shift is recommended.
- The people who are trained in first aid should be easily identifiable on the work floor.

Location should adopt limitations on when and how long workers can perform their duties in hazardous temperatures in indoor and outdoor work settings.

Best Practices

- Allow for unscheduled breaks if workers report feeling weak, nauseated, excessively fatigued, confused and/or irritable during work.
- Establish mandatory breaks for people who work in hazardous temperatures in outdoor work settings following exposure limit guidance per local law.
- Establish mandate to cease work when temperature becomes hazardous.
- During periods of hazardous temperatures, work schedules should be modified – breaks and ceasing work – based on but not limited to the following considerations: temperature, humidity and/or wind chill, and sunshine (outdoor work in hazardous heat only); when there is no air movement (indoor work in hazardous heat only); if protective clothing or equipment is worn and for heavier work.

Location should establish appropriate engineering controls to minimize the impact of hazardous temperatures on workers.

Best Practices

- For outdoor work setting, location should establish engineering control to reduce cold stress through use of heated warming shelters and/or reduce heat stress through use of reflective or heat-absorbing shielding or barriers.

Location should develop policies, practices and training for hazardous temperature-related safety plans for indoor and outdoor work settings.



Best Practices

- Location should develop weather acclimatization procedures (focused on newly hired workers and unacclimatized existing workers) – following local law. In the absence of local law, provide a one to two week acclimation period.
- Location should develop hazardous temperature-related safety plan. The safety plan should contain (but not be limited to) plan to activate mandatory breaks and/or ceasing work when appropriate; establishing buddy system to monitor employees during cold and/or heat waves; and procedures to follow when a worker has symptoms consistent with cold and/or heat-related illness. The safety plan should be posted at the location entrance, main gates, and/or common area.
- Location should develop a hazardous temperature alert program to monitor weather reports and properly respond to cold and/or hot weather advisories with related safety plans and/or modified work schedules whenever the weather service forecasts that a cold and/or heat wave is likely to occur.
- Location should establish a cold and heat stress training program to educate all employees and supervisors to recognize the causes of cold and heat-related illnesses; symptom recognition; how to administration of first aid; and proper care and use of protective clothing and equipment.

Location should develop policies, practices, and training for hazardous weather-related emergency preparedness plan and emergency response protocol for indoor and outdoor work settings.

Best Practices

- Location should assess, identify and monitor potential hazardous weather that may occur in their location. This includes (but is not limited to): blizzards; cyclones/hurricanes/typhoons; droughts; earthquakes; flooding and landslides/mudslides; lightning; polluted air; tornadoes; tsunamis; volcanic disruptions; wildfires; and wind.
- Location should develop a hazardous weather alert program to monitor weather reports and properly respond to weather advisories with related safety plans and/or modified work schedules whenever the weather service forecasts that hazardous weather is likely to occur.
- Location should develop hazardous weather-related emergency preparedness plan. This plan should contain (but not limited to): evacuation plans (designate indoor shelter-in-place locations and emergency exit plans/routes). The plan should assign leadership roles to guide employees during these events. The emergency preparedness plan should be communicated to employees, trained on an annual basis, and posted at the location entrance, main gates, and/or common area.
- Location should adopt limitations on when and how long workers can perform their duties in hazardous weather, per local law.

Location should develop policies, practices, and training for hazardous weather-related emergency preparedness plan and emergency response protocol for indoor and outdoor work settings.

Best Practices

- In hazard weather circumstances where extreme damage or loss of life is predicted, locations should cease operation and employees should evacuate to a safe location, per local law. For factory locations and employer-provided dormitories, these locations must meet structural safety requirements and have designated safe locations. For outdoor locations, there should be safety plans to move employees into designated safe locations.
- Employees should be trained on how to avoid hazards after hazardous weather events (e.g., exposed electrical wires, gas leaks, polluted water).
- A designated response/safety team should be established and responsible for post-disaster action including guiding employees to post-disaster assembly area(s) and assessing post-disaster hazards, damages, and injuries.
- Location should provide adequate equipment to mitigate the risk of hazardous weather on workers. Emergency supplies should be always available and include basic supplies such as an emergency phone, whistle, flashlights, air cleaners, battery-powered or hand crank radio.
- Location should provide telephone numbers and their contact information for local emergency response services including local fire department; ambulance service and local hospital; and nearby back-up water and power supply location(s).

Location should establish natural disaster warning systems to notify workers during emergencies both at the workplace and dormitories.

Best Practices

- All natural disaster alarm devices should have emergency backup power supply supported by battery or generator.
- Natural disaster alarms should be interconnected within each building and have distinct sounds to indicate different emergencies.
- All natural disaster alarms should be checked and tested regularly to ensure functionality during emergencies.
- If natural disaster alarm systems are not possible, location should establish another method to communication emergencies which could include intercom system communication, portable radio communication, and bullhorn.

No Discrimination

We respect cultural and individual differences and believe discrimination should not be tolerated. Suppliers are expected to maintain a discrimination-free workplace and to employ legally-eligible workers based upon on their abilities, rather than their race, color, sex, pregnancy status, gender identity, marital status, political opinions, religion, age, disability, sexual orientation, social origin, national origin or any other characteristics unrelated to an individual's ability to perform the work required by the job.



Hire, compensate, promote, discipline, and terminate workers based on qualifications, abilities, and performance alone.

Requirements

- Create and distribute job titles and descriptions for all positions. Do not include criteria not directly related to job tasks in employment advertising. For example, gender, biological, physical or age characteristics.
- Make all employment and compensation decisions based on requirements for job performance rather than individual characteristics.
- Establish objective criteria for hiring decisions and job assignments. Do not make assignments based on gender.
- Do not include criteria not directly related to job tasks in employment advertising. For example, gender, sexual orientation, physical characteristics or age.
- Establish clear non-discrimination policies documented in the factory rule book and/or worker handbook, including:
 - Confidential grievance procedure in which workers can report discrimination to someone other than a direct supervisor.
 - Appropriate consequences for violations.
- Review the policy frequently to ensure effectiveness.



Making any employment and compensation decisions based on individual characteristics rather than job performance is a zero tolerance violation.

Hire, compensate, promote, discipline, and terminate workers based on qualifications, abilities, and performance alone.

Best Practices

- Allow all eligible job applicants to apply and/or take related exams.
- Do not collect information not related to job performance and not required by law, during the application process.
- Have a system that effectively implements non-discrimination policies.
- Establish and communicate objective measurements for performance (including bonuses) and promotions.
- Establish and apply objective criteria for dismissal.
- Develop and provide non-discrimination and cultural sensitivity trainings for all workers, which address the importance of treating all people equally. Provide topic specific training for managers, supervisors, and security guards.
- Document employment practices over time to establish credibility.

Do not use pregnancy testing as a condition of employment or to terminate employment.



Requirements

- Do not require pregnancy testing as a condition of employment.
- Do not use marriage or pregnancy as a reason for prohibition of or termination of employment, unless required by law.
- Knowledge of pregnancy is to be used only in order to provide reasonable accommodations to pregnant women. Such as, avoiding work that may pose a health risk, standing for long periods, other risks or concerns, and providing proper benefits under local law.
- If pregnancy testing is legal and in use, clearly communicate its purpose to workers within the factory rulebook.

No Harassment

We believe all workers should be treated with dignity. Suppliers must not engage in, condone, or tolerate physical, verbal, mental, or sexual harassment against or among their workers.



Ensure factory management does not condone, create, or contribute to an intimidating, hostile, or offensive work environment.

Requirements

- Ensure that workers are not subject to corporal punishment, harassment, or abuse.
- Create a written policy to outline the above practices are prohibited and which details appropriate disciplinary procedures. Disciplinary procedures must consist of an escalating series of measures, from verbal to written warnings, prior to suspension or dismissal. Document all warnings in a worker's personnel file.
- Location rules must provide information about disciplinary practices in the workplace and be consistent with local law and Target's Standards.
- Location rules must not include fines or fees for the following, or similar:
 - Damaged goods
 - Drinking water
 - Minor disciplinary infractions such as smoking or tardiness
 - Freedom of movement violation (For example: limitations on bathroom privileges)
- All workers, including management, must receive education on the factory disciplinary policies.
- Security guards are not authorized to impose disciplinary actions against workers.
- Create a system in which workers can raise issues of concern, including treatment by their supervisor, without retaliation or penalties.
- Maintain written records of disciplinary measures taken.



Corporal punishment is a zero tolerance violation.

Harassment and abuse are zero tolerance violations.

Ensure factory management does not condone, create, or contribute to an intimidating, hostile, or offensive work environment.



Best Practices

- Encourage management to take classes on harassment, awareness, sensitivity to other cultures, corporal punishment, and mental abuse.

Workers must be aware of location rules and Target's Standards.



Requirements

- Post rules in a public area. Distribute rules in the form of a handbook and include in the detailed employment contract. Keep posted and distributed rules up-to-date.
- Ensure rules are written in the language(s) of workers.
- Educate all workers on all rules, and ensure workers are trained on any new rules or changes.
- Post Target's Standards of Vendor Engagement in a visible location and in a language all workers understand.
- Post the rules if not required by local law. Suppliers are accountable to the stricter Target Standards when local law does not exist.

Working Hours and Overtime

Suppliers must not allow working hours that exceed the applicable legal limit, or 60 hours per week, whichever is less. Regularly paid hours must not exceed 48 per week and overtime hours must not exceed 12 hours per week or the amount specified by local law, whichever is less. Only in exceptional cases may a person work more than 60 hours per week or more than six consecutive days. Overtime work must always be voluntary and paid at a premium rate. Workers must have at least one full non-working day in every 7-day period.



Maintain a work schedule that complies with both Target's Standards and local law.

- Target requires locations to be transparent regarding all hours worked and wages paid. Time keeping and wage payment records should be accurately maintained. Locations are required to provide Target Responsible Sourcing & Sustainability or third-party representatives' full access to accurate records.
- Provide a minimum of one full rest day for every six days worked to all workers. No workers should work consecutively for seven days or longer.
- Ensure that workers receive vacation/time off in accordance with local law.
- Ensure that workers receive maternity/paternity/nursing leave in accordance with local law.
- Provide reasonable meal and rest breaks in accordance with local law.
- Detail working schedule, normal working hours, rest days, and holiday policy in the location rules and/or in worker handbook, in a language understood by local and migrant/guest workers.
- Develop a production plan in advance to ensure workers do not work more than 48 regular and 12 hours overtime in a week (60 hours total).
- If the location anticipates working hours will be in excess of Target's 60-hour standard, please notify your Responsible Sourcing contact or email Responsible.Sourcing@target.com to determine a collaborative solution based on exceptional situations. Exceptional situations include the following:
 - Natural disasters affecting suppliers
 - Pre-communicated agricultural and peak season production
- Ensure that nursing mothers should receive adequate breastfeeding/pumping breaks.

Target requires suppliers to be transparent regarding all hours worked and wages paid. Time keeping and wage payment records should be accurately maintained. In order to ensure accurate working hours, suppliers should use a fully functioning time-keeping system.

See also, Wages section.

- The same time-keeping system should accurately track all hours worked for all workers.
- Ensure that manual attendance sheets have exact time-in and time-out with employees' acknowledgement.
- Electrical time-keeping systems should have a battery back-up which starts immediately in the case of power loss to prevent data loss.
- Ensure that all workers have accurate time records that reflect all regular and overtime hours actually worked.
- All workers should accurately complete their own timecard for all regular and overtime hours worked. Management or another worker cannot complete timecards.
- Management should ensure workers do not punch timecards earlier than work start time or later than work finish time.
- Ensure that workers are paid for all hours worked.
- Provide Target Responsible Sourcing & Sustainability or third-party representatives full access to accurate records. Location should not maintain a false set of records or double books.
- Timecards should be properly completed and easy to read.
- Ensure that all hours, including overtime, are recorded within the same time-keeping system and one single payroll record.
- Workers should be able to verify regular and overtime hours worked each day.
- Provide training on the time-keeping system for new workers and on an ongoing basis. Train new workers on the first day of employment.
- Ensure managers and line supervisors receive specialized training and understand the importance of managing all time tracking within the same time-keeping system.
- Install adequate time-keeping machines at the entrance of or nearby the employees' workshop to reduce the waiting time to complete timecards.
- Conduct regular internal audits to ensure the time-keeping system is properly used and it ties back to the payroll systems properly.

Wages

Suppliers must provide wages and benefits that meet or exceed local law requirements and are paid/provided in a timely manner. We encourage suppliers to commit to the betterment of wages and benefits to improve the lives of workers and their families in the communities where they live.

- Hours Worked
- Payroll Deductions
- Payment Accuracy
- Payroll Access
- Back Pay



Pay workers for all hours worked at the pay rates stated by local law.

See also, Working Hours and Overtime section.

Requirements

- Wages for regular hours worked must meet or exceed the minimum wage required by local law.
- Payment in-kind is not allowed in lieu of minimum wage.
- Do not use schemes that legally permit the payment below what is considered the standard minimum wage (e.g. Apprenticeship wages below minimum wage, lower wages for workers with disabilities, wages below the minimum allowed for economic purposes).
- Wages for overtime hours worked must meet or exceed the overtime wage rate required by local law.
- If there is no local law regarding overtime compensation, workers must be compensated at a premium higher than for regular hours.
- Ensure workers are properly compensated, in accordance with local law, for working on holidays.
- Ensure workers are paid in accordance with local laws for all paid leaves, including holidays and maternity or paternity leave. Locations must not set production quotas at a level that requires workers to exceed regular working hours to earn the minimum wage.
- Piece-rate wages must meet or exceed the equivalent hourly minimum wage. If the wages of workers calculated by piece-rate fall below the applicable legal wage rates (minimum, overtime, holiday, etc.) then the location must calculate the difference between the piece-rate wage and the correct legal wage and pay the difference to the workers in order to meet the legal minimum rates. Bonus or incentive pay cannot be used towards the minimum wage.
- Pay workers in a timely manner and, if payment is not digital, ensure workers sign a logbook documenting receipt of payment.
- Suppliers are encouraged to regularly review wage systems and benefits in order to identify opportunities to continuously improve the lives of workers, their families, and the communities where they live.

Implement payroll deductions in order to provide legal benefits or voluntary services only.

Requirements

- Implement mandatory benefits such as medical insurance, injury insurance, pension insurance, social security/retirement, etc., in accordance with local law. Ensure deductions are used specifically for the purpose stated and maintain supporting documentation to prove mandatory deductions are taken and applied in accordance with local law. Do not deduct amounts for dormitory, meal, or similar expenses, which exceed actual cost. Keep records available, which demonstrate the actual cost of these expenses, if they are deducted from worker wages.
- Do not take deductions from wages unless they are mandatory under local law or voluntary, reasonable, and clearly understood by workers.
- Deductions are not be taken from wages for damaged goods, tardiness, or failure to meet production quotas.
- Do not use short-term or renewable contracts that are not substantively different from full-time employment opportunities, in order to avoid payment of benefits, higher wages, or promotions to workers under local law.
- Properly recognize the length of service of all workers in order to determine benefits to which they are entitled, as applicable.

Ensure workers fully understand their wage structure, benefits they are eligible for, and can verify the accuracy of payments they receive.



Requirements

- Educate workers on the pay structure, including the type and amount of all deductions taken from their pay, wage rates, bonuses, and incentive systems. Develop and implement refresher training for existing workers.
- Make workers aware of all leave benefits available under local law, including maternity and paternity leave. Payment and records of leave benefits should be maintained.
- Pay stubs or receipts of payment must be itemized and available to all workers in their native language, document deductions taken, and include actual pay.
- Provide access to a contact in the human resources department (or other applicable department) in case a worker has a related question.

Provide access to complete and accurate payroll and production records.

Requirements

- Payroll must include enough details to verify proper wages and hours per legal requirement, including but not limited to:
 - Complete pay period date
 - Worker name
 - Total hours worked and breakdown by type of hours (regular, overtime, etc.)
 - Worker wage rates (normal, overtime, etc.)
 - Piece rate calculations (if applicable)
- **Payroll and/or production records should reflect all hours worked by the workers. Suppliers should maintain a single authentic set of payroll and production records, which clearly and accurately provides information for all workers. Location must not maintain a false set of records or double books.**
- Location must provide auditors access to review the payroll records.
- Keep all wage records for the time period required by local laws.

Back pay must be provided to workers if wages were not paid in accordance with legal or contractual requirements.

Back Pay: Money that is owed and paid to workers to remedy missing compensation.

Requirements

- If wages or severance are unpaid, underpaid, delayed, or deducted improperly per local law or employment contract, suppliers must calculate and provide back pay to all affected workers within thirty days of their discovery.
- Back pay must be provided to all affected workers, regardless of their current employment status; this includes workers that may no longer have an employment relationship with the suppliers.
- All back pay provided must include any interest payment required by local law.

Freedom of Association

We seek suppliers who productively engage workers and value them as critical assets to sustainable business success. This includes respecting the rights of workers to make an informed decision as to whether to associate or not with any group, consistent with all applicable laws.

- **Workers' Rights**



Recognize and respect workers' rights to freedom of association.

Requirements

- Establish sound hiring and employment practices that are legally compliant regarding freedom of association.
- Grant workers the right to openly communicate with management individually or collectively.
- Allow employees to represent themselves and others without interference, intimidation, or discrimination from management.
- Management and workers must comply with all national or laws, regulations, and procedures concerning freedom of association.
- Workers must not be punished or otherwise discriminated against for supporting freedom of association. Appropriate training must be conducted for supervisors/managers.
- Retaliation against workers who are attempting to legally associate and/or organize is prohibited.
- Management must not discriminate against workers due to their membership in, or affiliation with, a union or worker association.
- Where law prohibits the right to freedom of association, the supplier must not hinder the development of legal alternatives.
- Suppliers must have a written policy that states its commitment to comply with applicable laws and respect workers' rights to freedom of association.
- Membership in a trade union or worker association must not be a condition of hiring.

Recognize and respect workers' rights to freedom of association.

Best Practices

- If a union or worker association has been formed, allow worker representatives access to the workplace in order to carry out their representative functions in accordance with law or agreement.
- Train managers and supervisors on freedom of association laws.

Environmental Management and Monitoring Systems

Suppliers must have an environmental management system that identifies, characterizes, and inventories all operational and production impacts to air emissions, energy use, water use, and wastewater.

- **Monitoring Systems**



Have an environmental management system that identifies, characterizes, and inventories all operational and production impacts to air emissions, energy use, water use, and wastewater.

Requirements

- An Environmental Management System (EMS) that sets measurable goals and timeframes for impact areas based on production and operations must be documented and on file.
- Locations in-scope are required to complete a Higg Index Facilities Environmental Module (FEM) self-assessment at least once a year to validate environmental performance. See Partners Online for facilities in scope of the Higg FEM.
- A system must be in place to respond to any unexpected environmental emergencies such as chemical spills or gas leaks.
- Corrective action from appropriate governing bodies due to being out of legal compliance must be documented and completed within the set period.
- EMS must be evaluated and updated annually to manage and track environmental progress.
- General training must be conducted annually to all employees regarding environmental protection.

Have an environmental management system that identifies, characterizes, and inventories all operational and production impacts to air emissions, energy use, water use, and wastewater.

Best Practices

- Information on the location's environmental performance is made available to both internal and external stakeholders.

No Illegal Wastewater Discharge

We will not tolerate suppliers with undersized, bypassed, or inoperable wastewater treatment systems. Suppliers must install and maintain appropriately-sized wastewater treatment systems to ensure pollutants are at or below legally required levels.

- Monitor Wastewater
- Manage Water Use



Monitor wastewater discharge and reduce the pollutants of wastewater to levels compliant with applicable laws and regulations.

Requirements

- Ensure that all wastewater streams are identified and characterized: maintain an inventory of process wastewater stream.
- Install and maintain appropriately-sized wastewater treatment systems that reduce the pollutant of wastewater to levels compliant with applicable laws and regulations.
- In the absence of an on-site wastewater treatment facility, all wastewater to be discharged into the off-site wastewater treatment facility (i.e., industrial park wastewater treatment facility, or municipal wastewater treatment facility) as regulated. Required discharge permits must be updated periodically and filed with the proper regulatory agency.
- Monitor wastewater discharges in accordance with regulatory requirements and develop a schedule of water quality sampling and testing that conforms to government and industry guidelines.
- If wastewater is treated off-site, location must have a knowledge of the name, address of the offsite third-party treatment plan, and have oversight to ensure it is compliant. The off-site treatment plant and relevant information must provide access to Target as requested.
- Prepare for emergencies and implement emergency response actions in case the on-site wastewater treatment plant exceeds its capacity or malfunctions.
- Training is required for all employees who work directly with wastewater.



Illegal wastewater discharge is a zero tolerance violation.

Monitor wastewater discharge and reduce the pollutants of wastewater to levels compliant with applicable laws and regulations.

Best Practices

- Develop and document an inspection and maintenance schedule of wastewater treatment facility, where applicable.
- Develop and document annual targets to reduce wastewater discharge and improve wastewater quality.
- Develop and document an action plan for achieving wastewater discharge reduction target and wastewater quality improvement target.
- Byproducts of wastewater treatment (e.g., sludge) are analyzed, handled, and disposed of properly as hazardous waste.
- Be aware of any non-compliance occurring in the off-site third-party wastewater treatment plant. Develop an action plan for remediation if the factory has contributed to the non-compliance.
- Implement innovative solutions/technologies to reduce wastewater volume and/or pollutant loading.
- Publicly disclose wastewater discharge information.

Waste Reduction and Disposal

Suppliers must handle, store, transport, and dispose of hazardous waste legally. We seek suppliers who demonstrate they actively work to reduce waste throughout the production process.

*** We will not tolerate suppliers that engage in illegal waste dumping.**

- **Hazardous Waste**



Handle, store, transport and dispose of hazardous waste legally, and actively work to reduce waste throughout the production of products.

Requirements

- Identify all sources of waste and characterize each waste stream as either hazardous waste or non-hazardous waste as per applicable regulations.
- Document an inventory of all wastes and track the amount of waste stream generated.
- Hazardous waste storage containers and storage area must be in good condition.
- All hazardous and non-hazardous waste must be segregated and stored separately.
- Hazardous waste must be sent to a licensed waste handler or authorized waste facilities as required by law or regulation.
- A licensed hazardous waste transporter as required by law or regulation must transport hazardous waste.
- Training is required for all employees on disposing, storing, and handling waste.

Handle, store, transport and dispose of hazardous waste legally, and actively work to reduce waste throughout the production of products.

Best Practices

- Reuse materials when possible and recycle materials that are recyclable.
- Develop and document annual targets to reduce waste generation.
- Develop and document an action plan for achieving waste generation reduction target.
- Validate the final disposal and treatment of all wastes.

Energy and Water Use

Suppliers are expected to set clear goals to improve energy and water efficiency and document progress made toward achieving those goals.

- **Efficient Energy Use**
- **Efficient Water Use**



Utilize energy efficiently in locations and production processes.



Requirements

- Identify energy source, track, and record energy consumption for buildings and processes where production occurs.

Utilize energy efficiently in locations and production processes.

Best Practices

- Conduct an energy audit to identify potential energy and cost savings.
- Develop and document annual targets to reduce energy consumption and greenhouse gas (GHG) emissions.
- Develop and document an action plan for achieving energy reduction target.
- Utilize online metering and publicly disclose data.

Manage water use in facilities and production processes.



Requirements

- Water use must be tracked and recorded for buildings and processes where production occurs.
- Set and review formal, normalized targets on a regular basis for improving water use.

Manage water use in facilities and production processes.

Best Practices

- Develop and document annual targets to reduce water consumption.
- Develop and document an action plan for achieving water consumption reduction target.

Emissions to Air

Suppliers must install and maintain appropriate air emissions control devices to ensure air emissions' pollutants are at or below legally required levels.

- **Minimize Air Pollution**



Minimize air pollution impacts in locations and production processes.

Requirements

- Identify air emissions sources from industrial activities and auxiliary devices.
- Develop and maintain an air emissions source inventory.
- Required discharge permits must be updated properly and on file.
- Install and maintain appropriate air emissions control devices that reduce the pollutant to levels compliant with applicable laws and regulations.
- Monitor emission to air in accordance with regulatory requirements. The quantity of air emissions must be tracked and recorded for all buildings and processes.

Minimize air pollution impacts in locations and production processes.

Best Practices

- Develop and document annual targets to reduce emissions to air, if applicable.
- Develop and document an action plan for achieving air emissions reduction target.
- Utilize online metering and publicly disclose data.

Licenses and Permitting

Suppliers must acquire and maintain all legally required environmental permits and business operating licenses necessary for the production of their products and operation of their locations.

- Valid Permits
- Production Records



Operate with valid environmental permits and business operating licenses.

Requirements

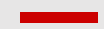
- Be aware of, and comply with, all applicable environmental laws and regulations, and maintain an inventory of environmental laws and regulations.
- Have all required environmental permits, licenses and other required approvals for its current operations.
- Plan and provide adequate time to update current environmental permits, licenses, and approvals.
- Maintain valid business operating license per legal requirement. The information on business operating license should reflect the current operations, including address, business scope, etc.



An invalid, missing or falsified permit is a zero tolerance violation.

An invalid or missing business license is a zero tolerance violation.

Operate with valid environmental permits and business operating licenses.



Best Practices

- The inventory of environmental laws and regulations is evaluated and updated annually.

Responsible Exit or Decline

Target production may be exited or declined at a manufacturing location for a wide variety of reasons (i.e., changing business needs, performance issues that continues despite remediation efforts, disruptions such as natural disasters, etc.). When such an exit or decline in Target business takes place, we expect business partners to support our efforts to responsibly exit the manufacturing location.



Understand and escalate the risks of worker lay-offs and/or non-payment of wages or severance prior to the decline of Target business.

Best Practices

- Inform Responsible.Sourcing@Target.com and sourcing/merchandising partners when:
 - A Target business exit or decline at the factory is significant enough that it may result in worker lay-offs or unpaid wages/severance.
 - A Target business exit or decline at the factory is resulting in worker layoffs or unpaid wages/severance.
 - A Target business exit or decline is resulting or may result in the factory closure.
 - The factory being exited or declined is reducing working hours for longer than 3 months.
 - The factory is delaying payment to workers.
 - The business partner or factory is facing bankruptcy or significant financial challenges.
 - A factory is temporarily, permanently, or indefinitely closed due to the impact of a natural disaster.
- Provide the factory details and a detailed description of the business change and the potential factory and worker impact.

Provide advance notice, in writing, to factories of Target business exits or declines.

Best Practices

- Applicable to business partners when Target does not source directly from the factory.
- Provide a minimum of 3-12 months of advance notice to the factory of business decline. The amount of advanced timing should be on the higher end of this spectrum when there may be significant disruptions to factory's overall business or worker income.
- Note that the extended timing does not apply for exits due to factory performance failures which have exit timelines from immediate to three months.

Monitor and ensure compliance to the SOVE and local law during the phase out of Target business.

Requirements

- During location layoffs and/or closures, ensure that all legally required pay and benefits are provided to workers including but not limited to the following: all wages owed are paid, all severance payments are made, and adequate notice is provided, and consultation is conducted in accordance with local law.
- Escalate any risks of non-compliance to the SOVE or local law to Responsible.Sourcing@Target.com.

Appendix A: Implementation Guidance on Protections for Foreign Migrant Workers

The following tables lay out additional guidance for how to meet Target requirements for the protection of foreign migrant workers and the prevention of forced labor.



Labor Agency Pre-selection Due Diligence and Regular Audits

Pre-Selection Due Diligence

Pre-selection due diligence should be carried out for each labor agent that will be involved in the foreign worker recruitment process, both in the receiving or sending country. Materials reviewed should include the agency's license, records of any complaints made or penalties imposed, and service agreements with any partner agencies that would be used to recruit workers for the location.

Pre-selection due diligence should determine the following:

- The labor agency has a current license and is legally permitted to recruit foreign contract workers to meet the location's labor needs.
- The labor agency's overseas partner has a current license and is legally permitted to recruit foreign contract workers to meet the location's labor needs.
- Independent, unlicensed sub-agents are not used.
- The labor agency is capable of carrying out workforce recruitment activities that meet location, Target, and applicable legal requirements, particularly about the requirement that workers pay no fees to secure their job.

Regular Audits

Each labor agent used in the recruitment of workers should undergo a regular audit, at least annually, that reviews the agency's license, existence of partnerships with unlicensed sub-agents, and the agent's compliance with the location's requirements on ethical recruitment and the prohibition of forced labor. Audits should focus, in particular, on uncovering deceptive practices and fee charging. A corrective action process with set goals, tracking of progress and a timeline for completion should follow audits.

Labor Agency Service Agreements

Formal service agreements with labor agencies must be legally binding and contain the following information:

- Name, address, and contact information of the labor agent;
- Name, address, and contact information of any partner labor agents that will be engaged, if any;
- A list of services that the recruitment agent and any partnering labor agents agree to perform for the location;
 - This list must determine which party is responsible for conducting job interviews, the pre-departure briefing, required skills tests (if any), and any other activities that form part of the overall recruitment and employment process.
- The fee amount payable to the agent by the location for each worker recruited;
- A commitment by the agent to conform to the location's ethical recruitment requirements as a condition for continuing the business relationship, especially the following:
 - Workers must not be charged fees or deposits;
 - Labor agents must take part in audits and corrective action; and
 - Labor agents must share relevant documentation of recruitment and management activities upon request.
- A prohibition on forced labor and human trafficking; and
- A prohibition on the use of independent sub-agents.

Recruitment-Related Fees

This list serves to illustrate typical costs encountered during recruitment and may not reflect all costs for the specific migration corridor.

- Service fees, recruitment fees, placement fees, and monthly broker service fees of any labor agents used in the sending and receiving countries;
- Legally-permissible deposit;
- Insurance;
- Legally-required documentation, such as a passport, passport photos, visa, stamping fee, work permit;
- Government-required medical clearance and medical examinations;
- Government- or company-required training, including skills training, language training, and a pre-departure orientation;
- Other government-imposed costs, such as a foreign worker levy, tax, or welfare fund contribution;
- International travel from the sending country to the workplace in the receiving country.
- Uniforms, tools, or other items required for work.

The location should ensure the cost of items listed above, as well as any other costs that may arise outside of local travel and accommodation, are covered for workers as part of their recruitment and hiring.

Sample Worker Onboarding Interview Material

To ensure that the recruitment process met location, Target and legal requirements, location personnel should interview a sample of newly arrived workers to confirm whether the following is true of workers' recruitment experience:

- **No Fees:** Workers did not pay recruitment fees or expenses in conjunction with their recruitment and hiring, other than the cost of local transportation and short-term lodging during the selection and hiring process.
- **No Deposits and Loans:** Workers were not asked to submit deposits or take out loans in conjunction with their recruitment and hiring.
- **No Sub-Agents:** Workers were not recruited through agents other than those receiving and sending country agents with which the location has service agreements in place.
- **Pre-departure Briefing:** Workers were provided a comprehensive pre-departure briefing in their own language using location-provided content.
- **Contract of Employment:** Workers were provided, signed, and retained a written contract of employment in keeping with Target and legal requirements on contracts of employment.
- **No Deception or Coercion:** Workers did not experience any form of deception, coercion or intimidation during recruitment and hiring.
- **No Discrimination:** Workers did not experience any discrimination.
- **No Unwarranted Document Retention:** Workers did not experience any document retention, unless this was the temporary collection of a document to fulfill a legal migration requirement, and was carried out in accordance with Target requirements.

Interviews should be confidential and explicitly protect workers from retaliation for information provided.

Pre-Departure Briefing

The Pre-departure Briefing should cover the following items:

- An overview of the company, workplace, and working and living conditions;
- Terms and conditions of employment;
- Terms and conditions of contract termination and repatriation;
- Any pre-departure requirements that must be fulfilled by workers for legal or employer purposes, including training, medical examinations, and documentation;
- Protections afforded to workers in the sending and receiving countries by law and in company policies on the following:
 - The prohibition on forced labor;
 - The No-Fees policy;
 - Identify document retention and safekeeping;
 - Freedom of movement;
 - Contact information of embassies and any other relevant government agencies;
 - The location's grievance mechanisms that are available to workers in the sending and receiving country, and the step-by-step process for reporting unethical practices during recruitment.

Labor agent/broker must provide recruited employees with accurate written information about the conditions of employment in the worker's native language. It is the employer's responsibility to make sure that a pre-departure briefing has been conducted and meets these requirements. It is permissible for an employer to add these requirements in a service agreement with agents and require that agents carry out the briefing activities on their behalf. The employer is responsible for monitoring that this is carried out appropriately (using photos, documentation, etc.).

Onboarding Orientation Contents

Within a week of their arrival, new workers should receive training in their own language on, among others, the following topics:

- Workers' terms and conditions of employment;
- Methods of wage calculation;
- Legal requirements;
- Location profile, policies and procedures;
 - Anti-forced labor, including the prohibition on fee-charging;
 - Anti-harassment and abuse;
 - Anti-discrimination;
 - Any existing worker associations or committees;
 - Dormitory regulations;
 - Grievances, communication and feedback;
 - Progressive discipline;
 - Termination and repatriation.

Dormitory Management System

- **Develop Accommodation Management System:** To meet Target Standards on dormitories, the location should implement a dormitory management system. Such a system can include, among others, the following steps:
 - Identify a staff person who will be responsible for overseeing the management and maintenance of the houses.
 - Integrate the system for maintaining the dormitories with the functioning of the health and safety officer and department.
 - The health and safety officer should maintain a checklist and define a system for conducting periodic monitoring of health and safety conditions of the dormitories. Findings should be reported back to the responsible person.
- **Communication and Grievances:** To improve the feedback and complaints coming from the residents of the hostels, suggestion boxes can be provided in the dormitories, and a staff person must be made responsible for documenting and addressing the suggestions in a timely manner.
- **Monitoring:** Periodic internal audits or monitoring of the hostels should be conducted by location personnel to sustain improvement efforts.

Conditions for Payment of Return Transportation

Conditions for Payment of Return Transportation by the Location

- Foreign workers should be provided return transportation upon completion of the employment contract.
- Foreign workers who are terminated due to a location closure, downsizing, or under similar circumstance should be provided return transportation.
- Foreign workers who resign with reasonable notice should not pay for a penalty or return airfare. Reasonable notice should be defined, at a maximum, as thirty days.
- Foreign workers who resign without reasonable notice may be required to pay for their own return airfare, unless the resigning worker is covered by an exception laid out in **Appendix A**.
- The worker should not be charged for the cost of return transportation under any of the following circumstances:
 - Termination due to violation of the worker's rights;
 - Termination due to serious personal concerns, including the death of a family member, illness, or pregnancy (per the worker's request or receiving country law).