

September 11, 2024

Minister Kuo Jyh-huei
Ministry of Economic Affairs
No. 15, Fuzhou St., Zhongzheng District
Taipei City 100210, Taiwan

Dear Minister Kuo:

We are writing to request your support to ensure that responsible business practices are consistently and sustainably applied in the recruitment of migrant workers to Taiwan. We are particularly focused on the situation for migrant workers who are employed in Taiwan's textile mills.

We acknowledge the important contribution Taiwan's textile mills make to supply chains around the globe, and to our companies' own operations. This is why the responsible recruitment and employment of migrant workers in the mill sector is of utmost important to us, and to the competitiveness of Taiwan's mills.

Recent reports by the U.S. Department of State, the International Labour Organization, local and international media, and civil society groups, and a forthcoming report from a US-based NGO, Transparentem, indicate that some migrant workers in Taiwan incur significant debt to pay home-country recruiters for jobs in Taiwan, as well as ongoing costs to labor brokers after arrival, and many times additional deposits/fees charged to discourage workers from terminating their contracts early. In addition, these reports also allege that some migrant workers can face abusive working and living conditions, including restricted freedom of movement, retention of identity documents, excessive overtime, and threats of repatriation if they report grievances, complain about poor labor conditions, engage in workplace organizing or collective bargaining, become pregnant, or attempt to change employers.

If not properly addressed, such issues create a high risk for forced labor. As you may be aware, the United States, the European Union, Canada, Mexico, and other countries have proposed or passed laws that restrict imports of goods that are suspected of being produced in whole or in part with forced labor. Further, many companies expect or require their suppliers to reduce and eliminate these risks to prevent trade enforcement actions that may lead to significant business costs, civil and criminal penalties, and reputational damage. Actions to prevent forced labor and other labor violations are also in line with Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct, as well as the United Nations (UN) Guiding Principles on Business and Human Rights.

Under the auspices of the [American Apparel & Footwear Association](#) and [Fair Labor Association](#) joint [Commitment to Responsible Recruitment](#), 100 brands have committed to the "employer pays principle" through a proactive industry effort to address potential

forced labor risks for migrant workers in the global supply chain. Through this effort, brands are working together to eliminate conditions that can lead to forced labor in the locations from which we source products.

Taiwan has made tremendous strides to protect migrant workers. Taiwan has established a direct hiring service, a telephone hotline for migrant workers, allowed workers to renew their contracts in Taiwan, and increased the contract lengths to minimize costs. In addition, Taiwan has advocated that home countries of migrant workers cap recruitment fees to no more than one month's pay. Taiwan also recently stated its intention "to eliminate the charging of recruitment fees and related costs to migrant workers" as part of a bilateral trade agreement with the United States.

However, more action is needed. We have identified a number of steps Taiwan can take to better protect the human rights of migrant workers. The recommended steps are:

1. Taiwan should, through regulation or law, prohibit brokers from charging monthly fees and any other recruitment fees and associated costs to workers. Under the employer pays principle, the employer has the responsibility to pay for all aspects of the worker's employment. The ILO has [identified the scope of these expenses](#), which includes administrative costs, and anything that relates to ensuring their employment and living conditions are both legal and appropriate. The monthly fees that brokers currently charge to workers (in addition to the recruitment fees) is one example of a cost that should be borne by the employer. At the same time, the government should ensure that workers have effective channels for representation, particularly in situations when they need to leave their current employer or need other assistance particularly if that support may be outside the scope, or conflict with the interest of, the employer.
2. Protect and promote workers' freedom of association, including migrant workers' access to unions or independent workers' associations with the capacity to represent their interests democratically.
3. Protect migrant workers through robust agreements with sending countries. These agreements should include input from worker-focused organizations so that the interests of workers are represented in the final text. Best practice for these agreements [can be found here](#).
4. Streamline the application process for workers to change employers so that the workers have more options when problems arise in their workplace, or when their contract is ending.
5. Ensure that the relevant enforcement agencies have adequate resources and authority to investigate and enforce laws and regulations to ensure accountability for labor abuses and recruitment problems.
6. Revoke the license of local recruitment and employment services agencies that violate the terms of the Employment Services Act.
7. Guarantee access to effective, responsive arbitration channels for all workers with grievances, including migrant workers.

8. Expand and improve the government's Direct Hiring Service Center (DHSC) to make it faster, more efficient, and easier to use.

Implementing these changes will be a good start in providing confidence to migrant workers, and to companies sourcing from Taiwan, that migrant workers in Taiwan are protected by a strong safety net and will not experience unethical recruitment or poor working conditions.

We believe that collaboration between governments, civil society, and the private sector is essential to promoting and expanding ethical and sustainable business practices in Taiwan. We look forward to discussing these proposals in more depth with you soon, as part of a series of stakeholder meetings we are planning to hold in Taipei in the coming months. In the interim, please do not hesitate to reach out to Shelly Han at Fair Labor Association (shan@fairlabor.org) or Nate Herman at American Apparel & Footwear Association (nherman@aafaglobal.org) with questions or follow-up.

Sincerely,

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|---------------------------------------|-------------------------------|
| 1. adidas AG | 27. New Balance |
| 2. AEO Inc. | 28. Next |
| 3. Amer Sports | 29. NIKE, Inc. |
| 4. Aritzia | 30. ORTOVOX Sportartikel GmbH |
| 5. ASICS Corporation | 31. Oxford Industries, Inc. |
| 6. Brooks Running | 32. Patagonia, Inc. |
| 7. Burton Snowboards | 33. Peloton Interactive |
| 8. Canadian Tire Corporation | 34. PUMA |
| 9. Carhartt, Inc. | 35. PVH Corp. |
| 10. Columbia Sportswear Company | 36. Ralph Lauren Corporation |
| 11. EILEEN FISHER, Inc. | 37. Rapha Racing Ltd. |
| 12. Everlane | 38. REI Co-op |
| 13. Fanatics | 39. Reformation |
| 14. Fenix Outdoor International AG | 40. SanMar |
| 15. Gap Inc. | 41. Sitka® Gear |
| 16. Global Uprising, PBC dba Cotopaxi | 42. SPANX, LLC |
| 17. HellyHansen | 43. SPARC Group |
| 18. HUGO BOSS | 44. Target Corporation |
| 19. J.Crew Group | 45. Teton Outfitters, LLC |
| 20. KMD Brands | 46. TTI Global Resources |
| 21. Lacoste | 47. Under Armour |
| 22. Levi Strauss & Co. | 48. VF Corporation |
| 23. L.L.Bean, Inc. | 49. Wayre Inc. |
| 24. lululemon | 50. Wes and Willy LLC |
| 25. Marks & Spencer plc | 51. YKK |
| 26. Mountain Equipment Company | |

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