

A high-angle photograph of a textile factory. The scene is filled with rows of industrial spinning machines, each with a large spool of dark blue yarn. A worker in a light blue uniform and white cap is focused on her work in the foreground. The machines are arranged in a grid-like pattern, extending into the distance. The lighting is bright and even, highlighting the metallic surfaces and the organized layout of the factory floor.

Following the Thread

Labor Abuses in Taiwan's Textile Industry

About Transparentem

Transparentem transforms industries by allying with workers and communities to uncover abuses in global supply chains and drive labor and environmental justice.

We envision a sustainable world that is just and equitable for all workers and their communities.

A catalyst for systemic change, Transparentem spurs companies to play a critical role in remediating abuses at the worksites where they source their products. Through in-depth investigations, strategic engagement with companies, and policy advocacy, we strive to drive change across entire industries.

We choose our areas of focus for the greatest impact, investigating endemic abuses—including child labor, forced labor, and gross environmental degradation—that affect the health and welfare of thousands of workers and their communities. Ultimately, through collective action and collaboration, we strive to fundamentally transform industry practices and bring real, tangible justice to some of the world’s most vulnerable populations.

We are philanthropically funded by foundations and individuals and are tax exempt in the United States under Section 501(c)(3) of the Internal Revenue Code.

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The photos included in this report are solely to illustrate the types [or kinds] of locations and situations described by Transparentem. The people and farms that appear in the photos do not represent any person or group of people or locale discussed in this report.

Front Cover: Cynthia Lee / Alamy Stock Photo

1.0 Executive Summary

Modern manufacturing’s long and complicated supply chains make labor abuses hard to see and harder to fix when they are discovered. Ending labor abuses that occur before the final stage – or beyond the first tier – of production requires coordination and collaboration.

Transparentem aimed to catalyze this type of action in Taiwan, an important production hub for outdoor and athletic apparel fabrics. Transparentem recently investigated labor abuses there, affecting migrant workers employed by deeper-tier textile suppliers. This report details outcomes to date and the work that remains.

Transparentem’s Investigation

In 2022 and 2023, Transparentem investigators interviewed more than 90 migrant workers from Vietnam, the Philippines, Indonesia, and Thailand employed by textile and textile-related suppliers in Taiwan. Among other abuses, our investigation found evidence of conditions that the International Labour Organization (ILO) has defined as indicators of forced labor. According to the ILO, finding at least one of these indicators points to the possible presence of forced labor.

In March 2024, Transparentem sent confidential reports to more than 40 buyers* with possible supply-chain connections to nine Taiwanese suppliers operating beyond the first tier of production. The reports presented evidence of labor abuses and recommended actions that buyers should take to correct or remediate the harm.

“... the term forced or compulsory labour shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.”

- ILO Forced Labour Convention, 1930
(No. 29)

Transparentem sent reports to buyers who named investigated suppliers on their public lists of factories that manufacture their products. Transparentem also sent reports to buyers who, according to shipping data, bought finished products from

* In this report, the term “buyer” means a company that bought material directly from at least one investigated supplier or from another company that bought material from at least one investigated supplier, regardless of whether that material entered the buyer’s products.

manufacturers who bought materials from investigated suppliers. In both cases, Transparentem's position was that buyers were responsible for taking corrective action at the investigated suppliers.

Transparentem argues that abuses beyond the first tier will only be prevented if buyers take responsibility for abuses in all suppliers to their tier one suppliers.

Company Responses

Many, but not all, of the buyers who received Transparentem's investigation findings took a narrower view of corporate responsibility. (See Table 3.) In a submission to Transparentem, they argued that their obligation to respond to reports of abuse does not extend to all suppliers to their tier one suppliers but only to those suppliers who produce specific materials that end up in their products. As a result, many buyers chose to act at only some of the suppliers to which Transparentem had connected them. Still, other buyers took helpful actions regarding their suppliers' suppliers, contributing to an important precedent. Only a very small number of buyers were either totally unresponsive or declined to take any action.

Investigated suppliers:

- De Licacy Industrial Co. Ltd.
- Everest Textile Co., Ltd.
- Far Eastern New Century Corporation
- Li Peng Enterprise Co. Ltd.
- LeaLea Enterprise Co. Ltd.
- Lovetex Industrial Corporation
- Lucky Unique Enterprise Co., Ltd.
- Neng Neng Industrial Co., Ltd.
- Tung Hsin Dyeing Enterprise Co., Ltd.

Indeed, nearly all buyers opted to take some action toward addressing the problems Transparentem found. A dozen buyers stepped forward to lead remediation efforts at specific suppliers. At facilities run by eight of nine investigated suppliers, buyers commissioned audits that broadly confirmed Transparentem's findings. At the time of drafting this report, corrective action plans (CAPs) had been created at all but one supplier, and in many cases, buyers and suppliers had already begun corrective actions. (The ninth supplier—Lucky Unique—initially declined buyers' request for an audit but later consented to a remediation process beginning with a third-party assessment, expected to take place in February 2025.)

Contacted buyers:

Adidas*	Gap	New Balance	Sitka*
Amazon	GIII	Next	Target
Amer Sports*	Haddad	Niagara Bottling	TSI Inc.
Apple	H&M Group	Nike*	Under Armour
Bioworld	Hanes	North Bay	VF
Brooks Bros.	Helly Hansen	Ortovox	Wayre
Burton	Jack Wolfskin	Patagonia*	Yeti
Canadian Tire	KMD Brands	Pentland*	YKK*
Coca-Cola	Lacoste*	Puma*	
Columbia	Levi Strauss & Co.	PVH	
Cotopaxi*	LL Bean	Ralph Lauren	
Fanatics	Lululemon*	Rapha	
Fenix	MEC	REI*	*Remediation group leader

American Apparel and Footwear Association (AAFA) played an important role in coordinating buyers and advised Transparentem that additional buyers beyond those engaged by Transparentem had joined in supporting some remediation activities. In January 2025, largely as a result of Transparentem’s investigation, the AAFA and Fair Labor Association (FLA) announced the formation of a new coalition of global apparel companies working to promote responsible recruitment and employment in Taiwan’s textile industry.

However, at the time of finalizing this report, important details remained unclear about remediation at the investigated suppliers, including who would fund repayments to migrant workers who had paid high recruitment fees to secure their jobs and which workers would qualify for such reimbursement.

Asked in November 2024 to respond to Transparentem’s findings, one supplier did not reply, another declined to comment, and the remaining suppliers said they were working toward improvements at their facilities. Some suppliers later sent further feedback, including disputing some of Transparentem’s investigation findings.

Government Engagement

Transparentem was not aware of any substantive steps the Taiwanese government had taken to address concerns raised by civil society and the private sector as a result of Transparentem's investigation.

As Transparentem had recommended, many buyers began engaging with the Taiwanese government to advocate for stronger regulatory protections for migrant workers. As a result of Transparentem's investigation, more than 50 apparel brands signed a letter in September 2024 urging the government of Taiwan to implement specific regulatory and legal reforms to increase protections for migrant workers. The signers included 32 of the buyers that Transparentem had identified as possibly connected to the investigated suppliers. The AAFA and the FLA organized the letter. Also in September 2024, Transparentem and more than 20 individuals and local and international civil society organizations sent a similar advocacy letter to the Taiwanese government.

In December 2024, many buyers participated in follow-up advocacy meetings and workshops in Taiwan organized by the AAFA and FLA.

Transparentem also plans to contact national governments that may have supply chain connections to the investigated suppliers via their public procurement processes.

Call to Action

While promising steps forward were in motion at the time of this report's drafting, more timely action is needed to ensure that migrant workers in Taiwan are protected from labor abuses.

Buyers and suppliers must follow through on their plans for remediation and corrective action, including the full reimbursement of all recruitment fees paid by all workers, no matter when they were hired. Suppliers that have not yet converted to ethical recruitment practices and ensured that no migrant workers pay to work in their factories must do so. Buyers and industry groups must implement corporate responsibility commitments at all factories farther upstream in their supply chains. All actors must ensure that migrant workers have real access to independent grievance mechanisms and can meaningfully exercise freedom of association. The government of Taiwan must enact reforms, including prohibiting all worker-paid recruitment fees and so-called "service fees" that migrant workers pay monthly to local labor brokers.

These steps will not only benefit migrant workers. They will also help ensure the competitiveness of Taiwan's economy at a time of increasing expectations of human rights due diligence extending even beyond the first tier of production.

Table 1: Timeline of Investigation and Responses

December 2021 to December 2023	Transparentem conducts the initial investigation
February 2024	Transparentem begins outreach to buyers
March 2024	Transparentem presents investigative findings and recommendations to buyers
April 2024	Dignity in Work for All (DIWA) conducts audits at De Licacy, Everest, Far Eastern, and Tung Hsin
June 2024	Transparentem begins outreach to suppliers
July to August 2024	Verité conducts audits at Far Eastern, Li Peng, LeaLea, Neng Neng, and Lovetex
September 2024	<p>Transparentem, with civil society groups, sends a letter to the government of Taiwan, calling for protections for migrant workers and requesting a meeting. Separately, 50+ buyers and the AAFA and FLA send a similar letter. The Ministry of Labor publishes a response to the letter from buyers.</p> <p>Transparentem releases interim report</p>
October 2024	Transparentem requests comprehensive information from buyers and suppliers
November 2024	Transparentem meets with Taiwan’s National Human Rights Commission.
December 2024	<p>Buyers, with support from AAFA, finalize agreements with Verité and DIWA to implement corrective action plans at eight of nine suppliers.</p> <p>Nineteen buyers, with support from AAFA and FLA meet with Taiwanese government officials in Taipei to discuss the buyers’ recommendations. Buyers also meet with the Taiwanese Textile Federation (TTF), to promote ethical business practices.</p> <p>Transparentem and local civil society organizations meet with Ministry of Labor.</p>
January 2025	<p>Ministry of Labor sends written response to Transparentem’s recommendations for migrant worker protections.</p> <p>AAFA and FLA, with more than 50 companies and the TTF, launch a new initiative to improve conditions for migrant workers in Taiwan’s textile sector.</p>
February 2025	Transparentem releases full public report

2.0 Context

Taiwan employs more than 800,000 workers from Indonesia, the Philippines, Thailand, and Vietnam, according to October 2024 statistics.¹ Nearly two-thirds work in manufacturing. Workers from Vietnam form the largest portion of migrants employed in Taiwanese factories, followed by workers from the Philippines, Indonesia, and Thailand.²

Excessive recruitment fees and forced labor of migrant workers—in the manufacturing industry and beyond—are known and documented problems in Taiwan.

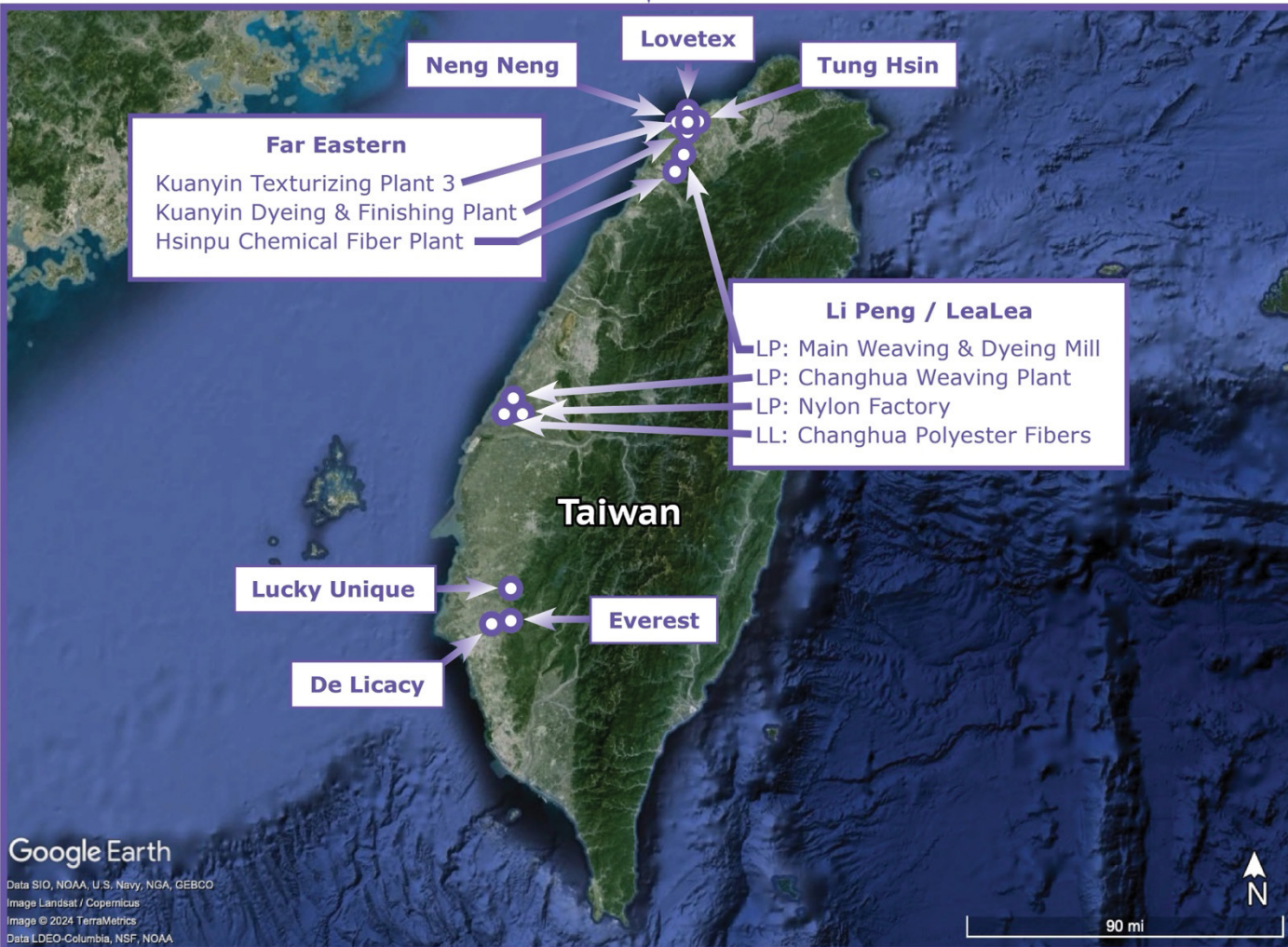
- The US State Department’s *2024 Trafficking in Persons* report on Taiwan describes the hiring of foreign workers through recruitment agencies in home countries as a process that often involves “exorbitantly high” recruitment fees and deposits and can lead to coercion, abusive working conditions, and forced labor.³
- A 2021 ILO report on Vietnamese migrants’ recruitment costs found the average paid by 275 survey respondents who had returned home after working in Taiwan was \$5,760.⁴ This was about two and half years of Vietnam’s minimum wage.⁵ The report said that paying recruitment fees and related costs increased the risk of forced labor, debt bondage, and human trafficking.⁶
- Local and international media and civil society groups have reported that migrant workers take on significant debt to pay recruiters for jobs in Taiwan. They also reported that migrants face abusive working and living conditions, restricted freedom of movement, excessive overtime, and a risk of being sent home if they protest labor conditions or try to change employers.⁷

However, governmental efforts to address these problems have been limited. Since 2001, the Taiwanese government has maintained a non-binding recommendation to source countries of migrant labor that recruitment fees should not exceed one month’s pay.⁸ In June 2023, US and Taiwanese authorities agreed to put an end to migrant workers’ recruitment fees and related costs as part of a bilateral trade agreement.⁹

Migrants have limited ability to escape exploitative employers if they wish to remain in Taiwan. Taiwanese law¹⁰ technically allows migrant workers to find new employers at the end of a contract or, in some circumstances, mid-contract. But, in practice, migrants have little opportunity to do so. The Ministry of Labor implemented new rules in 2021 that further limited workers’ ability to find new employment in a different industry.¹¹

In July 2023, the Taiwanese government's supervisory branch, the Control Yuan, recommended that Taiwan gradually relax legal restrictions on migrant workers' ability to change employers.¹²

Map: Investigated Suppliers



Note: The Lovetex facility investigated by Transparentem has since closed. Lovetex moved its workforce to a different facility.

Table 2: Investigated Suppliers

Supplier	Product	No. of facilities investigated	Audit provider and date	No. of production workers employed by audited facilities	No. of migrant workers employed by audited facilities	Corporate ownership notes
De Licacy	Yarn spinning, fabric weaving, and dyeing	1	DIWA: April 2024	460	227	
Lucky Unique	Fabrics	1	DIWA audit expected February 2025	N.A.	N.A.	More than 20 percent owned by De Licacy.
Everest	Yarn texturizing, fabric weaving, knitting, dyeing, and post-finishing	1	DIWA: April 2024	1,110	468	Part of the Far Eastern Group.
Far Eastern	Synthetic fabrics, fibers, filaments, and polyester resins	3	DIWA: April 2024 (1) Verité: July 2024 (2)	2,337	602	Part of the Far Eastern Group.
Li Peng / LeaLea	Textile products and polyester materials.	4	Verité: July-August 2024 [†]	936	535	Part of the Libolon Group.
Lovetex	Hook and loop fasteners	1	Verité: July 2024 [‡]	97	63	
Neng Neng	Fabric dyeing	1	Verité: July 2024	52	34	Dyeing mill of Carol Textile Co., Ltd. (Caroltex)
Tung Hsin	Fibers, fabric dyeing and finishing	1	DIWA: April 2024	99	49	

[†] The four audited Li Peng/LeaLea factories included three investigated by Transparentem and one other.

[‡] Verité audited a different Lovetex facility than the one Transparentem investigated. The investigated factory had closed, and its workforce had moved to the facility audited by Verité.

3.0 Findings & Company Recommendations

Transparentem’s investigation in Taiwan covered thirteen facilities operated by nine suppliers, with workforces ranging from dozens to hundreds of employees (See Table 2 above). Transparentem found evidence of labor abuses at all factories, including ILO forced labor indicators. The findings are detailed below, followed by a summary of Transparentem’s recommendations to buyers.

Findings

Recruitment fees

At **all investigated suppliers**, migrant workers reported paying recruitment fees and related costs to home-country recruitment agents.

- High recruitment fees, often paid by taking loans, put vulnerable migrant workers at risk of exploitation.
- According to organizations, including the US State Department, the United Nations Office On Drugs and Crime, and the ILO, these recruitment fees can compel migrant workers to endure abusive conditions to pay off their debts. This can lead to forced labor in the destination country.¹³
- The fees paid by interviewed workers were as high as \$6,000, among the highest Transparentem has found in investigations in several countries.

“I came to work to pay my family's debt but received another debt.”
- Far Eastern migrant worker
- In some cases, workers also paid deposits of \$500 to \$1,000 to recruitment agents. Some workers described these deposits as a means of preventing their “escape.”
- Some investigated suppliers – **De Licacy, Everest, Far Eastern, and one Li Peng facility** – had adopted no-fee policies in 2020 and 2021, to end recruitment fees for new workers. However, most interviewed workers said they had not been reimbursed for past fees.

Monthly broker fees and contract-renewal fees

At all investigated suppliers, workers also reported paying or having paid “service fees” of \$50 to \$60 monthly to Taiwanese labor brokers. Over a three-year contract, these payments added up to more than two months’ base wages.

- These “service fees,” like other recruitment fees and related costs, can bind workers to their jobs.
- These fees appear to be legal under Taiwanese law, but international organizations and other stakeholders have said that migrant workers should not be required to pay them.¹⁴
- Taiwanese labor brokers ostensibly provide translation and other services for workers in exchange for monthly fees. However, interviewees said the brokers were slow, unresponsive, or unreliable.
- In addition, at **Tung Hsin** and **Neng Neng**, workers reported paying fees of around half to one month’s wages to renew their three-year contracts. This appears to be illegal in Taiwan.

“I don’t see any benefit. I just have to pay for it every month. ... the brokers don’t help us with anything.”

- LeaLea migrant worker, speaking about “service fees.”

Obstacles to quitting

At **Everest**, **Far Eastern**, and **Li Peng/LeaLea**, workers reported obstacles to quitting and finding a new employer in Taiwan either mid-contract and/or at the end of their contracts.

- Obstacles included being blocked by their broker from changing employers or being told by supervisors or brokers to renew their contracts or be sent home.
- Preventing workers from resigning may constitute an abuse of vulnerability or a menace of penalty. Abuse of vulnerability is an ILO indicator of forced labor. The ILO defines a menace of penalty as a “means of coercion used to impose work on a worker against a person’s will.” It is part of the definition of forced labor in ILO Forced Labour Convention, 1930 (No. 29).¹⁵

“They [the broker] just keep on saying if you don't want to renew you will not find another job, you have to go home to the Philippines.”

- Everest migrant worker

Intimidation and threats and discipline by fines

At **Everest**, **Far Eastern**, **Li Peng/LeaLea**, and **Tung Hsin**, workers reported intimidation, threats, and punishments by supervisors and/or labor brokers. These were often for comparatively minor infractions, like tardiness or phone use.

Findings & Company Recommendations

- Intimidation and threats are ILO forced labor indicators.¹⁶
- Punishments sometimes included discipline by fines, a UNODC indicator of human trafficking.¹⁷
- Workers described systems of discipline that included warning letters but also threats, yelling, repatriation, pay reductions, cutting overtime hours, and imposing cleaning duties.
- At Li Peng, worker contracts and warning letters indicated that the supplier sent workers home as a punishment for workplace infractions.
- At Everest, four workers reported that the supplier sent home migrant workers who became pregnant. This practice appears to be illegal under Taiwanese law.

“They told me I need to go back to the Philippines because pregnant women are not allowed to work in the company,”
- Everest migrant worker

Retention of identity documents

Workers reported that the factories held their passports at **Lovetex**, **Neng Neng**, and **Tung Hsin**.

- Retention of identity documents is an ILO forced labor indicator.
- Workers without their identity documents may feel they cannot leave their jobs, may not have access to services, and may be afraid to seek assistance from authorities.¹⁸
- The practice of holding workers’ passports appears to be legal under Taiwanese law, provided workers consent to it. However, the US State Department’s 2024 Trafficking in Persons Report has noted that “employers were reportedly easily able to coerce migrant workers into ‘voluntarily’ turning over their identity documentation” in Taiwan.¹⁹

The “passport is our property and responsibility, so we need to keep it. I haven’t seen my passport for three years.”
- Lovetex migrant worker

Restriction of movement

Workers at **Everest**, **Far Eastern**, **Lovetex**, **Neng Neng**, and **Tung Hsin** reported restriction of movement—an ILO indicator of forced labor. Restrictions included nighttime curfews or limits on how many hours per day they could be away from the factory premises. Such restrictions appear to be illegal under Taiwanese law.

“Locking people up like animals”
- Far Eastern migrant worker, describing movement restrictions

Excessive overtime

Interviewees at **Everest**, **Far Eastern**, **Lovetex**, **Neng Neng**, and **Tung Hsin** reported work schedules that exceeded the legal limit on either a daily or monthly basis or both. In some cases, pay slips also showed overtime hours exceeding legal limits. Excessive overtime is an ILO forced labor indicator.

Abuse of vulnerability

Migrant workers are particularly vulnerable to forced labor due to many factors, including a lack of—or a lack of knowledge of—community support structures, local laws, workers’ rights, representation in organized labor, and fluency in local languages. Fear of detention and repatriation, as well as xenophobia and restrictive immigration practices, can increase worker vulnerability.²⁰ This is especially likely when migrant workers may generally change employers only with the cooperation of their current employer. These factors, together with the other findings, indicate that migrant workers at **all investigated suppliers** may have experienced abuse of vulnerability, an ILO indicator of forced labor.

In addition to the key findings detailed above, Transparentem’s investigation also found evidence of:

- Pay and leave problems at **Everest**, **Tung Hsin**, **Li Peng/LeaLea** and **Neng Neng**.
- Abusive living conditions at **Everest**, **Far Eastern**, and **Li Peng/LeaLea**.
- Abusive working conditions at **Everest** and **Li Peng/LeaLea**.
- Deception at **Everest**, **Far Eastern**, **Li Peng/LeaLea**, and **Neng Neng**.
- Discrimination against migrant workers at **Li Peng/LeaLea** and **Tung Hsin**.
- Inadequate grievance mechanisms at **Far Eastern** and **Li Peng/LeaLea**.
- Restricted freedom of association at **Li Peng/LeaLea**.

Recommendations to Buyers

Transparentem prepared reports on the investigated suppliers and delivered them to buyers with possible supply-chain connections. In addition to detailed summaries of evidence of abuses at each supplier, each report included recommended actions that buyers should take to address the problems.

Recommended actions fell into four categories:

- A. Fix problems:** Create and implement corrective action plans to address all problems identified in the supplier reports.

Findings & Company Recommendations

- B. Strengthen policies:** Review and revise company policies to protect workers and increase transparency.
- C. Sustain changes:** Establish or improve mechanisms to identify labor abuses and ensure workers have access to effective grievance mechanisms.
- D. Expand impact:** Advocate for government support of migrant workers' rights.

Transparentem also advised buyers to extend remediation beyond the investigated facilities. Since the problems discovered at these suppliers are likely endemic in Taiwan and in other countries that depend on migrant workers, buyers must take steps to protect workers throughout their supply chains at all tiers of production.

And Transparentem advised buyers not to “cut and run.” While buyers may be tempted to remove troublesome factories from their supply chains, this will not address the identified abuses or more systemic issues. As the Organisation for Economic Co-operation and Development (OECD) has recommended in such situations, disengagement should be the last resort, after all mitigation attempts have failed.²¹

4.0 Company Responses

Transparentem delivered investigation findings and recommendations to a total of 47 buyers. The majority of the buyers were apparel brands, with a small number of electronics companies and companies making plastic bottles. Most buyers received reports involving multiple suppliers. With support from AAFA, buyers formed working groups to address problems at all but one supplier. Almost all buyers took some form of action. (Reported actions are detailed in written questionnaire responses and other correspondence with buyers, which are on file with Transparentem and may be available upon request.) Some buyers stepped up to lead working groups. But many buyers rejected some responsibility for remediation and a small number of buyers rejected all responsibility.

Buyer Groups

The first and most basic step Transparentem asked buyers to take was to immediately fix the problems uncovered at the investigated suppliers. Transparentem recommended that buyers join together and work with suppliers to create corrective action plans (CAPs) to fix each of the problems laid out in the supplier reports from Transparentem.

Leaders of supplier working groups:

- De Licacy: **Cotopaxi**
- Everest: **Lululemon, Nike**
- Far Eastern: **Adidas, Nike, Puma**
- Li Peng/LeaLea: **Adidas, Lacoste, Patagonia, Pentland, Sitka**
- Lovetex: **YKK**
- Neng Neng: **Amer Sports, REI**
- Tung Hsin: **Nike, Patagonia, Puma**

With facilitation assistance from the AAFA, buyers formed themselves into seven working groups to handle remediation at the investigated suppliers. Transparentem applauds the AAFA and the FLA for playing a productive role as organizers and facilitators of the buyers. The buyer working groups covered all suppliers including Lucky Unique, which initially declined to participate but began a remediation process in January 2025.

Twelve brands stepped forward to take leadership of the working groups and guide remediation efforts. These buyers met with supplier representatives, set expectations and agendas for corrective action, and reported back to their buyer groups. Several brands—**Adidas, Nike, Puma, and Patagonia**—took leadership roles at more than one supplier.

Early Corporate Leadership

Several buyers stand out from others engaged by Transparentem in this investigation for their longstanding commitment to protecting migrant workers employed beyond the first tier of production, particularly in Taiwan.

In 2014 in Taiwan, **Patagonia** announced to suppliers its first set of migrant worker employment standards and began conducting audits at its own expense, along with trainings and meetings with suppliers. [A 2015 article in *The Atlantic*](#) details Patagonia's efforts to address forced labor in its supply chain.

In 2017, Patagonia, **Lululemon**, **Nike**, and three other brands launched "Roadmap to No Fees by 2020" efforts in Taiwan to eliminate recruitment fees at their own suppliers. Soon after, **Adidas**, **New Balance**, and **Puma** also launched similar initiatives at their suppliers.

This effort explains why workers at several investigated facilities – **Everest**, three **Far Eastern** factories, and one **Li Peng** factory – reported that new employees stopped paying recruitment fees in 2020 or 2021.

An AAFA representative advised Transparentem that additional buyers beyond those engaged by Transparentem had joined in supporting some buyer group activities. AAFA did not disclose the names of the relevant companies. The involvement of more buyers is a positive development that increases leverage over suppliers beyond tier one, allows more buyers to take responsibility, and demonstrates the value of business associations like AAFA that promote ethical business norms.

The Scope of Corporate Responsibility

Transparentem applauds buyers and suppliers that took initial actions to address issues at the investigated suppliers. And Transparentem appreciates the additional efforts of buyers who led buyer groups. Transparentem also commends buyers that were willing to take action to influence suppliers even when they did not believe that particular supplier provided materials for the buyer's products. Buyer responses varied depending on buyers' view of their corporate responsibility.

Best practice dictates that a buyer should address reports of forced labor that occur at its supplier's supplier, even if the buyer believes the materials manufactured by the supplier's supplier do not enter the buyer's products. In other words, a buyer's due diligence extends not only to direct links to abuse through its products but also to risks identified through its business relationships. While the lack of a known connection via its products may limit a buyer's individual leverage at a given supplier, the buyer should join with other companies and stakeholders to prevent and mitigate abuses throughout the supplier's business and advocate for improvements to government policy.

When Transparentem presented this position to buyers, [the AAFA responded on their behalf with a memo](#) arguing that “a buyer is not responsible to address forced labor risks and impacts that occur at a supplier’s supplier that is not producing for the buyer.” The memo cited specific provisions of the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the United Nations Guiding Principles on Business and Human Rights.

Transparentem again made its case in a [blog post](#) co-authored by several other civil society organizations. “In settings where abuse is endemic, a brand’s refusal to take action [at its suppliers’ supplier] just because no direct link between the abuse and the brand’s products has (yet) been found risks weakening the collective action needed to address systemic issues,” the post states. “This type of head-in-the-sand behavior allows abuses to persist industry-wide.”

Choosing Inaction

Some buyers chose not to participate in remediation efforts at any of the suppliers about which they received reports from Transparentem:

- **Brooks Brothers** and **TSI**, a licensee of New Balance, acknowledged that materials from Everest were in their products. But both companies chose not to act and ended their sourcing relationships with Everest, despite Transparentem’s advice against “cutting and running.” Brooks Brothers only said it did not have a direct relationship with Everest and remained committed to responsible recruiting and upholding its code of conduct throughout its supply chain. TSI said that it did not have a direct relationship with Everest and that, due to strong competition in the apparel industry, it did not have resources to devote to correcting problems at Everest.
- **Niagara Bottling**, one of two manufacturers of plastic bottles that Transparentem contacted, said only that it had “not sourced from these Taiwan-based locations since at least 2021.” In response to Transparentem’s questions about records showing 2022 and 2023 shipments to Niagara from Far Eastern and LeaLea, Niagara offered an incomplete explanation, saying that some orders placed in 2021 may have been received in 2022. Niagara said that, after receiving Transparentem’s reports, it contacted one of the two suppliers – Far Eastern – which said that 2022 and 2024 audits conducted by a third-party auditor had not found indicators of forced labor or other labor abuses.
- **Hanes** initially opted to join efforts to develop remediation plans at three of the four suppliers to which Transparentem had connected it. But the company in November 2024 told Transparentem that it was withdrawing from all activities. Hanes confirmed it had no direct relationship with the suppliers and cited an agreement with Under Armour that it said

prevented it from engaging with relevant common suppliers to Under Armour. Transparentem recommends that companies in such circumstances ensure that comprehensive corrective action is carried out by at least one party to any such agreement.

- **Levi Strauss & Co.** received reports about five suppliers that had sent materials to two Vietnamese manufacturers of Levi Strauss & Co.'s products. Levi Strauss & Co. told Transparentem that all the investigated Taiwanese suppliers "supply or have supplied materials to manufacturers that make [Levi Strauss & Co.] products, but none are used in the manufacturing of our company's products." Levi Strauss & Co. shared information about its materials supply chain, indicating that all relevant fabric came from China, not Taiwan. Levi Strauss & Co. chose not to work on problems at investigated Taiwanese suppliers, even as part of a coalition of apparel brands. (Levi Strauss & Co. did join collective efforts to engage with the government of Taiwan, outlined below.)
- **GIII** and **Haddad**, Levi Strauss & Co. licensees, similarly declined to participate in factory remediation.

All other buyers addressed problems with at least one of the suppliers to which Transparentem connected them. But some chose a more limited response than others.

- **Burton**, **Rapha**, and **Gap**, for example, opted to act at only one of the four or five suppliers for which Transparentem sent them reports, citing a lack of supplier materials in their products.
- **Yeti**, which received reports from Transparentem about four suppliers, said only that it had reviewed a corrective action plan at one supplier, Everest, and would "hold them accountable for their progress." Yeti did not respond to a request for clarification about its role, if any, in developing the corrective action plan or supporting remediation.

Explaining a Lack of Connection to Materials

In cases where buyers chose not to act at certain suppliers, Transparentem asked them to explain how they knew that materials from the investigated suppliers were not entering their products. Transparentem appreciates the difficulty of "proving a negative," however, some buyers' lack of clarity on this point may indicate inadequate materials tracing. (See Table 12 in the appendix for details on buyers' supplier mapping and disclosure practices.)

Uncertainty about all the inputs into one's products is another reason that Transparentem argues that buyers should respond to credible reports of abuse at all suppliers to one's suppliers.

In response to Transparentem's questions on this topic addressed to buyers choosing not to engage with certain suppliers:

- Some buyers – including **Niagara Bottling**, **Pentland**, **PVH**, **Under Armour**, and **Yeti** – either did not provide any detailed information or said they source material from elsewhere, in some cases based only on conversations with their direct suppliers. **Target** declined to speak at all on the record, beyond that it was participating in three buyer groups.
- Others, like **Canadian Tire** and **Helly Hansen**, said that they had no visibility into the suppliers of their suppliers beyond the sub-suppliers nominated to produce materials for their products.
- **Lacoste** stated that it had stopped sourcing from the relevant supplier in 2022, before being contacted by Transparentem.
- Some buyers – including **Adidas**, **Apple**, **Burton**, **Fanatics**, **Gap**, **Levi Strauss & Co.**, **Lululemon**, **Nike**, **Patagonia**, **Rapha**, **Ralph Lauren**, and **VF** – described varying levels of due diligence in achieving visibility of product inputs. These included auditing their tier one suppliers and using traceability data and chain of custody monitoring. For example, Adidas and Apple provided information that showed well-developed systems to track and verify product inputs.

Again, Transparentem's position is that buyers should engage with all suppliers to their suppliers where credible evidence of abuses are found, regardless of a lack of material connection.

Taking Responsibility

Some buyers commendably stepped up even at factories that they believed were not sources of materials in their products:

- **Coca-Cola** said that it determined through site visits that it did not source bottle resin from any of the Far Eastern factories investigated by Transparentem but instead sourced from a different Far Eastern facility that did not employ migrant workers. But Coca-Cola still appeared to have joined the Far Eastern buyer working group. (Coca-Cola did not respond to messages seeking to confirm this.) This approach would contrast with Niagara Bottling's (see above), the other bottle manufacturer contacted by Transparentem.
- **Amazon** received a report about LeaLea and said that it had determined that LeaLea was "not a supplier to Amazon." But, considering LeaLea's possible connection to one of its suppliers, Amazon said it chose to join the relevant buyer working group.
- Similarly, **Bioworld** (a New Balance licensee) and **LL Bean** each joined a buyer group even after determining that the relevant suppliers did not produce materials for their products.
- **Ortovoxx** joined four buyer groups under these circumstances, covering all the suppliers for which it received reports.

In another case of buyers commendably taking responsibility, **Fenix** and **Ralph Lauren** joined remediation efforts at Far Eastern. Transparentem had not found a supply-chain connection between these buyers and Far Eastern. Both buyers volunteered information about supply-chain connections to Far Eastern and joined the buyer working group.

In other cases, buyers chose not to join working groups for certain suppliers to which Transparentem had connected them but opted to act in other ways:

- **New Balance** referred Transparentem to its licensees, BioWorld, North Bay, and TSI. Both BioWorld and North Bay took action. As stated above, **TSI** acknowledged that materials from Everest were in its products but declined to take action.
- **North Bay** (a New Balance licensee), **Sitka**, and **VF** each chose to work indirectly on remediation at one or more suppliers. Instead of joining working groups, these buyers engaged with their direct suppliers who purchased from one or more of the investigated facilities to seek improvements.
- **Sitka** further took commendable responsibility by committing to expanding its requirements of its tier one suppliers to include implementing a system of human rights due diligence and ethical sourcing practices covering all tier two suppliers, regardless of whether they are producing materials used in Sitka products.
- **Apple**, one of two electronics companies contacted by Transparentem, received a report about LeaLea, which it listed as a supplier. Apple immediately conducted an on-site investigation and said it determined that no abuses were occurring “on Apple production lines.” Apple said it conducted a mandatory management training at LeaLea on forced labor and encouraged the supplier to implement the training throughout its operations. Apple noted that it “does not tolerate any form of forced labor” and, since 2008, had verified that Apple’s suppliers globally reimbursed \$34.5 million in recruitment fees to more than 37,700 workers. Nevertheless, Apple did not join other brands in corrective action at LeaLea.
- **Adidas**, a co-leader at Far Eastern, was working on a fee-reimbursement plan at that supplier that would apply to Everest, which is part of the Far Eastern Group.
- **Lululemon**, a member of the Everest working group, did not join the working group for Far Eastern but did join meetings with the Far Eastern Group to help create a fee-reimbursement plan, which would apply to both Everest and Far Eastern.

Patagonia, a co-leader of the Li Peng/LeaLea and Tung Hsin buyer groups, stood out for its efforts in three other buyer groups of which it was a member. Patagonia was, for example, working with its direct suppliers on remediation at Far Eastern and De Licacy.

Table 3: Did buyer take action at suppliers that Transparentem asked them to?

Key: Yes = Buyer group leader; Yes = Not as part of buyer group; (Yes)/(No) = Buyer volunteered this connection

	De Licacy	Everest	Far Eastern	Li Peng / Lealea	Lovetex	Neng Neng	Tung Hsin
Adidas	Yes	Yes	Yes	Yes		No	
Amazon				Yes			
Amer Sports	Yes	Yes	Yes	Yes		Yes	
Apple				Yes			
Bioworld		Yes					
Brooks Bros.		No					
Burton	No	Yes		No		No	
Canadian Tire	No	Yes	Yes	No		Yes	
Coca Cola			Yes				
Columbia	Yes	Yes	Yes	Yes		Yes	
Cotopaxi	Yes	Yes					
Fanatics	No	Yes	Yes	Yes		No	
Fenix	Yes	Yes	(Yes)	Yes		Yes	
Gap	No	Yes	No	No		No	
GIII	No						
H&M Group				Yes			
Haddad	No						
Hanes	No	No		No		No	
Helly Hansen	No	No	Yes	Yes		No	
Jack Wolfskin	Yes	Yes	Yes	Yes		Yes	
KMD Brands		Yes	Yes	Yes			
Lacoste	Yes	No	Yes	Yes			

Company Responses

Levi Strauss & Co.	No	No	(No)	No	(No)	No	(No)
LL Bean	Yes	Yes		Yes		Yes	
Lululemon	Yes	Yes	Yes	Yes		No	
MEC		Yes					
New Balance	Yes	Yes	Yes			Yes	
Next		Yes					
Niagara Bottling			No	No			
Nike	No	Yes	Yes	No		No	Yes
North Bay						Yes	
Ortovox	Yes	Yes		Yes		Yes	
Patagonia	Yes	Yes	Yes	Yes		No	Yes
Pentland			No	Yes			
Puma	Yes	Yes	Yes	Yes			Yes
PVH	Yes	Yes	Yes	Yes		No	
Ralph Lauren	Yes	Yes	Yes	No		No	
Rapha	No	No	(No)	No	(No)	Yes	
REI	Yes	Yes	Yes	Yes		Yes	
Sitka	Yes	Yes		Yes		Yes	
Target	Yes		Yes	Yes		No	
TSI Inc		No					
Under Armour	Yes	Yes	No	No		No	Yes
VF	No	Yes	Yes	Yes	Yes	No	
Wayre		Yes					
Yeti	No	Yes		No		No	
YKK			Yes		Yes		

In a positive development, buyers worked to promote systemic improvements across the textile manufacturing sector in Taiwan. In December, twenty buyers met with the Taiwan Textile Federation (TTF), an industry association, and its members. The FLA, which organized the meeting with the AAFA, reported that buyers promoted improved standards and best practices for recruiting and employing migrant workers. The buyers and TTF members agreed to form a working group to sustain this effort.

Buyers participating in meetings in Taiwan

Adidas	Gap	New Balance	REI
Amazon	LL Bean	Nike	Ralph Lauren
Amer Sports	Lacoste	Patagonia	Sitka
Columbia	Levi Strauss & Co.	Pentland	VF
Cotopaxi	Lululemon	Puma	YKK

A New Initiative

In January 2025, largely as a result of Transparentem’s investigation, [the AAFA and FLA announced the formation of a new coalition](#) of global apparel companies working to promote responsible recruitment and employment in Taiwan’s textile industry.

The initiative included more than 50 apparel companies and their Taiwanese suppliers and involved the Taiwan Textile Federation (TTF). Participants aimed to achieve improved working conditions and human rights due diligence, and planned government advocacy for systemic reform of migrant labor issues.

Factory Assessments

In all cases of remediation, buyers opted as a first step to conduct third-party assessments, also known as social audits. Transparentem has [noted the limitations of such assessments](#), including the widespread problem of audit deception. In this case, the buyers’ assessment approach avoided some of the pitfalls that audits often encounter, such as lack of transparency. Buyers took the positive step of agreeing in advance to share complete, unredacted audit reports with Transparentem.

All suppliers cooperated with buyers and consented to third-party audits of their facilities.

Puma reacted immediately to Transparentem’s findings by commissioning four assessments. The non-profit organization Dignity in Work for All (DIWA) performed those audits in April 2024. Through AAFA, buyer groups for other suppliers commissioned the non-profit organization Verité to conduct

eight additional factory assessments in July and August 2024. (See Table 2, above, for details.) While Puma paid for all the DIWA audits, the cost of the Verité audits was to be divided among the members of the relevant buyer groups.

Together, the audits covered 10 of 13 investigated facilities. Regarding the remaining facilities:

- **Lucky Unique** initially declined to permit an audit. Despite having no material connections to Lucky Unique, **Cotopaxi** commendably took the lead in trying to have a productive conversation with the supplier. In January 2025, Lucky Unique consented to begin a remediation process, beginning with a DIWA assessment. The assessment was expected to take place in February 2025.
- Verité was not commissioned to audit the **LeaLea** facility investigated by Transparentem but instead was commissioned to audit another LeaLea facility nearby. Buyers took the positive step of seeking remediation at both the audited LeaLea facility and the one investigated by Transparentem.
- Verité was commissioned to audit a **Lovetex** factory different from the one investigated by Transparentem. The Lovetex factory investigated by Transparentem had closed, and its workforce had been moved to the audited Lovetex factory.

All factory assessments generally confirmed Transparentem’s findings and, in some cases, found additional problems. (For details, See Tables 5-11 in the appendix.)

Corrective Action Plans (CAPs)

In December 2024 and January 2025, buyers contracted Verité or DIWA to help oversee CAP development, implementation, and verification. According to YKK, **Lovetex** for many months declined support from Verité in remediation planning, but finally in January 2025, YKK said that Lovetex had decided to accept Verité’s remediation services.

As of January 2025, all suppliers except **Lucky Unique** had corrective action plans in place, based on corrective action recommendations provided by either Verité or DIWA or, in the case of Lovetex, by YKK. Tables 6 – 12, in the appendix, show the categories of actions prescribed in the supplier CAPs, with color coding to indicate suppliers’ descriptions of which actions were complete. Note that as of January 2025, neither Verité nor DIWA had reviewed all the supplier CAPs or verified any corrective actions that suppliers had reported taking.

Reported remediation progress, as reported in the CAPs sent to Transparentem in January 2025 varied, with **De Licacy** and **Lovetex** farthest along and **Li Peng/LeaLea** and **Tung Hsin** farthest behind.

- **De Licacy** reported completion of all actions listed in its CAP, based on recommendations prepared by DIWA.
- **Everest** and **Far Eastern** reported some progress in various areas.
- **Li Peng/LeaLea** had made limited progress on its CAP, with only some actions partially completed at one of four covered facilities.
- **Lovetex** had, according to **YKK**, completed nearly all actions listed in its CAP, which was prepared by YKK. YKK, the only manufacturer that Transparentem engaged as a buyer, worked largely alone on remediation at Lovetex and bore the full cost of the Verité audit. Lovetex's CAP was the only one among the suppliers' that, as Transparentem had requested, addressed not only problems found by auditors but also those found by Transparentem's investigation. Transparentem commends YKK's action so far, especially as non-consumer-facing brands in some cases have not been as responsive to such issues in their supply chains.
- **Neng Neng** had begun work on all actions in its CAP, but completed none except for handrail installation.
- **Tung Hsin's** comments on its CAP indicated that it had begun work on most CAP actions.

Recruitment Fee Reimbursement

Disappointingly, while buyers were working toward ensuring recruitment-fee reimbursement at most suppliers and some suppliers had returned some money to some workers, full repayment plans were not in place at any supplier nearly a year after Transparentem's investigation was disclosed to buyers. On behalf of buyers, AAFA explained the delay by citing the need to educate suppliers about international norms, the lack of pre-existing relationships and perceived lack of leverage with tier two suppliers, and the time needed to coordinate among multiple buyers to address issues at multiple suppliers.

Transparentem made several recommendations to buyers regarding the reimbursement of recruitment fees and related costs:

- Buyers should ensure that all suppliers reimburse all current workers – regardless of their hire date – for all recruitment fees and related costs paid, including monthly “service fees” paid to Taiwanese labor brokers.
- Buyers should ensure the reimbursement of former workers to the extent practicable.
- Buyers should provide financial assistance to suppliers, as needed, to fund fee repayment plans.

While buyers had agreed that all current workers should be eligible for repayment, regardless of hire date, it was unclear what scope of eligibility suppliers would agree to. And it was unclear whether or how buyers would support suppliers in covering the cost of reimbursement. Nonetheless, many suppliers had agreed to begin a process of calculating repayments for workers.

Plans and actions regarding recruitment-fee repayment varied by supplier:

- At **De Licacy**, which had a no-fee policy in place since 2020, assessments found workers who said they had paid fees after that date and not been reimbursed. De Licacy had not agreed to a fee reimbursement plan though a Verité visit regarding repayment calculation was scheduled for February 2025.
- **Everest** reimbursed workers who, according to audits, had paid fees to transfer from other factories and it reimbursed Thai workers for deposits paid to labor agents. But Everest had not agreed to a comprehensive fee reimbursement plan. A Verité visit to the supplier regarding repayment calculation was scheduled for February 2025.
- At one **Far Eastern** facility, the supplier reimbursed \$1,000 each to 24 Vietnamese workers who had paid deposits. Far Eastern also agreed to reimburse workers for the cost of passport renewal during their employment. But Far Eastern had not agreed to the specifics of a fee reimbursement plan. Verité visits to the supplier facilities regarding repayment calculation were scheduled for January 2025.
- **Li Peng** and **LeaLea** had not agreed to the specifics of a fee reimbursement plan, but had committed to repayment calculations. DIWA held meetings with the suppliers in January 2025 to discuss fee investigation.
- **YKK** said it told **Lovetex** that, at a minimum, all currently employed workers should be reimbursed. Based on Verité's assessment, YKK estimated that total fee reimbursement would amount to \$407,758, covering all 63 currently employed migrant workers (\$6,472 per worker). This preliminary estimate had not been verified and was subject to change. Commendably, YKK reported that it told Lovetex it was considering financial support for repayment, subject to Lovetex's commitment to beginning and maintaining a reimbursement program in future. Unfortunately, Lovetex had not agreed to do so. YKK said it continued to work toward reimbursement at Lovetex.
- **Neng Neng** had not agreed to the specifics of a fee repayment plan, but it had agreed to gather information about worker recruitment fees from former migrant workers hired after 2022 and from all current migrant workers, regardless of hire date. A Verité fee verification visit was planned for February 2025.
- Commendably, **Tung Hsin** committed to reimbursing current workers in 2025. A Verité fee calculation visit was planned for February 2025.

As a result of Transparentem’s investigation, at least one buyer – **Rapha** – began implementing a new no-fee policy covering all tier one and tier two suppliers that manufacture materials for Rapha products. Some other buyers already had similar policies in place.

In addition, three suppliers implemented or committed to the “employer pays” principle:

- **Neng Neng** implemented the policy as of September 2024.
- As of January 2025, **Lovetex** had agreed to adopt the principle and was preparing for implementation.
- **Tung Hsin** planned to implement it by March 2025.

Also as a result of the investigation, some buyers – including **Burton**, **Cotopaxi**, **Fenix**, and **REI** – signed on to the AAFA/FLA Apparel and Footwear Industry Commitment to Responsible Recruitment, an industry pledge whose signatories commit to implementing no-fee policies. The commitment does not yet explicitly apply to tier two suppliers and beyond.

Transparentem looks forward to the development and implementation of robust recruitment fee reimbursement plans at all investigated suppliers. Remediation should extend to all investigated facilities, regardless of whether they were audited, and all facilities operated by each supplier.

Supplier Responses

In October 2024, Transparentem requested that investigated suppliers respond to the investigation findings and recommendations. Lucky Unique did not initially respond and later said that the delay was due to the lack of a staff member in charge of social compliance. Tung Hsin declined to comment but referred Transparentem to information about corrective actions received from buyers. The remaining suppliers all said they were working toward improvements. For details, see Table 4, below.

In January 2025, as corrective actions were underway, some suppliers disputed Transparentem’s findings for the first time. Some suppliers noted differences between Transparentem’s findings and the results of audits by DIWA and Verité. Tables 6 – 12, in the appendix, indicate those differences where they exist.

While the audits in many cases found more problems than Transparentem had, some audits did not perfectly replicate Transparentem findings. Two suppliers – **Neng Neng** and **Tung Hsin** – pointed to these differences as proof that certain problems for which Transparentem had found evidence were not present in their facilities. In all cases, Transparentem stands by its investigation findings and notes

that the fact that a problem is not mentioned in an audit report does not prove that the problem did not exist.

In January 2025, suppliers also offered other responses to specific findings. See Table 5, below.

Table 4: Supplier Responses Sent to Transparentem in November 2024

De Licacy	<i>Please kindly be informed that we're working on remediation of Labor Allegations related issues with AAFA and brands.</i>
Lucky Unique	(Did not respond to Transparentem's request for comment.)
Everest	<i>...we're working with AAFA/FLA nominated brands for DIWA audit reports.</i>
Far Eastern	<p><i>We appreciate your recognition of our collaboration with DIWA and AAFA/FLA and our brand partners to ensure compliance with labor, health and safety, and ethical standards through comprehensive audits and corrective actions. As a traditional manufacturing business dedicated to producing high-quality products for our brand partners, we operate in full compliance with applicable laws, regulations, and current industry standards and practices. Since January 1, 2020, we have also covered recruitment and monthly service fees under the Zero Recruitment Policy.</i></p> <p><i>At this time, as we continue working closely with our brand partners to complete this process, we have no additional comments to share.</i></p>
Li Peng / LeaLea	<i>We are currently working diligently to achieve the best Corrective Action Plan (CAP). We appreciate your patience as we work towards delivering the results for these brands.</i>
Lovetex	<p><i>Thank you for your attention and commitment to the well-being of foreign laborers. As you mentioned, Verité recently completed its audit of our company, and we have since initiated a series of improvement measures in response. We are actively designing action plans aimed at addressing the findings in a sustainable and meaningful way, ensuring that they promote long-term improvements in labor rights. We are also collaborating with our clients to explore solutions that will bring about enduring positive impacts for our workforce.</i></p> <p><i>However, we have not yet finalized our Corrective Action Plan (CAP), and there are still many details that need to be discussed. Therefore, we are not ready to make a formal announcement at this time.</i></p>

From CarolTex:

Thank you for the opportunity to respond directly to the findings from Transparentem’s investigation. As you noted, we also had an audit conducted by Verite in July, which corroborated several of your findings. While the results were challenging, they have provided us with valuable insights, enabling us to implement sustainable improvements within our facility to uphold and safeguard workers’ rights.

Since the investigation, we have initiated the following three key actions:

1. Zero Fee Policy Implementation: As of September 2024, we have officially implemented the Zero Fee Policy to ensure recruitment practices remain both ethical and transparent. We will continue to review and update the policy to ensure the highest standards. This policy has also been communicated to the relevant recruitment agency.

2. Collaboration on Corrective Actions: We are working in close collaboration with our AAFA co-lead brands, Amer Sports and REI Co-op, to address all identified findings. Verite will also be actively involved in supporting the remediation process. The co-lead brands, in coordination with us, are preparing a document detailing key actions and timeline, key remediation updates, and next steps. This document will be shared with you via AAFA, serving as a unified response to ensure consistency and facilitate smooth engagement.

3. Commitment to Scope of Work and Timely Action: We are fully committed to adhering to the scope of work defined by the relevant brands and Verite. Once the scope of work is reviewed and finalized, we will proceed with immediate actions according to the established timeline, ensuring that all necessary improvements are implemented promptly and effectively.

We look forward to continued collaboration and improvement.

Neng Neng

Tung Hsin

(Declined to comment on the record but referred Transparentem to information about corrective actions received from buyers.)

Table 5: Supplier Responses Sent to Transparentem in January 2025

<p>Far Eastern</p>	<p>Recruitment fees: <i>Currently, 95% of our migrant workers are from the Philippines, where it is common for workers to take out loans for personal expenses unrelated to recruitment. This practice is influenced by factors such as limited savings, access to microfinance, a remittance-driven economy, and cultural norms that often leads to borrowing to meet both immediate and extended personal or family needs—none of which are directly connected to the recruitment or our company’s practices. Since 2020, our Company has fully borne all recruitment and agency fees for our migrant workers, while reimbursement for workers hired before 2020 remains under discussion.</i></p> <p>Obstacles to quitting: <i>Before a migrant worker’s contract expiration, we inform the individual of all legal options, including contract renewal, transferring to new employers, or returning to their home country as in accordance with the applicable labor laws and immigration laws. The Company respects migrant workers’ choices and assists them with the transfers to new employers when they find new employments. The Company has assisted over 100 employer transfers for migrant workers.</i></p> <p>Intimidation and threats and discipline by fines: <i>We are committed to ensuring the rights and well-being of our migrant workers during employment. As part of this commitment, we strictly adhere to occupational safety regulations, such as prohibiting mobile phones in production lines to prevent accidents. We are also dedicated to providing pregnancy protection for our workers. For example, Everest Textile assisted a migrant worker in successfully delivering her child in Taiwan, demonstrating our support. If an employee becomes pregnant, we ensure she has the option to return home for healthcare or continue working, always respecting her personal choices. These measures reflect our ongoing commitment to safeguarding the health and rights of all migrant workers under our employment. Additionally, our Zero-Tolerance Policy against bullying and forced labor is supported by a 24-hour multilingual grievance system and an open grievance mailbox.</i></p> <p>Restriction of movement: <i>During the pandemic, movement restrictions were enforced in compliance with health regulations and have since been lifted. To prioritize workers' safety, the Company implemented dormitory nighttime curfews at 11 PM, which were lifted as of November 1, 2024.</i></p> <p>Excessive overtime: <i>The Company is committed to full compliance with labor laws, strictly prohibiting forced overtime, and ensures that all working hours adhere to the limits set by applicable regulations. Monthly compliance assessments are conducted to review working hours and workforce allocation, ensuring that both legal and ethical standards are consistently upheld.</i></p> <p>Abuse of vulnerability: <i>We are committed to proactively addressing issues and concerns regarding the vulnerability of migrant workers and the potential risks of forced labor by creating a supportive environment for all workers. That is why we regularly hold migrant worker meetings for expressing care and addressing worker concerns, where we focus on their well-being, health, safety, and other support-related matters. Additionally, we organize events to promote work-life balance and provide a 24-hour multilingual feedback system to address any concerns promptly. Our efforts to ensure a positive and supportive environment are reflected in our worker satisfaction surveys, where 98.5% of workers recommend the company, and 96% express a desire to renew their contracts with us. We remain dedicated to maintaining a transparent, ethical, and legally compliant workplace for our workers.</i></p>
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<p>Li Peng / LeaLea</p>	<p>The supplier characterized Transparentem’s findings on the issues below as “unrealistic allegations” and offered these specifics:</p> <p>Obstacles to quitting: <i>When the contracts of migrant workers at Lea Lea and Li Peng companies expire and they wish to change employers, the companies will not obstruct them. Currently, several migrant workers have already transferred to other companies.</i></p> <p>Discipline by fines: <i>Lea Lea and Li Peng companies do not deduct employees' wages with any reason.</i></p> <p>Deception, grievance mechanisms, freedom of association: <i>Lea Lea and Li Peng companies have asked the agency to communicate details about wages and working conditions during overseas recruitment, and they also provide a complete explanation to workers upon their arrival in Taiwan. The company has established a comprehensive complaint channel and does not restrict migrant workers' freedom of association.</i></p>
<p>Tung Hsin</p>	<p>Contract-renewal fees: Tung Hsin said these fees were “unauthorized behavior” by a labor broker, which Tung Hsin addressed, receiving the broker’s assurance that it would not happen again.</p> <p>Intimidation and threats and discipline by fines: Tung Hsin said it revised rules in 2023 to disallow discipline by fines.</p> <p>Restriction of movement: Tung Hsin said the problem was due to a lack of written policy, which the suppliers had since created, was having translated, and would communicate to workers in a training planned for February 2025.</p> <p>Pay and leave problems: Tung Hsin said a new procedure had been defined and migrant workers would receive relevant training in March.</p> <p>Discrimination: Tung Hsin said a migrant worker was now on the supplier’s Worker Welfare Committee.</p> <p>Reimbursing workers for fees: Tung Hsin said it was committed to recruitment-fee repayment in 2025 [and] would adopt the “employer pays” principle beginning in March 2025.</p>

5.0 Recommendations to the Taiwanese Government

Buyers and suppliers alone cannot eliminate abusive conditions for migrant workers in Taiwanese manufacturing. Government action, including regulatory and legislative reforms, is also required.

In September 2024, Transparentem sent [a letter to the Taiwanese government](#) and to Taiwan's National Human Rights Commission (NHRC) signed by 21 individuals and local and international civil society organizations, calling for a set of reforms and requesting a meeting for further discussion.

Transparentem made the following recommendations to the Taiwanese government:

1. Change laws to prohibit all worker-borne fees.
2. Protect and promote workers' freedom of association.
3. Protect migrant workers via binding agreements with worker-sending countries.
4. Allow migrant workers to change employers more easily.
5. Ensure that enforcement agencies investigate and impose accountability for labor abuses.
6. Revoke the approval of recruitment agencies that violate Taiwanese laws and regulations.
7. Guarantee access to effective, responsive arbitration channels for all workers.
8. Expand and improve the government's Direct Hiring Service Center (DHSC).
9. Ensure that migrant workers enjoy the same legal and regulatory protections as nationals.

In December 2024, the Ministry of Labor met with Transparentem and Taiwanese organizations and discussed existing laws and policies protecting migrant workers. In November 2024, Taiwan's NHRC met with Transparentem and several Taiwanese organizations.

Recommendations to the Taiwanese Government

In January 2025, the Ministry of Labor provided a detailed written response to the letter from Transparentem and the civil society organizations. The response included information about several recently completed or planned new actions and initiatives.

Two of these addressed recommendations in the letter

- The ministry said that in November 2024 it revised regulations related to Article 46 of the Employment Service Act to remove a requirement that an employer and a foreign worker must “complete registration for employer/work transfer procedures at a public employment service agency.” The ministry said this change “aims to accelerate the process of transferring employers for foreign workers.” If implemented well, this could help to address recommendation number four.
- The ministry said it planned to increase access to the government’s direct hiring service by adding one new service location. This would partially address recommendation eight.

The ministry also outlined two other reforms:

- The ministry said it planned to amend the Employment Service Act to prohibit employers from holding migrant workers’ passports, even with workers’ permission.
- On January 6, 2025, the ministry enacted guidelines regarding pregnant foreign workers. [The guidelines](#) describe, among other things, migrant workers’ rights regarding pregnancy and maternity..

While these actions indicate limited improvements in response to a couple of the recommendations, most of Transparentem’s recommendations remained unaddressed. Notably, the ministry did not address the critical recommendation that the Taiwanese government change laws to prohibit labor brokers from charging migrant workers monthly “service fees.” The remainder of the ministry’s response only highlighted existing laws, policies, and mechanisms that should have prevented the problems that Transparentem found. However, the Ministry of Labor did promise to investigate any violations of law by the investigated suppliers.

Transparentem also urged buyers to engage with the Taiwanese government to seek reforms and offered the same set of recommendations to advocate for. As a result, in September 2024, 51 companies [signed a letter to Taiwan’s ministries of labor and economic affairs](#) calling for eight recommended actions to protect the human rights of migrant workers. The signers included 33 companies that Transparentem engaged with during its Taiwan investigation. [The AAFA and FLA](#) organized the letter.

Recommendations to the Taiwanese Government

The FLA and AAFA visited Taiwan in early December 2024 to meet with various stakeholders. The visit included meetings with the ministries of labor and economic affairs, civil society organizations, buyers, and the Taiwan Textile Federation, an industry association.

Taiwan's Ministry of Labor responded to the buyers' letter with [a statement](#) pointing to measures Taiwan had already taken and noting only that it would continue to listen to advice and move toward fair recruitment practices.

Transparentem looks forward to more action from the Taiwanese government to help end the abuse of migrant workers and ensure Taiwan's future as a preferred manufacturing hub for international companies.

Buyers who signed the AAFA/FLA letter:

Adidas	Gap	Next	Sitka
Amer Sports	Helly Hansen	Nike	Target Under
Brooks Brothers	KMD Brands	Ortovox	Armour VF
Burton	Lacoste	Patagonia	Wayre
Canadian Tire	Levi Strauss & Co.	Puma	YKK
Columbia	LL Bean	PVH	
Cotopaxi	Lululemon	Ralph Lauren	
Fanatics	MEC	Rapha	
Fenix	New Balance	REI	

6.0 Public Procurement Implications

To promote systemic change and the eradication of labor abuses throughout global supply chains linked to Taiwan, Transparentem traced connections not only between the investigated Taiwanese suppliers and multinational companies but also to several national governments via public procurement contracts. Most of these countries have relevant laws, agreements, or prohibitions in place, including the prohibition of using public funds to purchase products made with forced labor.

Transparentem will engage several national governments who purchased products from companies that may source directly or indirectly from the investigated Taiwanese suppliers. Transparentem will seek improvements to these countries' procurement policies and practices to better mitigate, prevent, and remediate labor abuses throughout their supply chains.

Transparentem recommends that, in the short term, governments contribute directly to remedy for workers who have experienced abuses and partner with national foreign assistance programs to advance assistance to workers.

In the medium and long term, Transparentem recommends that governments improve or establish:

- Human rights due diligence and accountability throughout the public procurement cycle in alignment with international standards. Public disclosure of procurement contractors, subcontractors, adverse human rights impacts and responses, and human rights due diligence policies and practices.
- Direct and meaningful engagement with supply chain workers, as well as their legitimate representatives and trade unions, throughout the development and implementation of procurement processes.
- Pre-procurement risk assessment, including the identification of high-risk products, sectors, and geographies, and assessments of potential contractor and subcontractor human rights due diligence capabilities.
- Sector-specific stakeholder engagement to inform tendering approaches that improve labor rights protections while ensuring feasible compliance requirements.

- Purchasing consortia with human rights due diligence expertise to organize procurement across agencies for high-risk sectors.
- Effective dialogue and collaboration with suppliers, including the provision of educational and training programs.
- Active procurement risk management and assessment of contractor and subcontractor compliance.
- Function-specific human rights due diligence training for all procurement officials.
- Collaboration on risk management domestically, across agencies, and internationally with other governments and public buyers.
- Grievance mechanisms sensitive to needs of vulnerable groups and open to the reporting of any adverse impacts from contractor or subcontractor actions.
- Required remedy for any harms caused, or contributed to, through procurement.

7.0 Call to Action

Many labor abuses in global supply chains occur beyond the first tier of production. However, buyers often have less leverage at this level, making remediation and systemic reforms more difficult to implement. Tackling this problem requires sustained action from various stakeholders.

So far, buyer actions in response to Transparentem’s investigation in Taiwan represent a step in the right direction. But much remains to be achieved.

Buyers must continue to work with investigated suppliers to provide remedies to workers and complete implementation of comprehensive corrective action plans (CAPs). These CAPs should cover all supplier facilities, whether they were investigated or audited or not. CAPs must include comprehensive recruitment fee reimbursement plans that repay all workers who paid fees, including, where possible, former workers.

Buyers must take the work further, implementing reforms throughout their supply chains and creating close and long-term relationships with suppliers at all tiers to ensure that solutions are sustained. This effort requires full visibility into supply chains—from the raw materials to the finished product. Buyers should make this supply chain information publicly available.

Buyers, industry organizations, and multi-stakeholder initiatives must adopt an expansive view of corporate responsibility that extends the full length of supply chains. The [AAFA/FLA Commitment to Responsible Recruitment](#) forms an important framework for ethical recruitment practices, especially after it included a fee repayment principle in 2023. It should be further enhanced to explicitly commit signatories to responsible recruitment beyond their first tier of production.

Suppliers must ensure that they use only ethical recruitment methods to staff their factories, ensuring that migrant workers do not pay recruitment fees and related costs. Suppliers can make themselves more attractive to global companies by eliminating the “service fees” charged by Taiwanese brokers, even if these fees remain legal under Taiwanese law.

Taiwan’s current labor laws permit suppliers to outsource many human resources responsibilities and allow labor brokers to charge workers for these services. This system enables abuse. Along with other reforms, **the Taiwanese government** must end so-called “service fees.”

Other governments have a role to play as well. The governments of countries that send migrant workers to Taiwan should regulate and enforce rules against unethical recruitment and set up binding agreements with Taiwan to govern the treatment of workers. The US government and other trading partners should make the protection of migrant workers a key part of trade agreements with Taiwan. All governments should implement due diligence policies to eradicate forced labor from their public procurement supply chains.

At all levels, every action must include consultation with and input from **workers and workers' associations**. Migrant workers must have access to unions or independent workers' associations with the capacity to represent their interests.

Transparentem looks forward to further progress on these issues in Taiwan and beyond.

8.0 Appendix

Table 6: De Licacy Remediation

Participating buyers	Non-participating buyers	Transparentem investigation findings	Audit results	Corrective actions summary (excluding fee reimbursement)
<p><u>Group leader:</u> Cotopaxi</p> <p><u>Group members:</u> Adidas Amer Sports Columbia Fenix Jack Wolfskin Lacoste LL Bean Lululemon New Balance Ortovox Patagonia Puma PVH Ralph Lauren REI Sitka Target Under Armour</p>	<p>Burton Canadian Tire Fanatics Gap Hanes Helly Hansen Levi Strauss & Co. GIII Haddad Nike Rapha VF Yeti</p>	<p><u>Evidence of ILO indicators:</u> - Abuse of vulnerability</p> <p><u>Evidence of problems related to:</u> - Recruitment fees and monthly broker fees</p>	<p><u>Evidence of ILO indicators:</u> - Restriction of movement - Debt bondage</p> <p><u>Evidence of problems related to:</u> - Forced labor, human trafficking, and modern slavery compliance - Work hours - Nondiscrimination - Humane treatment - Freedom of association - Grievance mechanism - Management of labor agents, contractors, and recruitment intermediaries</p>	<p>De Licacy comments on a CAP prepared by DIWA and reviewed by Transparentem in January 2025 indicated completion of CAP implementation.</p> <p><u>Recruitment fee reimbursement:</u> not begun.</p> <p><u>CAP included planned actions related to:</u> - Forced labor, human trafficking, and modern slavery compliance - Work hours - Nondiscrimination - Humane treatment - Freedom of association - Grievance mechanism - Management of labor agents, contractors, and recruitment intermediaries</p> <p>Verite re-audit planned for February 18, 2025</p> <p>Color coding: complete, partially complete, not begun - according to supplier.</p>

Table 7: Everest Remediation

Participating buyers	Non-participating buyers	Transparentem investigation findings	Audit results	Corrective actions summary: (excluding fee reimbursement)
<p><u>Group leaders:</u> Lululemon Nike</p> <p><u>Group members:</u> Amer Sports Burton Canadian Tire Columbia Cotopaxi Fanatics Fenix Gap Jack Wolfskin KMD Brands LL Bean MEC Bioworld (New Balance licensee) Next Ortovox Patagonia Puma PVH Ralph Lauren REI Sitka Under Armour VF Wayre</p> <p><u>Others:</u> Adidas New Balance Yeti</p>	<p>Brooks Bros. Hanes Helly Hansen Lacoste Levi Strauss & Co. TSI (New Balance licensee) Rapha</p>	<p><u>Evidence of ILO indicators:</u></p> <ul style="list-style-type: none"> - Abuse of vulnerability - Restriction of movement - Intimidation and threats <p>- Abusive working and living conditions</p> <ul style="list-style-type: none"> - Excessive overtime <p><u>Evidence of problems related to:</u></p> <ul style="list-style-type: none"> - Paying to work: recruitment fees and monthly broker fees - Obstacles to quitting and repatriation as means of coercion - Pay and leave problems - Restricted freedom of association 	<p><u>Evidence of ILO indicators:</u></p> <ul style="list-style-type: none"> - Abuse of vulnerability - Deception - Restriction of movement <ul style="list-style-type: none"> - Retention of identity documents - Debt bondage - Abusive working and living conditions - Excessive overtime <p><u>Evidence of problems related to:</u></p> <ul style="list-style-type: none"> - Forced labor, human trafficking and modern slavery compliance - Wages and benefits - Working hours - Non-discrimination - Humane treatment - Freedom of association - Grievance mechanism - Management of labor agents, contractors, and recruitment intermediaries 	<p>Everest comments on a CAP prepared by DIWA and reviewed by Transparentem in January 2025 indicated partial completion of CAP implementation.</p> <p><u>Recruitment fee reimbursement:</u> Partially begun. Everest reimbursed workers who paid fees to transfer from other factories and reimbursed Thai workers for deposits paid to labor agents.</p> <p><u>CAP included planned actions related to:</u></p> <ul style="list-style-type: none"> - Forced labor, human trafficking and modern slavery compliance - Wages and benefits - Working hours - Non-discrimination - Humane treatment - Freedom of association - Grievance mechanisms - Management of labor agents, contractors, and recruitment intermediaries <p>Buyers reported all corrective actions were complete, apart from reimbursement.</p> <p>Color coding: complete, partially complete, not begun - according to supplier.</p>

Table 8: Far Eastern Remediation

Participating buyers:	Non-participating buyers:	Transparentem investigation findings:	Audit results:	Corrective actions summary: (excluding fee reimbursement)
<p><u>Group leaders:</u> Adidas Nike Puma</p> <p><u>Group members:</u> Amer Sports Canadian Tire Coca-Cola Columbia Fanatics Fenix Helly Hansen Jack Wolfskin KMD Brands Lacoste New Balance Patagonia Pentland PVH Ralph Lauren REI Target VF YKK</p>	<p>Gap Levi Strauss & Co. Niagara Bottling Rapha Under Armour</p>	<p><u>Evidence of ILO indicators:</u></p> <ul style="list-style-type: none"> - Abuse of vulnerability - Deception - Restriction of movement - Intimidation and threats - Abusive living conditions - Excessive overtime <p><u>Evidence of problems related to:</u></p> <ul style="list-style-type: none"> - Recruitment fees and monthly broker fees - Obstacles to quitting - Discipline by fines - Inadequate grievance mechanisms 	<p><u>Evidence of ILO indicators:</u></p> <ul style="list-style-type: none"> - Abuse of vulnerability - Deception - Restriction of movement - Intimidation and threats - Excessive overtime - Debt bondage <p><u>Evidence of problems related to:</u></p> <ul style="list-style-type: none"> - Forced labor and human trafficking policy - Labor agent management - Working time - Wages, benefits, and contracts - Fair and humane treatment - Freedom of association - Grievances - Accommodation - Prevention of fees and debt bondage - Migrant workers contracts and communication - Freedom of movement - Termination and repatriation - Non-discrimination 	<p>Far Eastern comments on two CAPs prepared by Verité and one prepared by DIWA, covering three Far Eastern facilities, reviewed by Transparentem in January 2025 indicated partial completion of CAP implementation.</p> <p><u>Recruitment fee reimbursement:</u> Partially begun. Far Eastern had reimbursed \$1,000 each to 24 Vietnamese workers who had paid deposits. Far Eastern also agreed to reimburse workers for the cost of passport renewal during their employment</p> <p><u>CAPs included planned actions related to:</u></p> <ul style="list-style-type: none"> - Forced labor and human trafficking policy - Labor agent management - Working time - Wages, benefits, and contracts - Fair and humane treatment - Freedom of association - Grievances - Accommodation - Prevention of fees and debt bondage - Migrant workers contracts and communication - Freedom of movement - Termination and repatriation - Non-discrimination <p>Color coding: complete, partially complete, not begun - according to supplier.</p>

Table 9: Li Peng/LeaLea Remediation:

Participating buyers:	Non-participating buyers:	Transparentem investigation findings:	Audit results:	Corrective actions summary: (excluding fee reimbursement)
<p><u>Group leaders:</u> Adidas Lacoste Patagonia Pentland Sitka</p> <p><u>Group members:</u> Amazon Amer Sports Columbia Fanatics Fenix H&M Group Helly Hansen Jack Wolfskin KMD Brands LL Bean Lululemon Ortovox Puma PVH REI Target VF</p>	<p>Apple Burton Canadian Tire Gap Hanes Levi Strauss & Co. Niagara Bottling Nike</p> <p>Ralph Lauren Rapha Under Armour Yeti</p>	<p><u>Evidence of ILO indicators:</u></p> <ul style="list-style-type: none"> - Abuse of vulnerability - Intimidation and threats - Abusive working and living conditions <p><u>Evidence of problems related to:</u></p> <ul style="list-style-type: none"> - Recruitment fees and monthly broker fees - Obstacles to quitting - Discipline by fines - Leave problems - Discrimination - Inadequate grievance mechanisms - Restricted freedom of association 	<p><u>Evidence of ILO indicators:</u></p> <ul style="list-style-type: none"> - Abuse of vulnerability - Deception - Restriction of movement - Debt bondage - Excessive overtime <p><u>Evidence of problems related to:</u></p> <ul style="list-style-type: none"> - Forced labor and human trafficking policy - Prevention of fees and debt bondage - Labor agent management - Migrant workers contracts and communication - Freedom of movement - Termination and repatriation - Working time - Wages, benefits, and contracts - Fair and humane treatment - Freedom of association - Grievances - Accommodation 	<p>Li Peng/LeaLea comments on two CAPs prepared by Verité, covering four Li Peng/LeaLea facilities, reviewed by Transparentem in January 2025 indicated partial completion of CAP implementation.</p> <p>No corrective actions were reported at three of the four facilities.</p> <p><u>Recruitment fee reimbursement:</u> not begun.</p> <p><u>CAPs included planned actions related to:</u></p> <ul style="list-style-type: none"> - Forced labor and human trafficking policy - Prevention of fees and debt bondage - Labor agent management - Migrant workers contracts and communication - Freedom of movement - Termination and repatriation - Working time - Wages, benefits, and contracts - Fair and humane treatment - Freedom of association - Grievances - Accommodation <p>Color coding: complete, partially complete, not begun – according to supplier.</p>

Table 10: Lovetex Remediation

Participating buyers	Non-participating buyers	Transparentem investigation findings	Audit results	Corrective actions summary (excluding fee reimbursement)
<p><u>Leader:</u> YKK</p> <p><u>Others:</u> VF</p>	<p>Levi Strauss & Co. Rapha</p>	<p><u>Evidence of ILO indicators:</u></p> <ul style="list-style-type: none"> - Abuse of vulnerability - Restriction of movement - Retention of identity documents - Excessive overtime <p><u>Evidence of problems related to:</u></p> <ul style="list-style-type: none"> - Recruitment fees and monthly broker fees - Discipline by fines 	<p><u>Evidence of ILO indicators:</u></p> <ul style="list-style-type: none"> - Abuse of vulnerability - Deception - Restriction of movement - Debt bondage - Excessive overtime <p><u>Evidence of problems related to:</u></p> <ul style="list-style-type: none"> - Forced labor and human trafficking policy - Prevention of fees and debt bondage - Labor agent management - Migrant workers contracts and communication - Freedom of movement - Termination and repatriation - Young person protections - Working time - Wages, benefits, and contracts - Fair and humane treatment - Freedom of association - Grievances - Accommodation 	<p>YKK comments on a CAP prepared by YKK and reviewed by Transparentem in January 2025 indicated partial completion of CAP implementation.</p> <p><u>Recruitment fee reimbursement:</u> Not begun.</p> <p>CAP included planned actions related to:</p> <ul style="list-style-type: none"> - Recruitment fees - Retention of identity document - Excessive overtime - Discipline by fines - Restriction of movement - Control of finances - Labor agent monitoring - Deception - Pay problems - Freedom of association - Grievances - Improved policies <p>Color coding: complete, partially complete, not begun - according to YKK.</p>

Table 11: Neng Neng Remediation

Participating buyers	Non-participating buyers	Transparentem investigation findings	Audit results	Corrective actions summary: (excluding fee reimbursement)
<p><u>Group leaders:</u> Amer Sports REI</p> <p><u>Group members:</u> Canadian Tire Columbia Fenix Jack Wolfskin LL Bean Ortovox Rapha</p> <p><u>Others:</u> New Balance North Bay (New Balance licensee) Sitka</p>	<p>Adidas Burton Fanatics Gap Hanes Helly Hansen Levi Strauss & Co. Lululemon Nike Patagonia PVH Target Under Armour VF Yeti</p>	<p><u>Evidence of ILO indicators:</u></p> <ul style="list-style-type: none"> - Abuse of vulnerability - Deception - Restriction of movement - Retention of identity documents - Withholding of wages - Excessive overtime <p><u>Evidence of problems related to:</u></p> <ul style="list-style-type: none"> - Recruitment fees, contract-renewal fees, and monthly broker fees - Discrimination 	<p><u>Evidence of ILO indicators:</u></p> <ul style="list-style-type: none"> - Abuse of vulnerability - Deception - Restriction of movement - Debt bondage - Excessive overtime <p><u>Evidence of problems related to:</u></p> <ul style="list-style-type: none"> - Forced labor and human trafficking policy - Prevention of fees and debt bondage - Labor agent management - Migrant workers contracts and communication - Freedom of movement - Termination and repatriation - Young person protections - Working time - Wages, benefits, and contracts - Fair and humane treatment - Freedom of association - Grievances - Accommodation 	<p>Neng Neng comments on a CAP prepared by Verité and reviewed by Transparentem in January 2025 indicated partial completion of CAP implementation.</p> <p><u>Recruitment fee reimbursement:</u> Not begun. But Neng Neng had created a six-installment plan to begin in January 2025 and be completed by June 2025.</p> <p><u>CAPs included planned actions related to:</u></p> <ul style="list-style-type: none"> - Forced labor and human trafficking policy - Prevention of fees and debt bondage - Labor agent management - Migrant workers contracts and communication - Freedom of movement - Termination and repatriation - Young person protections - Working time - Wages, benefits, and contracts - Fair and humane treatment - Freedom of association - Grievances - Accommodation <p>Color coding: complete, partially complete, not begun – according to supplier.</p>

Table 12: Tung Hsin Remediation

Participating buyers:	Non-participating buyers:	Transparentem investigation findings:	Audit results:	Corrective actions summary: (excluding fee reimbursement)
<p><u>Group leaders:</u> Nike Patagonia Puma</p> <p><u>Group member:</u> Under Armour</p>	<p>Levi Strauss & Co.</p>	<p><u>Evidence of ILO indicators:</u></p> <ul style="list-style-type: none"> - Abuse of vulnerability - Restriction of movement - Intimidation and threats - Retention of identity documents - Excessive overtime <p><u>Evidence of problems related to:</u></p> <ul style="list-style-type: none"> - Recruitment fees, contract-renewal fees, and monthly broker fees - Discipline by fines - Forced overtime - Pay and leave problems 	<p><u>Evidence of ILO indicators:</u></p> <ul style="list-style-type: none"> - Restriction of movement - Intimidation and threats - Debt bondage <p><u>Evidence of problems related to:</u></p> <ul style="list-style-type: none"> - Forced labor, human trafficking and modern slavery compliance - Wages and benefits - Working hours - Non-discrimination - Humane treatment - Freedom of association - Grievance mechanism - Management of labor agents, contractors and recruitment intermediaries 	<p>Tung Hsin comments on a CAP prepared by DIWA and reviewed by Transparentem in January 2025 showed no completion of CAP implementation.</p> <p><u>Recruitment fee reimbursement:</u> Not begun.</p> <p><u>CAPs included planned actions related to:</u></p> <ul style="list-style-type: none"> - Forced labor, human trafficking and modern slavery compliance - Wages and benefits - Working hours - Non-discrimination - Humane treatment - Freedom of association - Grievance mechanism - Management of labor agents, contractors and recruitment intermediaries <p>Also, buyers reported completed actions related to working hours, grievances, and labor agent management.</p> <p>Color coding: complete, partially complete, not begun - according to supplier.</p>

Table 13: Supply Chain Transparency

Buyer	Publishes a supplier list?	Has mapped its supply chain to tier 2?	Published list includes tier 2 suppliers?
Adidas	Yes	Yes	Partially
Amazon	Yes	Partially	Partially
Amer Sports	Yes	Yes	No
Apple	Yes	No response [§]	No response
Brooks Bros.	No	Yes	No
Burton	Yes	Partially	No
Canadian Tire	Yes	Partially	No
Coca Cola	Partially	Yes	Partially
Columbia	Yes	No response	No response
Cotopaxi	Yes	Yes	Yes
Fanatics	Yes	Yes	No
Fenix	Yes	Partially	No
Gap	Yes	Partially	No
H&M	Yes	Yes	Partially
Hanes	Yes	No	No
Helly Hansen	Yes	Partially	Partially
Jack Wolfskin	Yes	Yes	Yes
KMD Brands	Yes	Partially	Partially
Lacoste	Yes	Yes	Yes
Levi Strauss & Co.	Yes	Yes	Yes
GIII	No	No response	No response
Haddad	No	No response	No response

[§] “No response” indicates that the buyer did not respond to the relevant questions from Transparentem.

LL Bean	Yes	Partially	No
Lululemon	Yes	Yes	Partially
MEC	Yes	Partially	Partially
New Balance	Yes	Yes	Partially
Bioworld	No	No response	No response
North Bay	No	Yes	No
TSI Inc	No	No response	No response
Next	Yes	Yes	Yes
Niagara Bottling	No	No response	No response
Nike	Yes	Yes	Partially
Ortovox	Yes	Yes	Yes
Patagonia	Yes	Yes	Partially
Pentland	Yes	Partially	Partially
Puma	Yes	Partially	Partially
PVH	Yes	Partially	Partially
Ralph Lauren	Yes	Partially	Partially
Rapha	Yes	Yes	No
REI	Yes	Yes	Yes
Sitka	Yes	Yes	No
Target	Yes	No response	Partially
Under Armour	Yes	Yes	No
VF	Yes	Yes	Partially
Wayre	No	No	No
Yeti	Yes	No response	No response
YKK	No	No response	No response

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