

The Price of Work:

A Brief on Widespread Migrant Worker Recruitment Fees in
Taiwan's Manufacturing Sectors

February 2025

A large, light gray watermark of the TRANSPARENT logo is positioned in the bottom right corner of the page. It consists of a large circle containing a vertical bar with a central gap, mirroring the logo in the top right header.

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.

Overview and Background

In 2024, Transparentem investigators interviewed 22 migrant workers from Vietnam employed by four textile, electronics, and appliance suppliers in Taiwan. Our investigation found evidence of high recruitment fees paid by workers, in most cases requiring them to take loans, which put migrant workers at risk of debt bondage, which the International Labour Organization (ILO) has recognized as an indicator of forced labor. Transparentem found evidence of other labor abuses at one of the suppliers.

From June to September 2024, Transparentem sent reports to the four manufacturers (see table below) and 21 buyers with possible supply chain connections to them. The reports presented evidence of labor abuses and recommended actions that manufacturers and buyers should take to correct and remedy harm. We were encouraged that all four manufacturers and several buyers opted to take action to address the problems Transparentem found, including planning for reimbursement of recruitment fees and related costs at all four manufacturers, according to their reports. One of the buyers has already reimbursed an estimated \$1.5 million to workers, and Transparentem expects significant additional amounts to be repaid to workers in the coming months. Of the buyers contacted, we did not continue engagement with four that we determined were less relevant due to the nature of their business relationships. The other 17 buyers are listed in the table below.

Investigated Suppliers	Contacted Buyers with Possible Connections
Johnson Controls-Hitachi Air Conditioning	Hitachi Johnson Controls
Hantic Precision Technology	ASE Technology Holding Bosch Continental Denso Group Meiko Electronics Panasonic
GFUN Industrial Corporation	Helly Hansen Hugo Boss VF

Gianta Co. Ltd	Accton Technology Amazon Broadcom Festool Promise Technology Sony
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This investigation, focused on the recruitment experiences of workers who worked in a range of manufacturing sectors, follows a lengthier investigation covered in Transparentem’s recent report, *Following the Thread: Labor Abuses in Taiwan’s Textile Industry*, published on February 11, 2025. In that report, Transparentem provided information about very high recruitment fees and a wide range of other labor abuses endured by more than 110 migrant workers from Vietnam, the Philippines, Indonesia, and Thailand in 13 textile and textile-related facilities. Transparentem interviewed those workers in 2022 and 2023, and began engaging the suppliers and downstream buyers in early 2024. Companies reported that many corrective actions including repayment of recruitment fees were planned; some actions were underway or complete. Taken together, these two reports provide compelling evidence of the pervasive risk of recruitment fees among migrant workers in Taiwan, and underscore the urgent responsibility of businesses and industry associations to deliver remedies to workers and contribute to transforming business rules and norms in Taiwan’s otherwise desirable manufacturing sectors.

As background: As of October 2024, Taiwan-based businesses employed more than 800,000 workers from Vietnam, the Philippines, Indonesia, and Thailand. Nearly two-thirds work in manufacturing. Workers from Vietnam form the largest portion of migrants employed in Taiwanese factories. Excessive recruitment fees in Taiwan have been well documented in the US State Department’s *2024 Trafficking in Persons Report* and by local and international civil society groups and the media. A 2021 ILO report found the average amount paid by 275 Vietnamese survey respondents, who had returned home after working in Taiwan, was \$5,760 – worth about two and a half years of Vietnam’s minimum wage.

Findings and Company Responses

Johnson Controls-Hitachi Air Conditioning (JCI-Hitachi)

JCI-Hitachi is a joint venture between Johnson Controls Inc. (60%) and Hitachi Ltd. (40%) with multiple manufacturing sites worldwide. JCI-Hitachi's workforce in Taiwan includes around 20-30 Vietnamese and 300-350 Filipino workers, according to interviewees. All five interviewed workers said they paid high recruitment fees of around \$5,500 to recruiters for their jobs and had to borrow all the money needed to pay the fees. One was still indebted at the time of interview. Three workers said it had taken around 18 months to pay off their debts. Additionally, all interviewees said they paid monthly fees of \$50 to \$60 per month to Taiwanese labor brokers and that they found the fees unreasonable.

Johnson Controls and Hitachi reacted immediately to Transparentem's findings. Within three months, they reported that JCI reimbursed all current workers for their recruitment fees. Later, they reimbursed several former workers, too. They said the reimbursement provided was calculated by using the highest amount reported to JCI-Hitachi regardless of receipts or other documentation from workers. Monthly service fees paid by workers to brokers were reimbursed too. The companies directed the labor broker to cease collecting monthly service fees from workers in the future. Vietnamese workers reported receiving reimbursements between \$8,300 and \$12,000.

Hantic Precision Technology

Hantic is a manufacturer of drill bits for precision cutting in the electronics industry. It employs over 200 employees, including 68 Vietnamese workers, according to Hantic. The two interviewed workers said they paid high recruitment fees of over \$5,000 to recruiters for their jobs and had to borrow to pay the fees. Both interviewees said they paid deposits of \$500 to their recruitment agencies on top of their recruitment fees, which they believed they would receive when their contracts ended and they returned to Vietnam. Both interviewees said they paid monthly fees of \$50 to \$60 per month to Taiwanese labor brokers, and one of the workers said they received no benefit from paying these monthly fees.

Hantic, Meiko Electronics, Bosch and Denso Group reacted to Transparentem's findings; the latter three confirming that Hantic was part of their supply chains. ASE, Continental and Panasonic did not respond. Within three months, the responding companies reported that Hantic had implemented a zero-fee recruitment policy. Starting from September 2024, the policy states that new recruits from abroad will not pay recruitment fees and related costs, nor will new or current employees pay monthly service fees to labor brokers. Hantic also reported that it planned to reimburse workers their recruitment fees and related costs beginning in mid-2025.

GFUN Industrial Corporation

GFUN is a textile manufacturer and part of the Singtex Group. GFUN employs around 200 workers, including 50-60 Vietnamese workers, according to interviewees. All three interviewees said they paid high recruitment fees of around \$5,000 to recruiters for their jobs and two said they had to borrow all the money needed to pay the fees. One interviewee said they paid a deposit of several hundred US dollars to their recruitment agency on top of their recruitment fees, and that the deposit was repaid to the worker after six months' employment. All three interviewees said they paid monthly fees to Taiwanese labor brokers, \$50 to \$60 per month, and that they found these fees unreasonable.

Singtex, VF, and Hugo Boss reacted immediately to Transparentem's findings; the latter two confirming that GFUN was part of their supply chains. Helly Hansen did not reply. Singtex said that since GFUN became a wholly-owned subsidiary in 2022, it had worked to implement the group's zero-fee recruitment policy. One week after Transparentem's outreach, workers were no longer charged monthly service fees by brokers, as confirmed by Singtex and workers. In January 2025, Singtex, VF, and Hugo Boss said that reimbursement of recruitment fees was in progress but not yet completed.

Gianta Co. Ltd.

Gianta is an electronics manufacturer with at least 300-400 employees, including 50-60 Vietnamese workers, according to interviewees, who spoke about experiencing multiple labor abuses:

- **High Recruitment Fees:** All 12 interviewees said they paid high recruitment fees of \$5,000 to \$6,600 to recruiters for their jobs and that they incurred debts to pay the fees, which had taken up to two years to pay off. All interviewees said they paid monthly fees to Taiwanese labor brokers, \$50 to \$60 per month, and several said that they found the fees unreasonable.
- **Document Retention:** All 12 interviewees said the factory held their passports. Most interviewees—and all interviewees who spoke about the topic—said that it was impossible or very hard to gain access to their passports. One worker said she had asked for her passport, but had been rejected.
- **Restriction of Movement:** Most interviewees reported limitations on the daytime hours they were allowed to spend outside the dorm and factory and said they found it very unreasonable. A written announcement dated March 28, 2024, in Vietnamese to workers, shared with Transparentem, says that "Vietnamese employees' time to go out after work will be limited to two hours, starting from today, and will be seriously enforced."
- **Abusive Living Conditions:** All interviewees complained about conditions in the dorm that consists of two rooms; around 10 workers stay in one room, and 40-50 workers stay in the other room. All interviewees reported the dorm to be dirty and crowded with little space per worker,

and the path available for movement between the bunk beds and cabinets so narrow that workers sometimes have to walk sideways.

- **Holding Workers' Funds:** Most interviewees said that Gianta operated a savings account for migrant workers, with workers putting in 3,000 NTD (\$94 or 12% of the base wage) per month. The workers said they expected the company to return the money to them at the airport, when they returned to their home country.
- **Discipline by Fines:** Eleven interviewees said that Gianta disciplined workers with fines for making production mistakes. Two interviewees said they had been fined. An announcement in Chinese and Vietnamese examined by Transparentem lists fine levels for mistakes at work. Ten interviewees said that workers were also fined for violating dorm rules such as the curfew.

Gianta, Accton Technology and Amazon responded immediately to Transparentem's findings. Accton Technology confirmed the direct supplier relation to Gianta. In December 2024, Amazon advised Transparentem that it had investigated the matter and could not confirm a supply chain relationship with Gianta. Subsequently, workers gave photos to Transparentem of motherboards (computer components consisting of the main panel of circuits) with Amazon's name and the logo and the name of its subsidiary, Annapurna Labs. Transparentem described these photos to Amazon in early January 2025, leading Amazon to reopen its consideration of this matter. On February 6, 2025, Amazon confirmed that Accton, which sourced from Gianta, provides "support" to Amazon's subsidiary, Annapurna Labs. Broadcom, Promise Technologies, Festool, and Sony did not respond to Transparentem.

Gianta said in October 2024 that the daytime curfew had been removed, that factory managers would not resort to fines for mistakes at production lines, and that the workers' dormitory would be renovated within a year, while it confirmed recruitment fees, monthly broker fees, and passport retention, but rejected addressing these issues. In January 2025, Accton Technology said that Gianta had agreed to implement a zero-fee recruitment policy, including to reimburse full recruitment fees to workers, and that workers could now freely decide to keep their own passports and access their savings account. Workers confirmed in January 2025 that the dorm is being renovated, the daytime-curfew has been lifted, they keep their own passports, and they can freely withdraw money from savings accounts. In February 2025, Amazon told Transparentem that it was assessing appropriate next steps in its due diligence process.

Recommendations to Buyers

Transparentem continues to urge that all buyers whose supply chains extend into the manufacturing sectors in Taiwan take immediate action to address the high risk of migrant worker paid recruitment fees and related costs, including monthly broker fees. Companies should adopt, implement, and verify the implementation of “no fee” recruitment policies throughout their supply chains and insist that business partners also adopt and implement such policies. These policies must include the reimbursement of recruitment fees and related costs to all current and former workers without delay. Companies and industry associations should also advocate that the Taiwanese government and governments in workers’ home countries take legislative, regulatory and enforcement actions to eliminate such fees.