



Debt Before Day One:

**New Factory Evidence of Migrant Worker
Recruitment Fees in Taiwan**



October 2026

Toward a Binding, Worker-Driven Solution to Recruitment Abuse

After decades of persistent problems with unethical recruitment in Taiwan, it is time for a new approach by global buyers. The factory investigations described in this report are part of a series of investigations Transparentem has undertaken in Taiwan beginning in 2022, all finding unethical recruitment practices putting migrant workers at high risk of forced labor. These investigations have covered a range of manufacturing sectors in Taiwan including synthetic textiles, electronics, medical devices, and appliances. In addition to Transparentem's investigations, other investigations have found similar abuse of migrant workers in plastic, metal, car, tire, and bicycle manufacturing, as well as construction and fishing – resulting in a United States import ban against one bicycle maker, alongside bans in the fishing sector.

In some cases, brands themselves have identified these risks and undertaken certain actions to address them. For example, brands have implemented extensive auditing systems. Unfortunately, audits often miss problems that are later uncovered through more independent investigations. Some brands have also signed up to collective corporate initiatives like the Responsible Business Alliance's Responsible Labor Initiative and the FLA/AAFA Apparel & Footwear Industry Commitment to Responsible Recruitment; and joined supplier-specific buyer groups to jointly address problems found at common suppliers.

In theory, Transparentem, other civil society groups, and journalists could continue ad infinitum to investigate more and more factories, publish their results and seek remedies for workers in those factories only. But this ad hoc approach leaves far too many workers at risk of forced labor. And for companies genuinely committed to rooting out forced labor, this approach is highly inefficient. Most brands' own systems are inadequate to identify and resolve issues of forced labor.

Due diligence requires reasonable efforts to eliminate serious labor abuses. After years of failure to protect migrant workers in Taiwan, companies can no longer reasonably maintain the status quo. It is past time for companies to come together in support of something new that will protect their own value, increase predictability in their business, eliminate the incentives for unethical recruitment, and – most importantly – ensure workers have a say in their own futures.

Transparentem, alongside several civil society groups in Taiwan, calls on companies to explore and establish a worker-driven initiative based on contractual agreements between global unions and global brands. A binding agreement in Taiwan would allow workers to safely disclose abuses, negotiate improvements, and generally secure effective prevention and remediation. Elements of a new binding agreement for Taiwan's manufacturing sector can draw on promising elements of other such efforts including the Coalition of Immokalee Workers' Fair Food Program; the International Accord for Health & Safety in the Textile & Garment Industry; the Dindigul Agreement to End Gender-Based Violence and Harassment; and the collective bargaining agreements secured by PVH Corp. and IndustriALL Global Union in Cambodia.

What these initiatives have in common is providing an avenue for workers to secure legally enforceable solutions after disclosing abuses to trusted, independent parties whose primary mission is to protect workers' interests.

A new initiative must take account of special vulnerabilities, such as Vietnamese workers who may face repercussions in their home country if they are perceived as causing trouble when they migrate to work abroad, and all migrant workers who face special challenges in organizing to protect their rights.

It is time for global brands across multiple sectors to develop a much stronger and more proactive system to eliminate unethical recruitment of migrant workers in Taiwan's factories.

From November 2025 to June 2026, Transparentem investigators interviewed 24 migrant workers from Vietnam, Thailand, and the Philippines employed by seven manufacturers in Taiwan's electronics, car, and pump sectors. Our investigation focused on recruitment-related issues and 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. The International Labour Organization (ILO) has recognized debt bondage as an indicator of forced labor.

From April through July 2026, Transparentem engaged companies. We sent reports to the seven manufacturers (see table below), 18 buyers with possible supply chain connections to the manufacturers, and three significant shareholders of which one is also a buyer. The reports presented evidence of labor abuses and recommended actions that manufacturers and buyers should take to correct and remedy harm. While it's disappointing that workers still face unreimbursed recruitment fees even after significant attention to the problem, we were encouraged that four of the seven manufacturers and several buyers opted to take action to address the problems Transparentem found. This action included planning for reimbursement of recruitment fees and related costs at two manufacturers, according to their reports. These two manufacturers had reimbursed current workers by late June 2026. Transparentem expects significant additional amounts to be repaid to workers by the two manufacturers in the coming months.

Investigated manufacturer	Contacted buyers with possible connections
Compal	Amazon Dell Delta Electronics Google Lenovo Nvidia
Garmin	Amazon Best Buy Decathlon REI Walmart
Pegavision	Visioneering Technologies
China Motor Corporation (CMC)	Mitsubishi Motors Corporation Vantage Vehicles
Advanced Optoelectronic Technology (AOT)	Garmin Samsung
Digital Generation International (DGI)	Acer Delta Electronics Foxconn
Tsurumi Pump	Technosub

This investigation, focused on the recruitment experiences of workers who worked in different manufacturing sectors, follows a previous Transparentem investigation into various manufacturing industries in Taiwan, covered in the report [The Price of Work](#), published in February 2025. These two investigations follow the lengthier Transparentem investigation into Taiwan's textile industry, covered in the report [Following the Thread](#), also published in February 2025, and the recent progress report, [On the Mend](#) which was published in July 2026.

In these reports, Transparentem provides information about very high recruitment fees and a wide range of other labor abuses endured by more than 130 migrant workers from Vietnam, the Philippines, Indonesia, and Thailand in 24 manufacturing facilities of which 14 are textile-related.

More than US\$5.5 million had been reimbursed to workers as of our latest information in August 2026, with more committed to be repaid by the end of the year. These repayments, and important improvements to working and living conditions, are the result of Transparentem's investigations into forced labor and other labor abuses in Taiwan's manufacturing industries – especially textile and electronics – followed by months of effort from buyers, suppliers, and industry associations.

Taken together, these 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 Taiwanese manufacturing.

Compal Electronics

Compal is a Taiwanese electronics manufacturer, particularly of notebook computers, with multiple manufacturing facilities worldwide, including one production plant in the Pingzhen district of Taoyuan, Taiwan. Its Pingzhen workforce included more than 500 migrant workers in 2024. Several hundred migrant workers are from Vietnam, while others are from Thailand and Indonesia, according to interviewees.

Four Vietnamese female interviewees said they had paid Vietnamese recruiters high recruitment fees and related costs (including deposits) between US\$2,050 and US\$6,400 for their jobs and borrowed money to pay the fees. The two current workers, who were interviewed after 10 months of employment, said they had not received any reimbursements, while the two former workers interviewed said their costs were partially reimbursed by Compal within 3 months and 6 months after they started working at Compal in Taiwan, respectively.

Transparentem also obtained information, which was later shared with Compal, about more than 550 former employees from Vietnam who had left Compal between 2017 and 2025. These workers each said they incurred more than US\$6,000 in recruitment-related costs but were only partially reimbursed by Compal prior to Transparentem's investigation.

Compal itself and its buyers Amazon, Dell, Delta Electronics, and Lenovo, reacted to Transparentem's findings, while Google and Nvidia did not. Compal said it had adopted a zero-fee policy several years ago. Within two months of Transparentem contacting them, Compal said that relevant workers had been reimbursed. Interviewees confirmed that currently employed workers had been reimbursed, while former employees had not. Within another month, and after receiving the additional information about the more than 550 former employees, Compal replied that *"this matter has been elevated to one of the highest-priority items under the direct oversight of Compal's CEO and senior management team,"* and that a second-phase fee and reimbursement action plan would be launched in October 2026.

Compal also said it was *"reviewing the relevant Taiwan and overseas recruitment agency relationships, recruitment practices, contractual controls, worker payment channels, and oversight mechanisms. Where improper fee charging or other non-compliant practices are confirmed through verified findings, Compal will take appropriate corrective and accountability measures. These may include remediation requirements, strengthened contractual controls, suspension or termination of business relationships, and engagement with relevant authorities where appropriate."*

Compal also repeated its commitment to transparent engagement with relevant stakeholders and said it would continue to provide Transparentem with material updates as the investigation and remediation process progresses.

Transparentem will continue to communicate with Compal about outstanding issues.

Garmin

Garmin is a US-headquartered manufacturer of GPS-enabled electronics, including smartwatches and automotive systems, with several manufacturing facilities in Taiwan and a workforce including hundreds of migrant workers. According to interviewees employed at Garmin's factory in the Guishan district of Taoyuan, several hundred workers from Vietnam, the Philippines, and Thailand are employed in this factory alone.

Four Vietnamese female interviewees said they had paid Vietnamese recruiters high recruitment fees and related costs (including deposits) between US\$2,950 and US\$4,050 for their jobs and borrowed money to pay the fees, and three were still indebted after 12 months of work. Interviewees also reported deceptive recruitment and intimidation and threats in the recruitment process.

Interviewees said they were initially told by their Vietnamese recruitment agency that they would not have to pay recruitment fees, but that later on, during the recruitment process, they were required to pay fees. Three interviewees said they had to sign documents saying that they had not paid any fees. One interviewee said they were also video recorded by recruiters testifying that the recruitment was “no charge.” All interviewees said that their cell phones were checked by the recruitment agents while the interviewees were reading contracts. Workers were instructed by recruiters to tell anyone who asked in Taiwan that the recruitment was free of charge, said interviewees. Two added that they were threatened by the recruiters with retaliation, such as deportation, if they disclosed to anyone that they had paid fees.

Garmin and its buyers Amazon, Decathlon, and REI reacted to Transparentem’s findings, while buyers Best Buy and Walmart merely confirmed receipt of our inquiry. Garmin had adopted a zero-fee policy several years ago. Garmin’s senior management responded within 24 hours and engaged with us transparently and cooperatively over the following months.

After two months, all current employees who had migrated from Vietnam had been reimbursed, according to information from Garmin that workers confirmed for us. Garmin said it was also in the process of contacting former employees from Vietnam and that it would reimburse them the same amount that current employees had received. Garmin said that it had used this Vietnamese agency on the understanding that its recruitment process abided by Garmin’s zero-fee policy and that workers had not paid fees, but that it had not hired workers through the agency since late 2024.

Several Garmin workers told us about threats and harassments by the Vietnamese agency after the agency became aware that reimbursements were being provided on the basis of workers having disclosed these fees. Some workers shared screenshots and recordings of phone calls by the recruiters. According to workers, the agency threatened to sue and harass their families.

One worker said that the agency had offered a reward of US\$1,000 to anyone who disclosed the identities of the workers who revealed that they had paid recruitment fees. Another worker said that the agency threatened to ensure that workers who accepted reimbursement would not get to keep it. The situation reached national television in Vietnam. Workers said that the recruitment agency was shut down and reopened under another name with the same management. Transparentem is closely following the situation.

Transparentem will continue to communicate with Garmin about outstanding issues.

Pegavision

Pegavision is a Taiwanese manufacturer of medical optics devices and contact lenses, ultimately controlled by Pegatron, a major Taiwanese electronics conglomerate. Around 700-800 Vietnamese and Filipino workers are employed by Pegavision’s factory in the Guishan district of Taoyuan, according to interviewees.

Four Vietnamese female interviewees said they had paid Vietnamese recruiters high recruitment fees of US\$4,500-US\$5,200 for their jobs and borrowed money to pay the fees. One said she paid a US\$900 deposit to her recruitment agency on top of the recruitment fees. Additionally, all four interviewees said they had paid fees of US\$50-US\$60 per month to Taiwanese labor brokers (which would amount to at least US\$1,800 over a three-year contract period – the equivalent of almost two months’ base wages in Taiwan) throughout their contract period until January 2026, when these charges had stopped.

Pegavision and Pegatron reacted to Transparentem’s findings, while Visioneering Technologies did not. Pegavision adopted a zero-fee policy on January 1, 2026, covering newly recruited migrant workers, with 116 workers recruited under the new policy to date. Before 2026, workers from abroad had been charged recruitment-related fees by foreign agencies, Pegavision said. Regarding reimbursement of migrant workers recruited prior to January 1, 2026, including

our interviewees, Pegavision said that it *“is committed to providing appropriate remediation, including reimbursement of verified recruitment-related fees, for eligible migrant workers identified through the ongoing review. The review is being conducted to establish the relevant facts and determine the appropriate scope and implementation of this commitment.”*

Transparentem will continue to communicate with Pegavision about outstanding issues.

China Motor Corporation (CMC)

CMC is a Taiwanese automobile manufacturer producing vehicles under its own brand and assembling vehicles for other brands, including Mitsubishi. Mitsubishi Motors Corporation own 14% of its shares, and Yulon Group-linked shareholders hold at least 34%, according to CMC’s 2024 annual report. 190 migrant workers were employed by the end of 2024, according to CMC’s 2024 sustainability report. Between 100 and 150 Thai workers are employed by one of CMC’s manufacturing facilities, said interviewees.

Two Thai male interviewees said they had paid Thai recruiters high recruitment fees of US\$3,850-US\$4,200. At least one of them had borrowed money to pay the fees and paid off the loan within 15 months. Additionally, the interviewees said they were paying US\$50-US\$60 per month to Taiwanese labor brokers (amounting to at least US\$1,800 over a three-year contract period – the equivalent of almost two months’ base wages in Taiwan).

CMC and Mitsubishi Motors reacted to Transparentem’s findings, while Vantage Vehicles and Yulon Group did not. CMC said that *“regarding the specific matters you raised, our company has initiated an internal review and research process. Moving forward, we will not only continue to monitor changes in legislation closely but also aim to benchmark our practices against international standards for further optimization.”* CMC did not respond to clarifying questions, and it remains unclear to us whether CMC will provide remediation to affected workers and strengthen its labor governance, including by adopting a no-fee recruitment policy.

Transparentem will continue to communicate with CMC about outstanding issues.

Advanced Optoelectronic Technology (AOT)

AOT is an optoelectronics manufacturer in Taiwan. According to interviewees employed at AOT’s factory in the Hukuo Township of Hsinchu County, around 100 Filipino workers are employed by AOT.

Three of four Filipino female interviewees (including one former employee, whose employment terminated in 2026) said they had paid high recruitment fees between US\$1,000-US\$1,200 to Filipino recruiters for their jobs. The fourth interviewee said that she had transferred to AOT from another company in Taiwan and had not paid fees to change employment.

One interviewee said she had borrowed all of the money from a money lender in the Philippines and had to pay back the equivalent of almost two times the amount of money borrowed, due to a scheme in which she borrowed a set amount in Filipino pesos but was required to repay the same numerical figure in Taiwanese dollars – a much stronger currency, which is what inflated the real value of her debt. The repayment scheme is consistent with testimonies from other Filipino workers we have encountered throughout Taiwan’s manufacturing sectors.

All three currently employed interviewees said they were paying US\$50-US\$60 per month to Taiwanese labor brokers (amounting to at least US\$1,800 over a three-year contract period – the equivalent of almost two months’ base wages in Taiwan).

AOT did not react to Transparentem's findings. Garmin and Samsung said they currently were not sourcing from AOT. Samsung said that it would not disclose if AOT was a former supplier and that it would not address issues with AOT. Garmin confirmed that AOT was a former supplier and said that it would consider addressing issues with AOT.

Transparentem will continue to communicate with AOT and other stakeholders about outstanding issues.

Digital Generation International (DGI)

DGI is an electronics manufacturer founded in Taiwan in 2022. According to interviewees employed at DGI's manufacturing facilities in Taiwan, around 50-100 Vietnamese workers are employed in the factory alongside a small number of Filipino workers.

Three Vietnamese female interviewees said they paid high recruitment fees of US\$5,500-US\$6,200 to Vietnamese recruiters for their jobs. Two of them said they had incurred debts to pay the recruitment fees and that they were still indebted at the time of interview. Additionally, all interviewees said they were paying US\$50-US\$60 per month to Taiwanese labor brokers (amounting to at least US\$1,800 over a three-year contract period – the equivalent of almost two months' base wages in Taiwan).

All of the interviewees said that workers who want to renew their three-year contracts, are required to return to Vietnam to sign another contract and pay US\$1,800 in fees to a recruitment agency, before they can continue working at DGI. Two of the interviewees said that workers who do not reside in company-provided dorms are nonetheless charged NT\$2,500 (US\$80) per month for dorm accommodation.

DGI did not react to Transparentem's findings. Acer said that it had stopped purchasing from DGI two years ago and would not address issues with DGI. Delta Electronics merely confirmed receipt of our inquiry.

Transparentem will continue to communicate with DGI and its buyers about outstanding issues.

Tsurumi Pump

Tsurumi Pump manufactures water pumps and is a subsidiary of the Japanese company Tsurumi Manufacturing. According to interviewees employed at Tsurumi's factory in the Pingzhen District of Taoyuan in Taiwan, around 20 Vietnamese workers are employed in the factory.

Three Vietnamese male interviewees said they paid high recruitment fees of US\$6,200-US\$6,300 to recruiters for their jobs. All three said they incurred debts, sometimes including interest and mortgaging family land, to pay the fees. They all said that the size of the debts did not allow the workers to pay off the debts immediately but instead the debts were sustained for many months. Additionally, all interviewees said they were paying US\$50-US\$60 per month to Taiwanese labor brokers (amounting to at least US\$1,800 over a three-year contract period – the equivalent of almost two months' base wages in Taiwan).

Tsurumi Pump, Tsurumi Manufacturing (parent of Tsurumi Pump), and Technosub did not react to Transparentem's findings.

Transparentem will continue to communicate with Tsurumi and other stakeholders about outstanding issues.

REPRODUCTIVE RIGHTS CONNECTED TO FORCED LABOR VIOLATIONS - AN EMERGING ISSUE

Transparentem obtained very concerning information at one of the factories covered by this report, including a list of 141 former female Vietnamese employees of the same company who said that, in order to get the job in Taiwan, they had been required by their recruitment agency to use one of two contraceptive methods: either to have a contraceptive implant inserted in their body or to have an intrauterine device (IUD) inserted. Transparentem has obtained photos verifying the implants. Several of the women also said that they had been required to deposit US\$1,100-1,200 into a bank account managed by the recruitment agency and that they would lose the money if they became pregnant during the contract period. This information was recently shared with the employer, but the timeline for this report did not allow us to request a timely response from the employer. The employer is therefore not named in this report.

Transparentem will continue to investigate this issue.

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, and verify the implementation of “no fee” recruitment policies throughout their supply chains and insist that business partners also adopt and implement such policies. Buyers retain a responsibility to workers at their suppliers even if the buyer subsequently terminated the buyer relationship. 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.

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