

ANNEX 1: EXAMPLES OF REMEDIATION FOR DIFFERENT TYPES OF FORCED LABOUR CASES

INTRODUCTION

The remediation actions and programmes should differ depending on the types of forced labour. The following non-exhaustive examples of forced labour remedial actions are references for designing a remediation programme containing different indicators¹. They apply to forced labour cases identified in the company's operations and its suppliers, subcontractors, and service providers.

Some forced labour cases may have multiple indicators listed below. In such cases, the FLR team should consider a comprehensive remediation programme that 1) addresses the needs of the affected workers and is compatible with the degree of harm done to the workers and 2) drives systemic changes at the business level instead of focusing on removing the forced labour indicator.

It is highly recommended that the company involve external stakeholders in all remediation programmes. In all cases, the affected workers should be consulted during the remediation design phase, workers' informed consent should be obtained before implementation, and workers' feedback on the remediation programme should be collected during the remediation.

NOTE: If the case is identified by an auditor(s), the auditing firm/certification scheme may have specific requirements for remediating specific indicators of forced labour cases (e.g. remedial actions for excessive working hours). In such a situation, while the company's remedial actions should fulfil the requirements of the auditing firm/certification scheme, the company is still highly recommended to consider the remediation for the affected worker(s) to ensure their access to adequate and appropriate remedies. Audit records alone cannot be regarded as evidence of successful forced labour remediation.

¹ ILO, *Indicators of Forced Labour*

RECOMMENDED REMEDIAL ACTIONS

1. REMEDIAL ACTION FOR THE AFFECTED WORKER(S)

Legend: Columns with double clicks means the action is very suitable for this type of forced labour case, columns with one click means it is suitable, columns with no click means it is not suitable for this type of forced labour case.

REMEDIAL ACTION	ABUSE OF VULNERABILITY	DECEPTION	RESTRICTION OF MOVEMENT	ISOLATION	PHYSICAL AND SEXUAL VIOLENCE	INTIMIDATION AND THREATS	RETENTION OF ID DOCUMENT	WITHHOLDING OF WAGES	DEBT BONDAGE	ABUSIVE WORKING AND LIVING CONDITIONS	EXCESSIVE OVERTIME
Address Immediate Needs Identify urgent issues concerning affected workers and provide services that address their needs and wishes. This may include options such as leaving the worksite, short-term accommodation, meals, clothing, medical care and legal counselling).	✓✓	✓✓	✓✓	✓✓ Provide free transportation to the nearest towns or workers' home.	✓✓	✓✓				✓✓	
Return of Personal Belongings Immediately return all personal documents and belongings (e.g. phones) to workers if they are held.	✓	✓	✓✓	✓✓			✓✓				

REMEDIAL ACTION	ABUSE OF VULNERABILITY	DECEPTION	RESTRICTION OF MOVEMENT	ISOLATION	PHYSICAL AND SEXUAL VIOLENCE	INTIMIDATION AND THREATS	RETENTION OF ID DOCUMENT	WITHHOLDING OF WAGES	DEBT BONDAGE	ABUSIVE WORKING AND LIVING CONDITIONS	EXCESSIVE OVERTIME
In Cases of Human Trafficking Report human trafficking cases to local authorities, instruct workers to stop working immediately, and escort them to a safe location where their personal security is ensured and they have freedom of movement. Provide access to medical care if needed.	✓	✓✓	✓✓	✓✓	✓✓	✓	✓			✓	
Verify the Violations Verify and acknowledge any violations of workers' rights and take action to ensure these violations stop.	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓	✓✓	✓✓
Apologise Offer a formal apology to the affected worker(s).	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓

REMEDIAL ACTION	ABUSE OF VULNERABILITY	DECEPTION	RESTRICTION OF MOVEMENT	ISOLATION	PHYSICAL AND SEXUAL VIOLENCE	INTIMIDATION AND THREATS	RETENTION OF ID DOCUMENT	WITHHOLDING OF WAGES	DEBT BONDAGE	ABUSIVE WORKING AND LIVING CONDITIONS	EXCESSIVE OVERTIME
Compensation and Financial Assistance Ensure payment of any unpaid wages, reimbursement of recruitment fees and related costs, compensation for damages suffered, and rectification of illegal wage deductions. Provide unconditional cash transfers to support workers for their loss of income until they receive adequate remediation.	✓✓	✓✓	✓✓	✓✓	✓✓ If resulted in the death of the worker(s), compensate dependents of the deceased per law, support expenses for the funeral and repatriation of the body	✓✓	✓✓ (if IDs are lost or damaged) Facilitate and pay for the application and reissuing (if IDs have expired) Pay for the renewal	✓✓ Accurately calculate the amounts outstanding. Inform and explain to the worker(s) about the repayment and obtain their consent. Pay the full amount of wages due. Employer to bear the deduction of tax or possible administrative costs	✓✓ Accurately calculate the reimbursement amount, which should at min., cover the recruitment fees and related costs that were paid by worker(s), even after possible deduction of tax or other administrative costs. Inform and explain to the worker(s) about the repayment and obtain their consent.	✓✓	✓✓ Accurately calculate the repayment per law. Inform and explain to the worker(s) about the repayment and obtain their consent.
Long-term Shelter and Living Conditions Provide long-term shelter and improve the living and working conditions of affected workers.	✓✓	✓✓			✓✓					✓✓	

REMEDIAL ACTION	ABUSE OF VULNERABILITY	DECEPTION	RESTRICTION OF MOVEMENT	ISOLATION	PHYSICAL AND SEXUAL VIOLENCE	INTIMIDATION AND THREATS	RETENTION OF ID DOCUMENT	WITHHOLDING OF WAGES	DEBT BONDAGE	ABUSIVE WORKING AND LIVING CONDITIONS	EXCESSIVE OVERTIME
Healthcare and Counselling Provide medical care, health services, and counselling.	✓✓	✓	✓	✓	✓✓					✓✓	✓✓
Mental Health Support Provide mental health and psychosocial support.	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓				✓✓	
Legal Assistance Inform affected workers about their legal options, including participation in civil and criminal legal proceedings.	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓
Rehabilitation, Recovery and Return Offer stipends, housing support, medical and psychological care, and legal and social services. Support the voluntary and safe return of affected workers to their communities of origin and ensure access to decent work.	✓✓	✓✓ Opportunity for re-employment	✓✓	✓✓	✓✓	✓✓	✓✓			✓✓	

REMEDIAL ACTION	ABUSE OF VULNERABILITY	DECEPTION	RESTRICTION OF MOVEMENT	ISOLATION	PHYSICAL AND SEXUAL VIOLENCE	INTIMIDATION AND THREATS	RETENTION OF ID DOCUMENT	WITHHOLDING OF WAGES	DEBT BONDAGE	ABUSIVE WORKING AND LIVING CONDITIONS	EXCESSIVE OVERTIME
Reintegration Services Provide access to reintegration into the educational system, vocational training, microenterprise development, health care and counselling services.	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓				✓✓	

2. CORRECTIVE ACTIONS FOR THE CONCERNED BUSINESS (WHERE THE CASE IS IDENTIFIED)

REMEDIAL ACTION	ABUSE OF VULNERABILITY	DECEPTION	RESTRICTION OF MOVEMENT	ISOLATION	PHYSICAL AND SEXUAL VIOLENCE	INTIMIDATION AND THREATS	RETENTION OF ID DOCUMENT	WITHHOLDING OF WAGES	DEBT BONDAGE	ABUSIVE WORKING AND LIVING CONDITIONS	EXCESSIVE OVERTIME
Identify Root Causes Analyse how the company contributed to any issues to the case and create action plans based on the assessment results.	✓✓	✓✓	✓✓ No policy or procedure should restrict workers from entering or leaving working or living premises	✓✓ Identify structured mechanisms to enable workers to leave the premises on a regular basis, free of company chaperones.	✓✓ Identify gender risks through gender-specific impact assessments .	✓✓	✓✓ Provide safety boxes or lockers. Ensure a system for workers' free retrieval of documents at all times and without any barrier.	✓✓	✓✓ Adopt the "Employer Pays Principle". Plan for and allocate legitimate and reasonable budget related to employing foreign migrant workers.	✓	✓✓ Analyse and revise working hours systems to deal with embedded high overtime culture, find solutions. Ensure fair wage structures.

REMEDIAL ACTION	ABUSE OF VULNERABILITY	DECEPTION	RESTRICTION OF MOVEMENT	ISOLATION	PHYSICAL AND SEXUAL VIOLENCE	INTIMIDATION AND THREATS	RETENTION OF ID DOCUMENT	WITHHOLDING OF WAGES	DEBT BONDAGE	ABUSIVE WORKING AND LIVING CONDITIONS	EXCESSIVE OVERTIME
Stakeholder Mapping Map and maintain a record of all stakeholders involved in the recruitment of workers.	✓	✓✓	✓	✓	✓	✓	✓	✓	✓✓	✓	✓
Improve Policies and Management Systems Review and strengthen recruitment, employment policies, and practices related to management.	✓✓ For example, enhance the system for logging work permit expiry dates and allocate staff for keeping renewals up to date.	✓✓	✓✓	✓	✓✓ Introduce policies on violence and harassment, including disciplinary actions for perpetrators	✓✓ For example, revise pay structures, bonuses, incentives, and production targets so they are not based on subjective discretion of supervisors and managers	✓	✓✓ For example, ensure that payment schedules are formalized within legal limits. Ensure workers are provided with payslips.	✓✓	✓	✓✓ Clear policies on working hours, overtime, mandatory rest days, and breaks Improve the record-keeping practices on working hours, overtime and payment

REMEDIAL ACTION	ABUSE OF VULNERABILITY	DECEPTION	RESTRICTION OF MOVEMENT	ISOLATION	PHYSICAL AND SEXUAL VIOLENCE	INTIMIDATION AND THREATS	RETENTION OF ID DOCUMENT	WITHHOLDING OF WAGES	DEBT BONDAGE	ABUSIVE WORKING AND LIVING CONDITIONS	EXCESSIVE OVERTIME
Enhance Monitoring Improve the monitoring of recruitment practices by involving external stakeholders for assessments and implementing self-monitoring measures, such as interviewing workers upon arrival and after a period of employment to gather details about their recruitment experience.	✓	✓✓	✓	✓	✓	✓✓	✓	✓	✓✓	✓	✓
Direct Hiring When possible, hire workers directly instead of using labour agents.	✓✓	✓✓							✓✓		
Fair Recruitment Standards Adopt fair recruitment standards and practices for migrant workers ² .	✓✓	✓✓							✓✓		✓✓

² Please see the details on how to do it in ITC, ILO, Global Business Network on Forced Labour, Due Diligence Toolkit for Fair Recruitment in Malaysia (2024)

REMEDIAL ACTION	ABUSE OF VULNERABILITY	DECEPTION	RESTRICTION OF MOVEMENT	ISOLATION	PHYSICAL AND SEXUAL VIOLENCE	INTIMIDATION AND THREATS	RETENTION OF ID DOCUMENT	WITHHOLDING OF WAGES	DEBT BONDAGE	ABUSIVE WORKING AND LIVING CONDITIONS	EXCESSIVE OVERTIME
In Cases of Using Labour Agents for Recruitment Improve the company's practices regarding their screening, selection, and monitoring. Clearly communicate these fair recruitment standards to labour agents both verbally and in writing, and include relevant clauses in contracts.	✓✓	✓✓	✓	✓	✓	✓✓	✓	✓	✓✓ Engage with labour agents to understand their costs and profit margin in detail and pay agents sufficient service fees up front to reduce risk of fee-charging to workers.	✓	✓✓
Training for Stakeholders Provide training on fair recruitment practices to all stakeholders involved in the recruitment, including HR staff and labour agents.	✓✓	✓✓	✓✓		✓	✓✓	✓✓	✓	✓✓ Fully understand the labour supply chain, costs related to labour migration, and the amounts to the specific migration corridor identified	✓	✓✓

REMEDIAL ACTION	ABUSE OF VULNERABILITY	DECEPTION	RESTRICTION OF MOVEMENT	ISOLATION	PHYSICAL AND SEXUAL VIOLENCE	INTIMIDATION AND THREATS	RETENTION OF ID DOCUMENT	WITHHOLDING OF WAGES	DEBT BONDAGE	ABUSIVE WORKING AND LIVING CONDITIONS	EXCESSIVE OVERTIME
Worker Awareness Training Provide awareness-raising training to workers during recruitment and employment to help them understand their labour rights and know how to seek assistance if their rights are violated.	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓ Training on minimum wage, legal regulations on wage payment and how wages are calculated.	✓✓	✓	✓✓
Clear Communication regarding recruitment and employment processes. This may include preparing flyers about job opportunities and enhancing offer letters.	✓	✓✓					✓		✓✓		

REMEDIAL ACTION	ABUSE OF VULNERABILITY	DECEPTION	RESTRICTION OF MOVEMENT	ISOLATION	PHYSICAL AND SEXUAL VIOLENCE	INTIMIDATION AND THREATS	RETENTION OF ID DOCUMENT	WITHHOLDING OF WAGES	DEBT BONDAGE	ABUSIVE WORKING AND LIVING CONDITIONS	EXCESSIVE OVERTIME
Improve Living and Working Conditions Take steps to enhance workers' working and living conditions.	✓✓			✓✓ Improve infrastructure provide regular free transport to the nearest towns and amenities, phones, networks, improve road conditions.						✓✓	
Grievance Mechanisms Establish accessible grievance mechanisms for all workers during recruitment and employment. Increase workers' understanding and trust in these mechanisms. Improve social dialogues in the workplace by engaging external stakeholders in programmes with workers and establishing helplines that operate in the languages spoken by migrant workers.	✓✓	✓✓	✓✓ Identify reasonable safety measures.	✓✓	✓✓ Develop and establish a gender committee to receive complaints .	✓✓	✓	✓	✓✓	✓✓	✓✓

REMEDIAL ACTION	ABUSE OF VULNERABILITY	DECEPTION	RESTRICTION OF MOVEMENT	ISOLATION	PHYSICAL AND SEXUAL VIOLENCE	INTIMIDATION AND THREATS	RETENTION OF ID DOCUMENT	WITHHOLDING OF WAGES	DEBT BONDAGE	ABUSIVE WORKING AND LIVING CONDITIONS	EXCESSIVE OVERTIME
Life Skills Training for Workers Provide life skills training for workers in areas such as cultural knowledge, language skills, healthcare knowledge, financial management, negotiation skills, and computer literacy.	✓✓	✓		✓							
Accountability Measures Identify perpetrators of any wrongdoing. If individuals acted without management knowledge, issue an apology and take appropriate disciplinary actions, which may include training, suspension, or termination.		✓	✓✓		✓✓	✓✓	✓	✓	✓	✓	✓

3. CORRECTIVE ACTIONS FOR THE CONCERNED COMPANY (IF THE CASE IS IDENTIFIED IN ITS SUPPLIERS, SUBCONTRACTORS AND SERVICE PROVIDERS)

REMEDIAL ACTION	ABUSE OF VULNERABILITY	DECEPTION	RESTRICTION OF MOVEMENT	ISOLATION	PHYSICAL AND SEXUAL VIOLENCE	INTIMIDATION AND THREATS	RETENTION OF ID DOCUMENT	WITHHOLDING OF WAGES	DEBT BONDAGE	ABUSIVE WORKING AND LIVING CONDITIONS	EXCESSIVE OVERTIME
Management and Monitoring System Develop and review a management and monitoring system for lower tier suppliers. Refine and update current policies and practices.	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
Screening and Selection of Supply Chain Partners Improve the company's process for screening, selecting and monitoring supply chain partners.	✓✓	✓✓	✓✓	✓	✓✓	✓✓	✓✓	✓✓ Monitor whether wages are being calculated accurately.	✓✓	✓✓	✓✓
Root Cause Analysis Identify and analyse the root causes of forced labour, including how the company may have contributed to the case. Conduct risk assessments and create action plans for supply chain partners based these on assessments.	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓ Adopt the "Employer Pays Principle" and require partners to adopt the same.	✓✓	✓✓ Examine the company's sourcing practices that necessitate excessive overtime.
Awareness Raising for Supply Chain Partners Raise awareness among supply chain partners across different tiers of the supply chain.	✓✓	✓✓	✓	✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓

REMEDIAL ACTION	ABUSE OF VULNERABILITY	DECEPTION	RESTRICTION OF MOVEMENT	ISOLATION	PHYSICAL AND SEXUAL VIOLENCE	INTIMIDATION AND THREATS	RETENTION OF ID DOCUMENT	WITHHOLDING OF WAGES	DEBT BONDAGE	ABUSIVE WORKING AND LIVING CONDITIONS	EXCESSIVE OVERTIME
Workers Awareness Training Support or facilitate training and awareness-raising campaigns for workers, especially migrant workers, in the supply chain regarding their labour rights, terms of employment and issues related to forced labour.	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
Grievance Mechanisms and Social Dialogue Improve the grievance mechanisms and social dialogue available to all workers in the supply chain.	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
Improving Working and Living Conditions Where possible, improve the working and living conditions for workers throughout the supply chain.	✓✓		✓	✓✓						✓✓	✓

DEFINITIONS, EXAMPLES AND CASE STUDIES

1. ABUSE OF VULNERABILITY^{OBJ1}

Abuse of vulnerability refers to a situation in which a worker finds themselves in a vulnerable position, due to e.g. migrant status, ethnic minority status, low literacy, etc., and this vulnerability gets exploited by the employer, leading to the worker suffering abusive working conditions.

Hence, vulnerability can be determined by someone's status or personal characteristics, as well as by situational factors. These can include workers whose visa is dependent on their job or employer, and who do not have the ability to change jobs, or workers who lack the proper working visas altogether. In such cases, employers can create exploitative working environments without fear of repercussions, as workers can be reluctant to report an abusive employment situation out of fear of arrest and deportation. Vulnerability through a lack of job alternatives can also be brought about by external circumstances, such as during COVID-19, when migrant workers in Malaysia faced high risk of infection due to poor living conditions, labour violations (e.g. work visa not renewed by employer, reduction/loss of income and unpaid wages) as well as arrest and detention by authorities.

Companies can identify vulnerable groups and individuals by conducting due diligence, as stated in the UN Guiding Principles on Business and Human Rights (UNGP). The UNGP states that businesses must conduct due diligence *"in a non-discriminatory manner, with particular attention to the rights and needs of, as well as the challenges faced by, individuals from groups or populations that may bear heightened risk of becoming vulnerable or marginalised, and with due regard to the different risks that women and men may face."*

Case study

Exploitation of Workers: Over 250 migrant workers employed by Factory A in Malaysia reported severe human rights violations in September 2024. The factory, a supplier to major firms like Companies A, B and C, allegedly subjected workers to wage theft, illegal recruitment fees, passport confiscation, unsuitable living conditions and threats of deportation.

Analysis

In this case study, the workers' vulnerability is their migrant status. The Bangladeshi workers were working in Malaysia on a visa that tied them to their employer, which prohibited them from changing employment. To obtain this employment visa, Bangladeshi workers incurred a debt with their employer because of recruitment fees they were required to pay off, thereby tying the workers to the employer in a form of debt bondage. Debt bondage as a result of recruitment fees can already be considered an abuse of vulnerability (i.e. workers are pushed into labour migration as a result of poverty at home and hence have no choice but to accept recruitment fee debts). Still, workers also reported having gone without pay for seven months and working excessive hours. This abuse was able to continue for months because of the workers' vulnerability. Their visa and migrant status, which also meant that the workers were living and working in relative isolation, prevented the workers from seeking help; they were suffering for five months before they staged the first protest outside factory doors. Factory A countered with threats and took punitive actions against some workers, including levelling false charges and repatriating them to Bangladesh.

This case study shows that forced labour situations are often multi-faceted. Several Forced Labour Indicators come into play here, aside from Indicator #1, Abuse of Vulnerability, e.g., Indicator #6, Intimidation and Threats, Indicator #8, Withholding Wages, Indicator #9, Debt Bondage, and Indicator #11, Excessive Working Hours.

Buyer's response

Labour activists had reported the workers' plight to the Labour Department and had notified the buyers to take immediate action. One of the workers' demands was to be paid back wages that they were owed, which a Malaysian Labour Tribunal had ordered Factory A to pay. The three companies implemented the following responses:

- Companies A, B, and C agreed to pay a sum to compensate the workers for their lost wages. This sum was not enough to pay off the workers' debts, but it is an important part of the remediation plan
- Company A requested that Factory A correct any labour violations
- Company A disengaged from the factory due to financial and anticipated production problems
- Company B investigated the claims of human rights abuses in Factory A and demanded corrective measures
- Company B disengaged from the factory due to its demands not being met satisfactorily
- Company C additionally settled with the workers and agreed to pay them more
- Company C engaged expert human rights organisations to resolve other issues

While Company C's engagement aligned with the remediation approach outlined in this guide by incorporating workers into the process and involving an expert organisation, unfortunately, the effort was insufficient. As Companies A and B accounted for the majority of Factory A's orders, their disengagement forced the factory to close. It is unclear what impact the closure had on the workers. As of May 2025, the workers had only received their first instalment of RM1,000 owed for unpaid wages in January, and a second instalment due in April had yet to be paid.

Best Practice

In this case, aside from the payment plan, the companies should have taken the following steps as best practice:

- Disengaging from a supplier should always be considered a last resort, to be used only in cases where the supplier refuses to cooperate. As Company C and Factory A were still trying to cooperate, Companies A and B should have explored other solutions before disengaging. If disengagement becomes unavoidable, buyers should aim for responsible exits and ensure that they mitigate the potential negative impact on workers.
- Even if companies are only linked to human rights abuses through business relationships (i.e. not directly), companies should still be responsible and cooperate proactively with the factory in remediation.
- In this way, Company A, B, and C, as well as Factory A, could have collaborated with an external expert human rights organisation to establish a targeted and specific remediation plan that would respond appropriately to the scale and severity of the case. This remediation plan should have covered both remedying past wrongs (i.e.

reimbursing the workers' wages) and implementing solutions to prevent future recurrence.

- An external human or labour rights organisation could also have been engaged to conduct a risk assessment and identify gaps in the company's and factory's current policies and practices.
- The companies could have reassessed their contract with Factory A, ensuring that clauses on human and labour rights are included.
- The companies could have worked together on capacity building. For example, they could have provided training to Factory A management on forced labour and responsible recruitment practices, i.e., how to manage labour intermediaries and the risks associated with recruitment fees and debt. This would minimise the vulnerability of migrant workers and minimise the chance for this vulnerability to be abused.
- To avoid debt bondage through recruitment fees, Companies A, B, and C should have adopted the employer pays principle, ensuring that the employer bears all recruitment costs.

2. DECEPTION²

The forced labour indicator of deception relates to the employer's failure to deliver what has been promised, either verbally or in writing. Victims of forced labour are often recruited with promises of decent, well-paid jobs. But once they find themselves at the worksite, the promised conditions of work do not materialise, and workers find themselves trapped in abusive conditions without the ability to escape. Deceptive recruitment practices can include false promises regarding working conditions and wages, types of work, housing and living conditions, obtaining regular migration status, job location, or the identity of the employer.

Case study

Deceptive recruitment: In 2023, around 170 migrant workers attempted to lodge a police report against their employer, Company A, as they had been in Malaysia for months waiting to be provided employment and had thus been without pay for months. The workers had been brought in through legal recruitment channels, but upon their arrival, it became clear that the jobs they were recruited for did not exist. Following this revelation, the Ministry of Human Resources intervened. According to the Ministry, 13 investigation papers have been completed against a total of five employers who are believed to have cheated approximately 2,500 foreign migrant workers by promising jobs that did not exist.

Analysis

In this case study, the workers suffered neglect for three months, were left jobless, and as a result, were unable to buy necessities. Their situation reached such a dire point that they eventually marched to the police station to complain about Company A. This is a significant development, as migrant workers can be distrustful of the authorities, due to their vulnerable status. As we have seen in the previous case study, this can make it more likely for them to suffer abuse.

This case study illustrates how deception frequently overlaps with other indicators of forced labour. For instance, when deception is used to lure workers to travel abroad for employment, they are generally unfamiliar with the local laws, language, and environment. Additionally, in this case study, the non-existent jobs and the state of limbo in which the workers found themselves can lead to dangerous situations, forcing them to accept any other job opportunity, which may again expose them to abusive conditions.

Section 60K of the Employment Act requires employers to obtain prior approval from the Director-General to hire foreign employees and notify the Director-General within 30 days if foreign employees are terminated. As a result of this case, Company A has been blacklisted from applying for new migrant worker employment. According to the Minister of Human Resources, the employer will also face legal repercussions under the Act 1959/63 and the Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act 2007 (ATIPSOM), as well as the Employment Act 1955 and the Employees' Minimum Standards of Housing, Accommodation, and Amenities Act 1990.

Government and Company response

The Ministry of Human Resources facilitated the remediation between the affected workers and Company A. The employer was ordered to pay the three months' unpaid wages to the workers. However, in May 2024, it was reported that the company responsible was being prosecuted after failing to settle payments to over 700 implicated migrant workers within the required 45-day period. The workers were also assisted in finding new employment through a Special Employer Change Process, facilitated by the Ministry.

Best Practice

In this case study, Company A used deceptive methods to hire workers. The remediation facilitated by the Ministry of Human Resources was unsuccessful, as Company A is now being prosecuted for its failure. As a best practice, Company A could instead have taken the following steps:

- Conduct a rapid internal investigation into the incident, e.g., identify how the agent was contracted, review the recruitment chain, and interview affected workers
- Determine the responsibility (e.g. top management involvement), stakeholder engagement (e.g. co-ordination with Ministry of Human Resources/Labour Department or relevant embassies), identify who needs to be included in the remediation process (e.g. other employers affected), and the appropriate response (urgent response can be required such as in providing the workers with food, decent temporary accommodation, medical attention, and other welfare needs during the transition)
- Design and provide remediation for the affected workers based on the harm identified and information collected during rapid investigation, which can consist of:
 - Payment of the unpaid wages, directly to the workers
 - Ensure passports are returned to the workers (if the agent was holding them)
 - Fully reimburse any illegal or excessive recruitment fees or costs (visa, medical, travel, etc.) paid by workers
- The affected workers should also be fully compensated for the suffering they have endured due to their unemployment and isolation
- Discuss options for safe employment (with a valid visa and work contract) or facilitate the return home (with paid transportation)
- If other employment options are identified, ensure the workers are granted a valid visa and work contract in a language they understand
- Reporting on the remediation and looking at preventive steps for future reference
- Acknowledge the reports of abuse or deception and communicate on this transparently with Company A's stakeholders

3. ABUSIVE WORKING AND LIVING CONDITIONS³

Often, a clear indicator of forced labour is workers suffering from abusive working and/or living conditions, as these are situations that workers would never freely accept. For example, work may be performed under conditions that are degrading (humiliating or dirty), hazardous (difficult or dangerous without adequate protective gear), or in severe breach of labour laws.

Case study

During the COVID-19 pandemic, Company A came under scrutiny for alleged labour exploitation and poor working conditions, as reported by the Business & Human Rights Resource Centre. Pay slips reveal that some workers are clocking up 111 hours of overtime, in breach of Malaysian law, as the company attempts to meet global demand. The absence of proper safety measures within these factories exposes workers to a multitude of significant risks and hazards.

Analysis

The company introduced a scheme called *Heroes for COVID-19*, where workers were requested to voluntarily work up to four additional hours on their day off to package gloves. The manufacturing industry for latex gloves is known to carry a high level of risk due to the presence of carcinogens, acids, and strong alkalis, posing significant health hazards. This, combined with excessive overtime and a lack of Personal Protective Equipment, constitutes a clear unsafe working condition. Additionally, workers were suffering from appalling conditions in hostels, with up to 21 workers sharing one room, creating very cramped conditions and poor social distancing arrangements during the COVID-19 pandemic.

Company response

Company A implemented the following remediation actions:

- Drafted and implemented a corrective action plan to address the abusive conditions the workers suffered
- Reimbursed recruitment fees for affected migrant workers
- Commissioned an independent social compliance audit
- Submitted a statement outlining their commitment to improve working and living conditions

Best Practice

In addition to the above remediation actions, Company A could have taken the following actions:

- In addition to the social compliance audit, Company A could have engaged an external expert human/labour rights organisation to do a risk assessment and uncover the gaps in the company's and factory's current policies and practices
- Conduct a review of its business partners and suppliers, particularly looking at the company supplying the workers' housing and, if the situation cannot be improved, finding a new partner that provides housing with proper sanitation, water supply, electricity, and internet access

- The company could have reassessed their contract with business partners/suppliers, ensuring that clauses on human and labour rights are included
- Engage in regular dialogues with worker representatives, embassies, and NGOs to uncover the wants and needs of workers and be able to provide those
- Company A could have worked on capacity building. For example, they could have provided training on forced labour and labour rights. This would minimise the chance that abuse would occur

REFERENCE

- The ILO, 11 Indicators of Forced Labour
- The ILO and Global Business Network on Forced Labour, Eradicating Forced Labour: What Works In Practice
- The ILO and Malaysian Employer Federation, Business Responsibility on Preventing and Addressing Forced Labour in Malaysia: A Must-Read Guide for Malaysia Employers
- The ILO, Addressing, Preventing and Eliminating the Risk of Forced Labour in the Rubber Industry in Malaysia (2022)
- ITC, ILO, Global Business Network on Forced Labour, Due Diligence Toolkit for Fair Recruitment in Malaysia
- The U.S. Department of Labor, Bureau of International Labor Fairs, Forced Labour Remediation Guide
- The Remedy Project, Putting things right: remediation of forced labour under the Tariff Act 1930
- Proforest, Cargill, Fair Labour Association, Guidance for Forced Labour Grievances

TOOLS

- ILO's Guiding on Addressing, Preventing and Eliminating the Risk of Forced Labour in the Rubber Industry in Malaysia (2022) explains how to prevent forced labour during recruitment and employment.
- IOM's Migrant Worker Guidelines for Employers explains standards on recruitment fee and related cost

Funding for the MY Voice project is provided by the United States Department of Labor under cooperative agreement number IL-373221-21-75-K. 100% of the total costs of the project is financed with USG federal funds, for a total of \$5,000,000 dollars. This material does not necessarily reflect the views or policies of the United States Department of Labor, nor does it mention of trade names, commercial products, or organisations imply endorsement by the United States Government.