



29 July 2020

Media Statement

As one of the leading garment manufacturers in the world, TAL Group (TAL) holds itself to the highest ethical, social and environmental standards of operations. We operate in full transparency and partnership with our customers, and in strict adherence to the local and international laws. We strive to work with every stakeholder along the supply chain to evolve the industry from past good practices to new best practices, including our recruitment and labour practices.

Since 2000, TAL had recruited foreign migrant workers for our Pen Apparel (PAP) factory in Penang and Imperial Garments (IG) factory in Ipoh, due to local labour shortage. At that time, it was a common and accepted practice to work with Malaysian recruitment agencies for these workers. These agencies, in turn, work with other parties in their respective home countries for recruitment. The recruitment fees in the home country borne by the workers are opaque under this practice. Workers could be subject to high interest loans with their local agents, resulting in a large portion of their salaries going towards repaying the loan.

In 2014, TAL evolved its practice and took action to mitigate the financial burden of the migrant workers and eliminate the risk of debt bondage. TAL offered to take up these loans, interest free. Workers repay these loans over the duration of their contract. If a worker leaves or if their contract is terminated early, TAL waived the balance loan. The worker returns home with no loan with TAL and thus eliminates any risk of debt bondage with TAL.

There has never been forced labour nor exploitation of workers in TAL factories.

As the industry continues to evolve, we continued to uphold ourselves to better standards of recruitment. The International Labour Organisation (ILO) led the responsible recruitment effort with many industry specific initiatives in recent years. In line with the latest ILO guidelines and definitions of recruitment fees, TAL changed its policy in Malaysia to cover 100% of recruitment fees including home country fees for new recruits from 1st January 2020 onwards. This new best practice eliminates the loan altogether.

The issue of responsible recruitment and employment is a complex one in the context of globalised supply chains and international labour laws. The recruitment journey for a worker involves many layers of agencies and players in the home country and abroad. Practices across the entire recruitment supply chain need to evolve for the better. TAL, together with our customers, have engaged openly with Transparency, with regards to our foreign worker situation in Malaysia.



We have finalised a Collective Action Plan, together with our customers, that will

- (i) safeguard the welfare of our foreign workers during COVID-19
- (ii) distribute funds to alleviate the financial situation of migrant workers, starting on 24th July 2020
- (iii) commit to further advance responsible & fair recruitment practices in the supply chain

TAL has been practicing Employer Pays Principle for new recruits across the whole group since 1st January 2020.

Moving forward, TAL will continue to work with other industry partners and NGOs to put in place even better practices to uplift our industry to higher standards of operations.

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