



# **FOREIGN MIGRANT WORKER RECRUITMENT AND EMPLOYMENT POLICY**

The objective of this policy is to set forth the minimum requirements for the ethical recruitment and management of foreign migrant workers by K.J. Precision and other supplier who have business with K.J. Precision. Knowing the vulnerability of foreign migrant workers to exploitative labor practices and risk of forced labor, K.J. sets out the minimum requirement for the recruitment, selection, hiring and management of migrant workers.

## **Recruitment Fees and Cost**

1. Foreign migrant workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. Post arrival interview will be conducted with each foreign worker to ensure there's no extra recruitment fees paid by foreign worker. If any such fees are found to have been paid by workers, such fees shall be repaid to the workers within 60 days.
2. K.J. and its suppliers shall maintain adequate controls to ensure that workers have not been charged recruitment or placement fees during their recruitment process. There shall be no fraud, deception, or coercion in the recruitment, placement, transportation, or management of foreign migrant workers about all aspects of employment terms and condition including zero recruitment fees. Supplier must make available the recruitment process or related documents to K.J. and its appointed auditors.
3. K.J. and its suppliers shall have a documented procedure in place to manage violations and be prepared to terminate their relationship with third parties who repeatedly fail to meet these standards. K.J. and its suppliers must have a non-reprisal policy to workers or other informant reporting non conformance or violation of the zero fees policy.
4. The costs and fees associated with recruitment, travel and processing of migrant workers employment shall be covered by K.J. or suppliers, at a minimum as specified guideline as below.
  - Agency service fees, sub-agent fees, recruitment, or placement fees in both sending and receiving countries.
  - Airfare or fare for other mode of international transportation from sending to receiving countries.
  - Visa processing fees.
  - Work permits fees including renewal.
  - Government Levy unless legally allowable for deduction.
  - Pre-departure training or orientation, skills tests, medical examination, or other requirements for employment by sending or receiving countries including security deposits if required.

- Transportation in receiving country to and from airport to K.J. or supplier facility or provided accommodation.
- Government approved insurance, taxes, or other related fees that law requires the employer to bear.
- Any other fees imposed by sending or receiving country government for recruitment.
- Pre-departure accommodation cost after employment at the source country and upon arrival at receiving country.

#### **Use of Recruitment Agents or Labor Agents**

1. If recruitment agents are used, K.J. and its suppliers shall only use legally licensed recruiters in both the sending and receiving countries.
2. K.J. and its suppliers shall conduct proper due diligence on recruitment agents prior to their engagement. This will include an evaluation of the recruitment agents' legal status, ethical practices, any record of penalties or complaints, and the capability to fulfil K.J. and its suppliers' requirements.
3. K.J. and its suppliers shall have direct contract with the agents and the contracts shall explicitly prohibit the charging of recruitment fees to potential migrant workers by either the agents or their sub-agents.
4. K.J.'s PIC will travel to the recruiting country and conduct interview sessions with the applicant together with the recruitment agency.
5. K.J. and its suppliers should arrange regular audits of the recruitment agent (at least annually) either first-hand or through an independent party and provide feedback on how to ensure sustained compliance.

#### **Transportation Cost and Cost of Repatriation**

1. K.J. and its suppliers shall pay the inbound transportation cost from source country to receiving country.
2. K.J. and its suppliers shall pay return transportation costs for worker upon completion of an employment contract.
3. Should K.J. or its suppliers need to terminate a worker's contract early due to downsizing, facility closure, or other unforeseen circumstances such as ill health, K.J. or its suppliers shall pay the cost of return transportation to workers home country.
4. K.J. and its suppliers shall not be required to provide return transportation if a worker is terminated for cause through proper and fair disciplinary and termination procedure. K.J. and its suppliers shall also not be required to provide return transportation if the worker voluntarily terminates his or her contract prematurely.
5. On occasion when worker opts for early termination of contract, there should be no threat of punishment. If there should be any law allowed penalties, it must be communicated in advance to the worker.

## **Employment Contracts**

As part of the hiring process, workers must be provided with a written employment agreement in their native language. The contract must include the terms and conditions of employment prior to the worker departing from his or her country.

- K.J. and its suppliers are responsible for ensuring that each migrant worker receives a detailed employment contract in the language of his or her home country prior to leaving their home country. The contract should be provided minimum 1 week or well in advance of the worker's departure to give them the opportunity to ask questions about the proposed terms and conditions. The contract must not be given to workers at the airport.
- The employment contract shall be a direct contract between the worker and K.J. or its suppliers.
- Migrant workers should be given a clear understanding of their employment and living conditions in the host country and the personnel policies of the factory. If the migrant worker is illiterate, the terms and conditions in the contract must be clearly explained to them in their own language. All potential workers should be able to demonstrate a full understanding of the employment arrangements.
- K.J. and its suppliers must not impose additional terms after the employment contract has been signed unless expressly required by law. Where new terms have been introduced, K.J. and its suppliers should ensure that such terms are fully understood and accepted by workers and included as an addendum to the existing contract. The employment contract should be legally enforceable in the host country.
- K.J. and its suppliers shall ensure that all migrant workers have legal right to work in receiving countries.
- K.J. and its suppliers – and their employees and representatives – must not accept any financial benefits from any recruitment agency or other person involved in the recruitment process.
- K.J. and its suppliers must not charge back or accept reimbursement from a migrant worker to recover fees paid by the K.J. or its suppliers in the recruitment of the worker.
- K.J. or its suppliers must not practice any forced savings or deduction from salary unless permitted by law.
- K.J. or its suppliers using labor agents to manage workers must ensure that these policies are implemented accordingly.
- K.J. or its suppliers using outsourced worker agents must ensure that these policies are strictly adhered by the outsource agents.

### **The employment contract should include:**

- The worker's name;
- Date of birth;
- Passport number;
- Emergency contact information;
- Nature of the work and place that it will be performed;
- Occupational category;
- Work start date and duration;

- Contract termination requirements including minimum notice period of 30days or in accordance to the country law.
- Contract renewal provisions;
- The method and responsibility for costs of transporting the migrant worker to the host country and back;
- Pay including frequency of payment and overtime rates – (K.J. and its supplier must pay the minimum wage in Malaysia or above);
- Bonuses and allowances if applicable;
- An estimate minimum net pays that the worker should expect to receive each month;
- Maximum working hours and shifts including one rest day in seven;
- All allowable legal deductions;
- A provision confirming that the worker must not pay employers or agents recruitment fees for employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.
- All government mandated benefits to be provided, including but not limited to medical coverage, accident/injury insurance, sick leave, annual leave, and holidays;
- Maximum allowable overtime hours consistent with country legal limit.
- Socially compliant grievance, harassment, and disciplinary processes available.
- A detailed summary of the living conditions, including costs (if any) for meals, transportation, and accommodation;
- Description of repatriation process and specification of the costs to be borne by the supplier and the worker, e.g. that return transport to home country at the end of the employment contract.
- The grounds on which the contract may be terminated.

### **During employment**

1. K.J. and its supplier should not withhold any guarantee money, 'runaway insurance', deposits or recruitment fee sums from pay.
2. Pay slips must be clear and understood by workers.
3. K.J. and its supplier must have policies in place regarding migrant workers who are injured at work and become ill. Such policies must be communicated to workers.
4. K.J. and its supplier Should develop methods for regular and direct contact with migrant workers in their own language. E.g. members of the HR team who can communicate fluently in the migrant workers' language.

K.J. and its supplier should ensure that there is a grievance and disputes procedure in place and that all migrant workers are aware of this. Workers must have access to a free, confidential, third-party helpline to raise any grievances they are not comfortable raising with HR directly. K.J. and its supplier must ensure that the helpline is advertised in factories and in accommodation.

- In K.J. Precision, we believe that employment should be freely chosen and that there shall be no forced labor in its own or supplier facilities. Key to ensuring workers is free to leave their employer is ensuring that all workers – and particularly migrant workers – always have unrestricted access to their passport.

- K.J. and its supplier should not hold original migrant worker identification documents, passports, travel papers or other personal documents, unless required by law or with written consent from workers provided that there is always full access at all time.
- K.J. and its supplier shall all time comply with the passport access policy.
- There shall be no unreasonable restriction in their movements including during working hours to access drinking water and toilets, to leave the facility during meal breaks or from supplier provided accommodation unless there are legitimate security concerns or where required by law. Any such restrictions should be clearly specified in the employment contract.
- Migrant workers shall be free to return home during leave, without threat of penalty of termination.
- Migrant workers shall be briefed on this policy during induction.



---

ER CHIN KOK  
MANAGING DIRECTOR  
9/1/2023