



November 4, 2022

YB Larry Soon
Chairman, Malaysian Palm Oil Council
Level 7, Menara Axis, No. 2
Jalan 51A/223
46100 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Dear Chairman YB Larry Soon:

Thank you for the information you provided about the palm oil industry in Malaysia. We appreciate your comments on this important issue and your interest in the Department of Labor's (DOL) reports.

We have carefully reviewed your statements and consider them a submission under the Procedural Guidelines for the development and maintenance of DOL's *List of Goods Produced by Child Labor or Forced Labor*, also known as the Trafficking Victims Protection Reauthorization Act (TVPRA) List. The Procedural Guidelines can be found here: <https://www.federalregister.gov/documents/2020/05/15/2020-10341/notice-of-amendment-to-procedural-guidelines-for-the-development-and-maintenance-of-the-list-of>. Based on these Guidelines, DOL's Office of Child Labor, Forced Labor, and Human Trafficking (OCFT) accepts public submissions on an ongoing basis regarding the addition of goods to, or removal of goods from, the List. OCFT reviews each submission to determine whether it provides relevant and probative information. Per our standard procedures, submissions are also published on the DOL website. Whenever OCFT makes a determination about an addition to or removal from the List, OCFT publishes a notice in the *Federal Register* and posts the updated List on the DOL website. The most recent List was released on September 28, 2022, and can be found at: <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>.

We appreciate your feedback on the methodology of DOL's reports. As noted in your report, OCFT publishes three reports on international child labor and forced labor, each corresponding to distinct mandates. Our *Findings on the Worst Forms of Child Labor* report is mandated by the Trade and Development Act of 2000 and assesses the efforts of certain U.S. trade beneficiary countries and territories to eliminate the worst forms of child labor. Malaysia is not a beneficiary of the Generalized System of Preferences trade program and therefore not covered in this report. However, our TVPRA List as well as our *List of Products Produced by Forced or Indentured Child Labor* (EO List) cover all countries around the world. While Executive Order 13126

requires OCFT to consult with the Departments of State and Homeland Security before publishing the EO List, we also consult extensively with these agencies and other relevant U.S. government agencies prior to publishing each edition of the TVPRA List.

As noted above, the TVPRA List follows a set of Procedural Guidelines, which include five principal criteria for evaluating information: nature of information; date of information; source of information; extent of corroboration; and significant incidence of child labor or forced labor.

OCFT considers a wide variety of publicly available primary and secondary sources on child labor and forced labor. The primary sources that ILAB considers include, for example, surveys carried out by foreign governments in conjunction with the ILO and, where available, statistically representative studies. Secondary sources OCFT considers include information reported by U.S. government agencies, foreign governments, and civil society organizations, as well as from industry and other third parties. We evaluate whether the information we receive is relevant and probative, meets the International Labor Organization's definitions of child labor and forced labor, and is corroborated by other relevant, credible sources. We assess the reputation and credibility of the information received, and whether the information demonstrates a significant prevalence of forced labor or child labor in the production of a particular good. Information that relates only to a single company or facility, or that indicates an isolated incident of child labor or forced labor, will ordinarily not weigh in favor of a finding that a good is produced in violation of international standards. Information that demonstrates a significant incidence of child labor or forced labor in the production of a particular good, although not necessarily representing a pattern or practice in the industry as a whole, will ordinarily weigh in favor of a finding that a good is produced in violation of international standards.

OCFT also considers government and private sector efforts regarding the development and maintenance of the TVPRA List, as outlined in the Procedural Guidelines. Information on government, industry, or third-party actions and initiatives to combat child labor or forced labor will be taken into consideration, although they are not necessarily sufficient in and of themselves to prevent a good and country from being listed or to be removed from the TVPRA List. According to our Procedural Guidelines, for a good to be removed from the List, it must be demonstrated that there is no significant incidence of child labor or forced labor in the production of a particular good. At this time, based on the available information, we do not have reason to believe that child labor or forced labor in the palm oil sector has been reduced to isolated incidents. However, we will continue with our research, and encourage you and all stakeholders to continue sharing relevant information with us.

The timeline criterion for the TVPRA List is set at seven years and can be found in our Procedural Guidelines, under "Date of Information." OCFT added palm oil from Malaysia to the TVPRA List in 2009 for forced labor and 2014 for child labor. As such, the sources cited in the bibliography are reflective of the research and reporting available at the time of the additions. Please note that older sources may remain in the bibliography for goods on the TVPRA List, as these serve to provide context to the overall issues and challenges related to the exploitation. We

have updated the bibliography with the publication of the 2022 TVPRA List, which include more recent research that has continued to find reports corroborating child labor and forced labor in the sector.

We applaud the industry-wide efforts taken in Malaysia to address child labor and forced labor in the palm oil industry. In March and April 2021, OCFT participated in meetings with the Malaysian Palm Oil Certification Council, facilitated by the Embassy of Malaysia, on the revision of Malaysian Sustainable Palm Oil (MSPO) certification standards. We are glad to hear of the revised standards targeted at eliminating risks of forced labor. We also acknowledge the Malaysian Palm Oil Association's commitment to its new Responsible Employment Charter, the MSPO Principles & Criteria related to labor, and support of the Malaysian Government's National Action Plan on Forced Labor. We would welcome updates on the impact of these commitments on reducing forced labor and child labor. We would also welcome information on collaborations between the Malaysian palm oil industry and NGOs and other stakeholders, including data from any independent assessments of these efforts.

Lastly, OCFT recognizes the important role that companies and businesses can play in the reduction of child labor and forced labor. OCFT's *Comply Chain: Business Tools for Compliance in Global Supply Chains* contains best practices guidance for companies on developing social compliance systems to reduce child labor and forced labor in their supply chains. This free resource is now available in Malay and can be downloaded as a mobile app from the iTunes and Google Play stores. You can also access it on our website at: <https://www.dol.gov/ilab/complychain/>.

Again, thank you for contacting us about these important issues. We look forward to continuing to engage with you as we pursue our common goal of eliminating child labor and forced labor in Malaysia.

Sincerely,

Marcia Eugenio

Marcia Eugenio
Director
Office of Child Labor, Forced Labor, and Human Trafficking