SPRINGER NATURE
Sustainable Development Goals Series

SDG: 16
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Combatting Modern Slavery

A Global Perspective

Springer

Foreword

KETUA HAKIM NEGARA
MAHKAMAH PERSEKUTUAN
MALAYSIA
PUTRAJAYA

CHIEF JUSTICE
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FOREWORD

Often hidden in plain sight, modern slavery manifests itself as forced labour, human trafficking, debt bondage, sexual exploitation and child servitude. It is a pervasive crime that transcends borders, industries, and social classes, exploiting the vulnerable and capitalising on their desperation.

This publication, "*Combating Modern Slavery: A Global Perspective*", brings together legal scholars, practitioners, and experts from diverse disciplines to provide a comprehensive and insightful analysis of critical global issues and challenges related to modern slavery. By combining academic rigour with practical understanding, it explores the depth and complexity of these issues while proposing actionable solutions to address and combat them.

As demonstrated in this publication, combating modern slavery requires sustained and collective efforts at the national and international levels. It calls for a comprehensive approach encompassing prevention, protection, prosecution, and partnerships—collectively referred to as the "4Ps". This initiative demands steadfast commitment from governments,

effective legislative measures, diligent law enforcement, and a knowledgeable judiciary, alongside close and strong international collaboration to ensure a synchronised and coordinated global strategy to address the root causes and systemic factors that perpetuate modern slavery.

I commend the editors and contributors for their meticulous research, insightful analysis, and unwavering dedication to bringing this critical issue to the forefront. May this publication serve as a powerful catalyst for fostering greater understanding, promoting deeper collaboration, and ultimately achieving a world where the chains of modern slavery are irrevocably broken, and the inherent dignity and freedom of every individual are universally upheld.

Tun Tengku Maimun Tuan Mat
Chief Justice of Malaysia
June 2025

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Elsa Satkunasingam

In 2023, Malaysia was upgraded to Tier 2 Watch List, from Tier 3, by the U.S. State Department's Office to Monitor and Combat Trafficking in Persons (U.S. State Department 2023). Described as a perennial offender, Malaysia was downgraded in 2021 to Tier 3, the worst ranking. The previous year, the U.S. Customs and Border Protection (CBP) found that Top Glove Bhd, the world's largest glove manufacturer, had violated labour standards, namely being involved in debt bondage, excessive overtime, abusive working and living conditions and retention of identity documents. The CBP issued a Withhold Release Order (WRO) in 2020, effectively barring the import of Top Glove's products (Hudes and Fallin 2021). It also issued a WRO in the same year against palm oil and palm oil products made by FGV Holdings Bhd and its subsidiaries and joint ventures (FGV Holdings 2021), and a similar order against Sime Darby Plantation, now known as SD Guthrie (Business and Human Rights Resource Centre 2020).

The WRO impacted the profitability of these companies and their reputation as they were also required by Bursa Malaysia under its Listing Rule 9.03 to make an immediate announcement of matters material to the price, value or market activity of any of its securities. These companies would have been excluded from the FTSE4Good Bursa Malaysia Index unless they disclosed remedial actions. The ramifications to Top Glove were greater, due to its inclusion in the Dow Jones Sustainability Indices (DJSI) for Emerging Markets (Top Glove 2019). Top Glove was excluded from the FTSE4Good Bursa Malaysia Index (Straits Times 2021) and two other FTSE4Good indices in 2021.

The WROs against Top Glove and SD Guthrie have since been lifted as they have changed the way they deal with their labour force, namely migrant labour, while FGV is appealing the ban (Annalakshmi and Latiff 2021, 2023; FGV Holdings 2024). However, the WROs imposed so close to each other impacted Malaysia's reputation by creating the impression that the government tolerated forced labour in commercial entities. Furthermore, the majority shareholders in SD Guthrie and FGV were government-linked investment companies (GLiCs). The Federal Land Development Authority (FELDA) held around 70% of shares in FGV (FGV Holdings 2021). Their shareholdings have since increased to 82% while approximately 75% shares in Sime Darby Plantation were held by other GLiCs such as the Employees Provident Fund, Retirement Fund (Incorporated) (KWAP), Permodalan Nasional Berhad (PNB), Amanah Saham Bumiputera and Amanah Saham Malaysia (Sime Darby Plantations 2020). The strong presence of GLiCs and other government agencies as shareholders, together with the actions of Malaysian

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P. Sharma et al. (eds.), *Combatting Modern Slavery*, Sustainable Development Goals Series,
https://doi.org/10.1007/978-981-95-1466-3_14