

Stakeholder engagement improves conditions for migrant workers



Products: Printed Circuit Boards, a component in diverse electronics hardware types

Factory: Elna PCB (M) Sdn. Bhd

Location: Perai Pulau Pinang, Malaysia

Exterior view of the migrant worker dormitories in a converted warehouse building

In September 2023, the Electronics Industry Employees Union (EIEU) in Malaysia contacted Electronics Watch about Elna PCB. EIEU reported that migrant workers were living in overcrowded, unhygienic dormitories and that their passports were being withheld. In the multistakeholder remediation process that followed, workers and the union were regularly consulted and raised additional issues that audits had not identified. Progress achieved thus far is substantial: workers' passports were returned, a collective bargaining agreement was signed, and migrant workers were reimbursed for recruitment fees. Ongoing dialogue between the union, the factory management and brands is addressing outstanding issues like chemical safety.

Monitoring and findings

Between September 2023 and February 2024, staff from Electronics Watch and its monitoring partner, Tenaganita, met with workers and EIEU leaders. They conducted group discussions, interviewed individual workers, and inspected worker dormitories. Electronics Watch also reviewed documentary evidence.

The investigation found that migrant workers from Bangladesh, Indonesia, Myanmar and Nepal had their passports withheld and paid high recruitment fees for their jobs. If they wanted to visit their home countries, Elna PCB charged them fees equivalent to as much as EUR 425 to access their passports.

Health and safety violations were identified, including multiple incidents where chemical agents were spilled on workers.

There were insufficient chemical control and management procedures, hazard training, and emergency facilities to manage accidents. Dormitories were overcrowded, with 28-30 people sharing a room in a converted warehouse, and only four toilets. Bunkbeds were extremely close together, offering little privacy or storage space. Small fans provided inadequate ventilation in the tropical heat. Additionally, workers reported verbal and psychological harassment, and discrimination against union members.

Remediation process

Elna PCB gave the migrant workers back their passports when the union reported its grievances to Electronics Watch in September 2023.

Electronics Watch reached out to two major brands in November 2023, both prospective buyers of Elna PCB at the time. Both brands welcomed direct engagement with Electronics Watch and EIEU on the case. One brand verbally shared its early engagement audit results with Electronics Watch and EIEU, and invited the Responsible Business Alliance (RBA) to get involved.

In January 2024, Elna refunded part of the recruitment fees owed to workers. However, workers reported being forbidden to talk to the auditors. They also reported being forced to accept a predetermined refund amount, which was less than they had paid.

The RBA conducted a further audit in March 2024, and the parties agreed to pursue remediation under the [Terms of Engagement between Electronics Watch and the RBA](#).

Electronics Watch, the RBA, EIEU and the two brands met to discuss corrective action and remedy in June 2024. At that time, EIEU informed the brands that there was no collective bargaining agreement (CBA) in force at the factory. It explained that a draft CBA was negotiated almost three years prior, but was never signed. Two weeks later, Elna PCB's management signed the CBA.

Workers reported some issues with preliminary implementation of the CBA, including the late application of wage increases. However, these were subsequently resolved.

Two audits were held in December 2024. A chemical safety audit investigated chemical hazards and worker injuries reported by Electronics Watch, and a closure audit verified the amounts to be reimbursed to workers.

The same month, 250 migrant workers were reimbursed for a total value of close to USD 1 million.

Electronics Watch worked with the union to verify that affected workers were satisfied with the reparations. This dialogue revealed outstanding health and safety issues, such as exposure to hazardous chemicals and insufficient personal protective equipment, that previous audits had not reported.

Further corrective measures were then put in place. As of September 2025, Electronics Watch and EIEU were exploring the best ways for prospective brands to support the ongoing remediation process.

Key takeaways

Unions trust Electronics Watch and know how to raise a grievance

Having attended Electronics Watch training, EIEU knew that it could use public procurement leverage to support workers and seek remedy. Ongoing dialogue with the union revealed unaddressed health and safety issues and ensured workers were satisfied with the remediation provided.

Worker-driven monitoring uncovers risks and violations that social audits may miss

Previous social audits at Elna PCB did not detect many of the issues that workers reported to Electronics Watch, Tenaganita and EIEU. Putting workers at the centre of the monitoring process is essential to obtaining credible evidence on issues that are important to them.

Brands were transparent and sought stakeholder advice

One of the prospective brands shared their audit results with Electronics Watch and EIEU at an early stage. This helped to build trust between the parties and identify issues that needed further investigation. Brands talked to workers and consulted Electronics Watch and the union for guidance on how to proceed, to make sure workers would not suffer reprisals if they pressured Elna PCB.

Brands have substantial leverage before placing orders

Brands demonstrated that they have leverage during the pre-onboarding stage. This case also demonstrated the value of meaningful stakeholder engagement during pre-onboarding.