

**INTERNATIONAL LABOUR ORGANIZATION**  
**BETTER FACTORIES CAMBODIA**  
**KINGDOM OF CAMBODIA**

**TWELFTH SYNTHESIS REPORT**  
**ON THE WORKING CONDITIONS IN**  
**CAMBODIA'S GARMENT SECTOR**

AUGUST 2005

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# **1 INTRODUCTION**

## **1.1 Project background**

Cambodia's garment industry has expanded rapidly since the late 1990s, largely due to favourable trade conditions created by the Multi-Fibre Agreement (MFA). Signed in 1995 under the General Agreement on Tariffs and Trade (GATT), the MFA enabled high-cost garment-producing countries such as the United States and the European Union countries to impose limits on imports from key low-cost manufacturing countries such as China and India.

Cambodia benefited incidentally. Due to the limits on imports, rich-country buyers began to purchase garments from countries not subject to the quota rules. Cambodia was one of these. The garment trade in Cambodia took off so quickly that by 1998, the US government began negotiations to bring Cambodia under the quota system. Through an agreement linking labour conditions to trade privileges, the US allocated bonus export entitlements to Cambodia, as long as the country made gains in improving working conditions.

Better Factories Cambodia (formerly known as the ILO Garment Sector Project), was established in 2001 to help Cambodia's garment sector achieve and maintain improvements in working conditions. The project monitors and reports on working conditions in Cambodian garment factories according to national and international standards, helps factories to improve their productivity, and works with the Government and international buyers to ensure a rigorous and transparent cycle of improvement.

The MFA expired on 31 December 2004, opening all countries to global competition. The Cambodian-US trade agreement also expired at the end of 2004. Smaller producers like Cambodia now must somehow distinguish themselves in the market if they hope to remain competitive. Cambodia has set itself apart to some extent by continuously improving working conditions, and by facilitating access to reliable information regarding factory compliance with international and national labour standards. Better Factories Cambodia will seek to build upon the progress that already has been made in both of these areas.

Better Factories Cambodia is guided by a Project Advisory Committee (PAC), which consists of 3 representatives each from the Government of Cambodia, the Garment Manufacturers Association of Cambodia (GMAC) and the Cambodian trade union movement. The PAC advises the project on all its activities including monitoring, remediation and sustainability.

## **1.2 The monitoring system**

The monitoring system consists of three main components:

- Registration of participating factories
- Monitoring visits and reporting on these visits
- Reporting on the overall findings of the monitoring

## **Registration of participating factories**

One reason for the project's success to date is that all exporting garment factories in the country have registered with the project. Although registration with the project is voluntary, the Cambodian Ministry of Commerce has required factories to register with the project in order to be granted an export license.

When companies register with the project, they agree to provide full access to the factory premises when ILO monitors visit, and to allow ILO monitors to interact freely with shop stewards, union representatives and factory workers, both inside and outside the factory.

## **Monitoring procedures**

Better Factories Cambodia has a team of 12 monitors, who visit factories in pairs and arrive unannounced. The monitors' checklist, based on Cambodian labour law and core ILO standards, covers more than 500 items. To ensure accuracy, monitors interview workers and management separately and confidentially. Interviews with workers usually take place away from the factory. Monitors also talk with factory shop stewards and union leaders. Management is requested to provide relevant documents (payroll, sample contracts, leave records, etc.) as evidence of working conditions and terms of employment.

Factory managers get written reports of the findings, which include suggestions for improvement. Factories have an opportunity to file written objections to suggestions they disagree with. Upon request from management, the project may provide assistance to factories in implementing the suggestions identified in the report.

Monitors also conduct follow-up visits in pairs, which usually include at least one of the monitors who previously visited the factory. During follow-up visits, monitors focus on the factory's progress in implementing the suggestions made during the preceding visit. In addition, monitors re-examine core labour standards, such as freedom of association and child labour, and look for any major changes in factory conditions.

## **Reporting procedures**

In addition to providing individual reports to factories, the project also prepares synthesis reports, which provide an overview of working conditions across a group of factories (factories are grouped together into cohorts as they register with the project). Synthesis reports containing findings made during initial monitoring visits to factories do not identify the factories by name, in order to provide a grace period during which the factories can improve working conditions. However, synthesis reports covering follow-up visits to factories do identify the factories included in the report by name. The PAC discusses each synthesis report, and its comments are recorded. Synthesis reports are available in both English and Khmer, and are posted on the ILO website.

### **1.3 This synthesis report**

This twelfth synthesis report is the first of its kind to assess the progress made by factories in improving working conditions determined during a third follow-up visit. Thus, this synthesis

report examines the progress made by 26 factories between their second and third follow-up visits in implementing suggestions made by the project. There were originally 30 factories in this group, however, 4 have closed. This twelfth synthesis report covers the same factories included in the first synthesis report (initial monitoring visits) of November 2001, the third synthesis report of June 2002 (first follow-up visits), and the sixth synthesis report of June 2003 (second follow-up visits). At the time of the third follow-up visits, these factories employed 21,729 workers, of whom 19,981 were women and 1748 were men.

While the report indicates the levels of compliance across a wide range of issues, the key findings for the 26 factories covered by this report are listed below. The factories covered in this report have a higher level of compliance with labour standards than those factories covered in the Eleventh Synthesis Report, which contained findings made during initial monitoring visits. This difference is likely due to the fact that factories tend to improve working conditions with successive monitoring visits.

#### **Key Findings in the Twelfth Synthesis Report**

- ❖ **There is no evidence of forced labour.**
- ❖ **Two factories that had been altering the contractual status of workers when they returned from maternity leave have discontinued this practice. However, in another factory, management required workers to take an additional 3 months of maternity leave over that provided by law. The additional 3 months leave was unpaid.**
- ❖ **No underage workers were found in any of the factories.**
- ❖ **About one third of the factories monitored do not comply with minimum wage requirements for casual workers.**
- ❖ **More than two thirds of the factories monitored ensure that overtime work is voluntary. However, in most of the factories monitored, overtime work is not exceptional or limited to two hours per day.**
- ❖ **Regarding freedom of association, one factory terminated several union leaders and union members after a strike, accusing them of inciting other workers to go on strike and of committing various serious offences. The Arbitration Council ordered the factory to re-hire these workers, but the factory objected to this award, and has appealed it in court.**
- ❖ **None of the six strikes that took place during the 12 months preceding the monitoring visits were organized in conformity with legal requirements, but all of the strikes were peaceful.**
- ❖ **Progress in meeting health and safety standards was mixed. Most of the factories provide personal protective equipment to workers; however, workers in about 80% of the factories fail to use it. More than half of the factories also have failed to install safety guards on machines.**

## **2 PROGRESS MADE IN IMPLEMENTING PROJECT SUGGESTIONS**

The following provides an overview of progress made by factories in implementing the suggestions made by the project. The names of the factories are listed below. The information is provided in two ways: by subject and by factory. Sub-chapter 2.1 contains information on the implementation status of suggestions by subject, while sub-chapter 2.2 contains summary information on the implementation status by factory. It is important to note that **the information provided reflects changes in working conditions that took place between the second and third follow-up visits**. Also, where factories are listed by name, this is done in alphabetical order.

### Factories covered by this report

1. Belgian Industries Cambodia Co., Ltd., Russey Keo, Phnom Penh
2. Bumin Cambodia Garment Co., Ltd., Meanchey, Phnom Penh
3. City New Factory (Cambodia) Co., Ltd., Russey Keo, Phnom Penh
4. Charm Textiles Co., Ltd. (formerly C-One Cambodia Garment Co., Ltd.), Meanchey, Phnom Penh
5. Cung Sing Garment Fty., Ltd., Tuol Kork, Phnom Penh
6. Da Joo Cambodia Ltd., Angsnuol, Kandal
7. Eternal Way (Cambodia) Ltd., Russey Keo, Phnom Penh
8. F.Y. Cambodia Fashions Ltd., Chamcamon, Phnom Penh
9. Gladpeer Garment Factory (Cambodia), Dangkor, Phnom Penh
10. Goldtex (Cambodia) Manufacturing Co., Ltd., Meanchey, Phnom Penh
11. Grace Sun Cambodia Garment Co., Ltd., Meanchey, Phnom Penh
12. Hang Fung Shing Cambodia, Meanchey, Phnom Penh (Closed)
13. Lucky Zone Apparel Co., Ltd., Russey Keo, Phnom Penh
14. Luen Thai Garment (Cambodia) Co., Ltd., Meanchey, Phnom Penh (Closed)
15. Oceanic (Cambodia) Garment Co., Ltd., Meanchey, Phnom Penh
16. Phnom Penh Garment City Co., Ltd., Meanchey, Phnom Penh
17. Phong Wan Enterprise Co., Ltd., Meanchey, Phnom Penh
18. P.Y.L. Cambodia Co., Ltd., Meanchey, Phnom Penh
19. Quality Textile Co., Ltd., Dangkor, Phnom Penh
20. S.H. International Co., Ltd., Angsnuol, Kandal
21. San Lei Fung Garment Fty., Ltd., Meanchey, Phnom Penh
22. Shelby Cambodia Co., Ltd., Meanchey, Phnom Penh (Closed)
23. Thai Pore Garment Manufacturing Co., Ltd., Chamcamon, Phnom Penh
24. Top Clothes Co., Ltd., Angsnuol, Kandal
25. Trinunggal Komara Garment Industry Co., Ltd., Russey Keo, Phnom Penh
26. United Faith Garment Factory Co., Ltd., Russey Keo, Phnom Penh
27. USA Fully Field Garments Co., Ltd., Meanchey, Phnom Penh
28. Willing Garments Knitting Fty. Co., Ltd., Meanchey, Phnom Penh (Closed)
29. Winner Garments Manufacturing Co., Ltd., Tuol Kork, Phnom Penh
30. Yubin Service Co., Ltd., Meanchey, Phnom Penh

### Key

The following symbols have been used in Section 2.1 of the report to identify factories at which a particular suggestion applies to specific types of workers, and factories for which the suggestion initially included more than one component:

\* Indicates factories at which the suggestion originally made to the factory included more than one component. In this report, the suggestion has been broken up into its component parts.

(A) Indicates factories at which the suggestion applies only to apprentices.

(C) Indicates factories at which the suggestion applies only to casual workers

(P) Indicates factories at which the suggestion applies only to piece-rate workers.

(PW) Indicates factories at which the suggestion applies only to probationary workers.

The sections below show the progress in implementing suggestions made to the factories by the project. Each subject heading contains a table listing the suggestions made to factories and indicating the implementation status (implemented, partly implemented, not implemented, or new) for the relevant factories. The combined number of factory names listed for each suggestion reflects the total number of factories for which a particular suggestion was made. While the project undertakes to ensure that suggestions are standardised, this is not always possible since situations in factories differ. The overview given therefore contains some suggestions that overlap.

## 2.1 Working conditions

### 2.1.1 Internal regulations

| Management should   | Implemented                    | Partly Implemented | Not implemented | New                |
|---|--------------------------------|--------------------|-----------------|--------------------|
| establish internal regulations  | Cung Sing                      |                    | Top Clothes     |                    |
| adopt the Internal Regulations on training of apprentices               |                                |                    |                 | S.H. International |
| get the internal regulations approved by the Labour Inspector           |                                |                    |                 | Cung Sing          |
| consult with shop stewards before establishing internal regulations     | Cung Sing, F.Y.                |                    |                 |                    |
| ensure that the internal regulations comply fully with the law          |                                |                    | Lucky Zone      |                    |
| post the internal regulations in the workplace and at the hiring office | City New, Da Joo, San Lei Fung |                    |                 | Phong Wan, Oceanic |

### 2.1.2 Employment contract

| Management should   | Implemented | Partly Implemented | Not implemented | New                    |
|---|-------------|--------------------|-----------------|------------------------|
| make sure that workers are not required to pay anyone to get a job    | Eternal Way | Yubin              |                 | City New, San Lei Fung |
| not employ workers for longer than 2 years under fixed-term contracts |             |                    |                 | City New               |

| Management should  | Implemented                            | Partly Implemented         | Not implemented                            | New   |
|--|--|----------------------------|--|---|
| make sure that the employment contracts specify the terms and conditions of employment       | F.Y. (C)                               |                            |  | Bumin   |
| not arbitrarily change the employment status of workers (e.g., from regular to probationary) | F.Y., Phong Wang                       |                            |  | USA Fully Field   |
| amend clauses in the employment contracts that do not comply with the law                    | P.Y.L., Top Clothes                    |                            | Bumin, Cung Sing, Da Joo, Goldtex          | Charm, City New, Phnom Penh Garment   |
| ensure that workers understand the terms and conditions of their employment contracts        | P.Y.L., Phnom Penh Garment, Phong Wang | Charm, Da Joo, Top Clothes | Bumin, Cung Sing, San Lei Fung             | Gladpeer, United Faith  |
| not place workers on probation for more than 3 months  | Charm                                  | Bumin                      |  | Goldtex   |
| ensure that apprenticeship contracts comply with the law                                     |  |                            |  | S.H. International  |
| give casual workers the same rights as regular workers                                       | Bumin, Gladpeer, Lucky Zone, P.Y.L.    |                            | F.Y.                                       | San Lei Fung  |
| only employ casual workers for specific work for a short period of time                      | Bumin, City New, Yubin                 | Phnom Penh Garment         | F.Y., Goldtex, Oceanic, S.H. International | Eternal Way, Gladpeer, Grace Sun, San Lei Fung, Top Clothes, Trinunggal, United Faith |

| Management should  | Implemented        | Partly Implemented | Not implemented                         | New                             |
|--|--------------------|--------------------|---|---------------------------------|
| only terminate workers for valid reasons   |                    |                    |   | United Faith                    |
| pay workers they dismiss the correct indemnity for dismissal   | Phnom Penh Garment |                    | United Faith*                           |                                 |
| pay workers for their accrued annual leave when they resign or are terminated                              | Da Joo             | City New           | Oceanic, Quality Textile, United Faith* | Eternal Way, S.H. International |
| not require workers to post a bond or a cash guarantee in order to sign or maintain an employment contract |                    |                    |   | Charm                           |

### 2.1.3 Collective agreement

| Management should  | Implemented | Partly Implemented | Not implemented | New   |
|--|-------------|--------------------|-----------------|-------|
| register the collective agreement with MOLVT               |             |                    |                 | Bumin |
| ensure that the collective agreement complies with the law |             |                    |                 | Bumin |

### 2.1.4 Wages

| Management should   | Implemented                 | Partly Implemented | Not implemented                        | New                |
|---|-----------------------------|--------------------|--|--------------------|
| post minimum wage information in the workplace  | Da Joo, San Lei Fung, Yubin |                    | Belgian, Charm, Cung Sing, Top Clothes | Oceanic, Phong Wan |
| explain to workers the items that make up their wages and the terms of payment before |                             |                    | San Lei Fung (P), United Faith (P)*    | Thai Pore (P)      |

| Management should   | Implemented           | Partly Implemented  | Not implemented  | New                                     |
|---|-----------------------|---------------------|--|---|
| the workers start work, and each time the terms, items, or style changes  |                       |                     |  |   |
| ensure that workers understand the calculation of wages   | Bumin                 | Da Joo, Top Clothes | Belgian*, City New, Grace Sun, Lucky Zone, Quality Textile*, San Lei Fung, United Faith (P)* | Gladpeer, Phnom Penh Garment, Thai Pore |
| provide clearly written payslips to workers   | City New              | S.H. International  | Belgian*, Da Joo, Quality Textile*   | Grace Sun, USA Fully Field              |
| set the production target at a level that permits a worker of average ability working normal hours to earn the minimum wage |                       |                     |  | Trinunggal                              |
| set the piece rate at a level that permits a worker of average ability working normal hours to earn minimum wage            | City New, Eternal Way | Phong Wang          | San Lei Fung, United Faith   |   |
| pay piece-rate workers minimum wage when their piece rate pay, excluding overtime, falls below minimum wage                 | City New, P.Y.L.      |                     | San Lei Fung (C), United Faith   |   |
| pay piece-rate workers overtime based on their piece rate earned when this is more than minimum wage                        | City New              |                     | San Lei Fung, United Faith   |   |
| pay workers from the date they start work, including during the pre-trial period  |                       |                     | Phong Wan  | Yubin                                   |

| Management should  | Implemented             | Partly Implemented                     | Not implemented  | New   |
|--|-------------------------|--|--|---|
| pay workers on probation at least \$40 per month for ordinary hours of work  | Phong Wan               |  |  |   |
| pay workers at least \$45 per month for ordinary hours of work (8 hours for 26 days per month, not including any overtime, work on Sundays, public holidays or at night) | Bumin (C), Gladpeer (C) | Belgian (C), City New (C), Da Joo (C)* | Cung Sing (C), Goldtex (C)*, Oceanic (C)*, Quality Textile (C)*, Yubin (C) | Top Clothes (C), Winner (C)                       |
| correct any underpayment of workers' wages   |                         |  |  | Oceanic   |
| pay workers double their normal pay for work at night (between 22:00 and 05:00)  | Bumin, Lucky Zone       |  | Yubin  | Gladpeer, Winner                                  |
| pay all workers double their normal pay for work during weekly time off (Sunday)   | P.Y.L. (P)*             |  |  | Phnom Penh Garment                                |
| pay workers who work on public holidays their wage for one day (in addition to their normal daily wage)  | P.Y.L. (P)*             |  |  |   |
| pay workers their daily wage on public holidays when they do not work  |                         |  | Phnom Penh Garment (C)*, Quality Textile                                   | Grace Sun (C, P), Thai Pore (P), United Faith (C) |
| pay workers 150% their normal pay for overtime work performed on a normal workday before 22:00   | Charm, Cung Sing        |  |  | Phnom Penh Garment, Trinunggal                    |

| Management should   | Implemented          | Partly Implemented | Not implemented  | New                       |
|---|----------------------|--------------------|--|---------------------------|
| give all workers 1,000 Riels for a meal or a reasonable free meal if they work overtime     |                      |                    | Goldtex (C)*, Phnom Penh Garment (C)*, San Lei Fung, Top Clothes, Yubin                            | Charm, Grace Sun (C)      |
| pay all workers who work regularly the attendance bonus of \$5 per month                    | City New, Cung Sing  | Grace Sun          | Bumin (P), F.Y. (C, PW), Goldtex (C)*, Oceanic (C)*, Phnom Penh Garment (C)*, Quality Textile (C)* | Da Joo (C)*, Winner (C)   |
| pay a seniority bonus to all workers  | Bumin                |                    |  | Winner (P)                |
| not deduct the seniority bonus from workers when they take unauthorized leave               |                      |                    |  | Bumin                     |
| not punish workers by imposing fines or deducting wages                                     | Yubin                |                    |  |                           |
| not charge workers more than the cost of the ID card when replacing a worker's lost ID card |                      |                    | United Faith   | Belgian, Bumin, Thai Pore |
| pay workers during normal working hours   | City New, Lucky Zone |                    | Bumin, S.H. International, Top Clothes   | USA Fully Field           |
| keep a detailed payroll ledger in Khmer that is easy to understand                          | United Faith         |                    | San Lei Fung   | Winner                    |

| Management should   | Implemented | Partly Implemented | Not implemented          | New                |
|---|-------------|--------------------|--------------------------|--------------------|
| include the starting dates for workers in the payroll ledger                          |             |                    | Oceanic, Quality Textile | S.H. International |
| ensure that the payroll ledger accurately reflects the wages actually paid to workers | City New    |                    |                          |                    |

### 2.1.5 Hours of work

| Management should   | Implemented                                     | Partly Implemented | Not implemented                            | New                        |
|---|---|--------------------|--|----------------------------|
| ensure that normal working hours do not exceed 8 hours per day, 6 days a week | Charm, Phong Wang                               |                    |  |                            |
| ensure that apprentices work only 6 hours per day, 5 days per week            |   |                    |  | P.Y.L., S.H. International |
| ensure that work on Sundays is voluntary                                      | P.Y.L.*   |                    |  |                            |
| ensure that work on Sundays is exceptional                                    | P.Y.L.*, Yubin                                  |                    |  |                            |
| give workers weekly time off (at least 24 consecutive hours off per week)     | San Lei Fung                                    |                    |  |                            |
| ensure that work on Public Holidays is voluntary                              | Da Joo, P.Y.L.*                                 | Oceanic            |  |                            |
| ensure that overtime work is voluntary  | Belgian*, Bumin*, Da Joo*, Goldtex*, Phnom Penh | City New, Yubin    | Charm*, Cung Sing*, Oceanic*, San Lei Fung | Quality Textile, Winner    |

| Management should  | Implemented   | Partly Implemented | Not implemented   | New  |
|--|---|--------------------|---|--|
|  | Garment, P.Y.L.*,<br>Top Clothes*,<br>United Faith*, USA<br>Fully Field |                    |   |  |
| ensure that overtime work is exceptional   | Top Clothes*  | Yubin              | Belgian*, Bumin*, Charm*,<br>City New, Cung Sing*, Da<br>Joo*, Gladpeer*, Goldtex*,<br>Oceanic*, P.Y.L.*, San Lei<br>Fung, United Faith*, USA<br>Fully Field* | Eternal Way,<br>Phnom Penh<br>Garment,<br>S.H. International,<br>Trinunggal,<br>Winner |
| ensure that overtime work does not exceed 2 hours per day  | Belgian*, Goldtex*,<br>P.Y.L.*, Top<br>Clothes*                         |                    | Bumin*, Charm*, City New,<br>Cung Sing*, Da<br>Joo*, Gladpeer*, Oceanic*,<br>Phnom Penh Garment, San<br>Lei Fung, United Faith*, USA<br>Fully Field*          | F.Y.,<br>S.H. International,<br>Trinunggal   |
| not punish workers who do not work overtime, Sundays or Public Holidays  | City New, P.Y.L.,<br>United Faith, USA<br>Fully Field                   |                    |   |  |
| provide transportation for workers who finish work between 22:00 and 05:00 if management has not provided a place for night workers to sleep |   | Oceanic            | United Faith, Yubin   | Trinunggal   |
| get permission from the Labour Inspector before suspending the weekly break  | Gladpeer, P.Y.L.,<br>San Lei Fung                                       |                    | Cung Sing, Yubin  | City New, Phnom<br>Penh Garment,<br>Winner   |

| Management should   | Implemented           | Partly Implemented | Not implemented               | New |
|---|-----------------------|--------------------|-------------------------------|-----|
| get permission from the Labour Inspector before workers work overtime | Da Joo, F.Y., P.Y.L.* |                    | Cung Sing, Top Clothes, Yubin |     |

### 2.1.6 Leave

| Management should   | Implemented   | Partly Implemented | Not implemented  | New                 |
|---|---|--------------------|--|---------------------|
| give workers 18 days of paid annual leave each year   | Bumin   |                    |  | Cung Sing, Oceanic  |
| allow workers to take their annual leave without imposing unreasonable restrictions   | City New, Cung Sing, Gladpeer, Phnom Penh Garment, Winner | United Faith       | Yubin  | Grace Sun           |
| get workers' consent to convert annual leave to cash compensation   |   |                    | USA Fully Field  | San Lei Fung        |
| give workers an extra day of annual leave for every three years of service  | City New, Lucky Zone, San Lei Fung,                       |                    | Belgian, Cung Sing, Phnom Penh Garment, Thai Pore              | Top Clothes, Winner |
| consider adopting or amending the Internal Regulations to provide paid sick leave to workers for illnesses certified by a qualified doctor as follows: <ul style="list-style-type: none"> <li>◆ 100% wage for the first month</li> <li>◆ 60% wage for the second month</li> <li>◆ 40% wage for the third month</li> <li>◆ no wage payment for months 4-6</li> </ul> |   |                    | Cung Sing, F.Y., Phong Wan, P.Y.L., San Lei Fung, Top Clothes* | Trinunggal          |

| Management should   | Implemented   | Partly Implemented             | Not implemented  | New                        |
|---|---|--------------------------------|--|----------------------------|
| provide paid sick leave as required by the factory's internal regulations   |   | Bumin                          | Charm*, Da Joo, Grace Sun, Quality Textile*, S.H. International, Yubin | Belgian, Oceanic           |
| not deduct annual leave from workers when they take sick leave  | Oceanic   |                                | Goldtex, Quality Textile*  | Bumin, P.Y.L., Trinunggal  |
| not unreasonably restrict workers from taking sick leave  | Bumin, City New, Gladpeer                             |                                |  | Thai Pore                  |
| consider giving workers up to 7 days per year of paid special leave for events affecting the worker or the worker's immediate family  | Bumin, City New, Cung Sing, Da Joo, Goldtex, Gladpeer | Phong Wan, San Lei Fung, Yubin | Top Clothes*   | Belgian, Grace Sun         |
| allow workers to take special leave for events affecting the worker or the worker's family, including the employee's wedding, the employee's spouse giving birth, illness or death in the employee's family, and marriage of the employee's child | USA Fully Field                                       |                                | Charm*   | Belgian, Grace Sun         |
| not deduct the \$5 attendance bonus when workers take annual leave  |   |                                | Oceanic*   | S.H. International, Winner |
| not deduct the \$5 attendance bonus when workers take special leave   | City New  | Quality Textile*               | Oceanic*   | Eternal Way, Winner        |
| not unreasonably restrict workers from taking special leave   | Phong Wan   | Quality Textile*               |  | Cung Sing                  |

### 2.1.7 Maternity leave

| Management should  | Implemented  | Partly Implemented                         | Not implemented                                   | New                |
|--|--|--|---|--------------------|
| give workers 90 days of maternity leave  | Grace Sun, Phong Wan, Phnom Penh Garment                                       |  |   |                    |
| pay workers on maternity leave who have worked for one year half-pay, including other benefits | City New, Goldtex, Phnom Penh Garment, San Lei Fung, Top Clothes, United Faith | Bumin, Da Joo*, Oceanic, Phong Wan, P.Y.L. | Cung Sing   |                    |
| pay workers on maternity leave their maternity benefits before or during leave                 |  |  | Da Joo*, Phong Wan, Quality Textile, United Faith | Cung Sing, P.Y.L.  |
| allow workers to do light work during the first two months after their maternity leave         |  |  |   | S.H. International |

### 2.1.8 Breast-feeding

| Management should   | Implemented                                   | Partly Implemented | Not implemented  | New |
|---|---|--------------------|--|-----|
| provide workers one hour of time-off per day with pay for breast-feeding during the first year after the baby is born                           | Gladpeer, Lucky Zone*, San Lei Fung           |                    | Oceanic, Quality Textile, Thai Pore*, USA Fully Field                  |     |
| make sure that workers are aware of their right to one hour of time-off per day for breast-feeding during the first year after the baby is born | City New, Lucky Zone*, Phong Wan, Top Clothes |                    | Bumin, Charm, Cung Sing, Da Joo, P.Y.L., S.H. International, Thai Pore |     |

### 2.1.9 Nursing room/day care centre

| Management should  | Implemented          | Partly Implemented | Not implemented  | New                                |
|--|----------------------|--------------------|--|------------------------------------|
| set up a functioning and accessible nursing room   | S.H. International   | United Faith       | Belgian, Bumin, Charm, City New, Cung Sing, Da Joo*, F.Y., Gladpeer, Goldtex*, Grace Sun, Lucky Zone, Oceanic*, Phnom Penh Garment, P.Y.L., Quality Textile, San Lei Fung*, Thai Pore, Top Clothes, Trinunggal, Winner*, Yubin, USA Fully Field* | Eternal Way, Phong Wan             |
| set up a day care centre at or near the workplace, or pay the childcare costs of women employees | City New, Trinunggal | Grace Sun, Yubin   | Belgian, Bumin, Charm, Cung Sing, Da Joo*, F.Y., Gladpeer, Goldtex*, Oceanic*, Phnom Penh Garment, P.Y.L., Quality Textile, S.H. International, San Lei Fung*, Thai Pore, Top Clothes, United Faith, Winner*, USA Fully Field*                   | Eternal Way, Lucky Zone, Phong Wan |

### 2.1.10 Sexual harassment

None of the factories showed any evidence of sexual harassment.

### 2.1.11 Indecent behaviour

| Management should   | Implemented   | Partly Implemented | Not implemented  | New   |
|---|---|--------------------|--|---|
| Management, including line supervisors, should treat workers with respect | Belgian, Bumin, Cung Sing, Da Joo, Grace Sun, Phong Wan, P.Y.L., San Lei Fung | Lucky Zone         | Eternal Way, F.Y., Oceanic, Quality Textile, S.H. International, United Faith, USA Fully Field | Charm, Gladpeer, Phnom Penh Garment, Trinunggal |

### 2.1.12 Discrimination

In one factory (United Faith), management provided 6 months maternity leave, 3 months of which was unpaid. Workers were not permitted to return to work after 3 months leave, even if they asked to do so. Two factories that had been altering the contractual status of workers when they returned from maternity leave have discontinued this practice.

| Management should  | Implemented      | Partly Implemented | Not implemented | New          |
|--|------------------|--------------------|-----------------|--------------|
| not require workers to take three months of unpaid leave after they finish their maternity leave |                  |                    |                 | United Faith |
| not fire workers or change their employment status/seniority during/after maternity leave        | Bumin, Cung Sing |                    |                 |              |

### 2.1.13 Forced Labour

There were no indications that forced labour was practiced in any of the factories.

### 2.1.14 Child labour

No underage workers were found in any of the factories.

## 2.2 Safety and health

### 2.2.1 Safety and health policy

| Management should                  | Implemented | Partly Implemented | Not implemented  | New |
|------------------------------------|-------------|--------------------|--|-----|
| develop a health and safety policy | P.Y.L.      | Lucky Zone         | Bumin, Charm, City New, Cung Sing, Da Joo, Gladpeer, Grace Sun, Oceanic, Phnom Penh Garment, Phong Wan , Quality Textile, S.H. |     |

| Management should  | Implemented | Partly Implemented | Not implemented  | New |
|--|-------------|--------------------|--|-----|
|  |             |                    | International,<br>San Lei Fung, Thai Pore<br>Top Clothes, USA Fully<br>Field |     |
| explain the safety and health policy to the workers                              |             | Winner, Yubin      |  |     |
| post the health and safety policy in the workplace and explain it to the workers |             |                    | Belgian, F.Y., United<br>Faith   |     |

### 2.2.2 Work-related accidents/illnesses

| Management should  | Implemented | Partly Implemented | Not implemented                             | New                   |
|--|-------------|--------------------|---|-----------------------|
| keep a record of work-related accidents/illnesses  | Grace Sun   |                    | Charm*, City<br>New, Cung Sing*,<br>Da Joo* | Phnom Penh<br>Garment |
| notify the Social Security Department of work-related accidents or illnesses within 48 hours of their occurrence |             |                    | Charm*, Cung<br>Sing*, Da Joo*              |                       |

### 2.2.3 Compensation for accidents/illnesses

| Management should   | Implemented     | Partly Implemented | Not implemented             | New     |
|---|-----------------|--------------------|-----------------------------|---------|
| compensate workers for work-related accidents/illnesses, including accidents that happen on the way to and from work            | Charm, City New |                    | Bumin, Cung Sing,<br>Da Joo | Belgian |
| pay correct compensation for work-related accidents or illnesses, including disability payments if the worker is temporarily or |                 |                    | S.H. International          |         |

| Management should  | Implemented | Partly Implemented  | Not implemented | New                    |
|--|-------------|---------------------|-----------------|------------------------|
| permanently disabled   |             |                     |                 |                        |
| pay workers their wages when work-related accidents or illnesses cause them to miss work |             | San Lei Fung, Yubin |                 | Grace Sun, Top Clothes |

#### 2.2.4 Emergency arrangements

| Management should  | Implemented                             | Partly Implemented                    | Not implemented                                      | New                          |
|--|---|---------------------------------------|--|------------------------------|
| clearly mark all emergency exit doors  | Phong Wan                               |                                       |  | Thai Pore                    |
| install enough exit doors for workers to get out quickly if there is an emergency                          | Eternal Way                             |                                       | San Lei Fung   |                              |
| ensure that all exit doors are open/unlocked during working hours, including overtime                      | Bumin, Cung Sing, Grace Sun, Lucky Zone |                                       | Oceanic  |                              |
| hold regular emergency drills  | Da Joo, Grace Sun, Yubin                | Bumin, Phong Wan, Top Clothes, Winner | Cung Sing, Oceanic, Phnom Penh Garment, San Lei Fung | Belgian, City New, Thai Pore |
| ensure that fire extinguishers are within easy reach   |   |                                       |  | Belgian                      |
| train an appropriate number of workers to use the fire extinguishers, including both men and women workers |   |                                       |  | Grace Sun                    |
| ensure that safety signs/marks are clearly written in Khmer  |   |                                       | Thai Pore  |                              |

| Management should                          | Implemented | Partly Implemented | Not implemented | New   |
|--|-------------|--------------------|-----------------|---|
| post safety signs/notices in the workplace |             |                    |                 | Belgian, Cung Sing, Grace Sun, Phong Wan, Top Clothes, United Faith |

### 2.2.5 First Aid

| Management should   | Implemented                 | Partly Implemented     | Not implemented  | New   |
|---|-----------------------------|------------------------|--|---|
| provide a sufficient number of first aid boxes in the workplace | Bumin, Goldtex, Top Clothes |                        | Belgian*, Charm, Cung Sing, Da Joo, Oceanic, Phnom Penh Garment, San Lei Fung* | Phong Wan   |
| properly stock the first aid boxes                              | City New, Gladpeer, Yubin   | Thai Pore, Trinunggal* | Belgian*, Phnom Penh Garment, Oceanic*, Phong Wan, P.Y.L., San Lei Fung*       | Charm, F.Y., Grace Sun, Winner, USA Fully Field               |
| ensure that the first aid boxes are easily accessible           | Grace Sun                   | United Faith           | Trinunggal*  | City New  |
| provide first aid training to workers                           |                             |                        |  | Belgian, Kin Tai, Top Clothes, Phnom Penh Garment, Trinunggal |

## 2.2.6 Infirmary

| Management should  | Implemented               | Partly Implemented   | Not implemented   | New  |
|--|---------------------------|--|---|--|
| set up an infirmary for workers' use   |                           |  | Cung Sing   | Charm  |
| expand the hospitalisation capacity of the infirmary   | USA Fully Field           | Quality Textile , San Lei Fung   | Belgian, Bumin, City New, Da Joo*, Gladpeer, Goldtex, Grace Sun, Lucky Zone, Oceanic, Phnom Penh Garment, Phong Wan, P.Y.L., Thai Pore, Top Clothes, Trinunggal, Winner*, Yubin |  |
| recruit a doctor   |                           |  | San Lei Fung, Top Clothes*  | Charm, Grace Sun, Phnom Penh Garment                               |
| recruit one (more) nurse   | Gladpeer, Quality Textile | Bumin, Da Joo*   | City New, Eternal Way, Thai Pore, Top Clothes*  | Charm, Cung Sing   |
| ensure that the nurse/doctor treats workers with respect                                       |                           |  | Trinunggal  |  |
| ensure that a nurse/doctor is on duty during the required number of hours (including overtime) | Belgian                   | Gladpeer, Goldtex, Lucky Zone, San Lei Fung, Yubin, United Faith*, USA Fully Field | City New, Cung Sing, Da Joo*, F.Y.*, Oceanic, Phong Wan, P.Y.L., S.H. International, Thai Pore, Winner  | Bumin, Eternal Way, Grace Sun, Phnom Penh Garment, Quality Textile |

| Management should  | Implemented  | Partly Implemented | Not implemented   | New                                    |
|--|--------------|--------------------|---|--|
| ensure that workers are not charged a fee for services or medicine provided by the infirmary | San Lei Fung |                    |   |  |
| ensure that the infirmary has enough medicine and medical equipment                          |              | P.Y.L.             | Bumin, Da Joo*, F.Y.* ,<br>Grace Sun, Phong Wan, S.H.<br>International,<br>Winner*, Yubin | Cung Sing,<br>Oceanic,<br>San Lei Fung |
| ensure that the infirmary is clean   |              |                    |   | Phong Wan                              |

### 2.2.7 Storage/Use of Hazardous Substances

| Management should  | Implemented | Partly Implemented | Not implemented | New          |
|--|-------------|--------------------|-----------------|--------------|
| properly store chemicals in a separate area of the workplace                   |             |                    | United Faith    |              |
| properly label chemical containers in Khmer                                    |             |                    | Thai Pore       | Eternal Way  |
| post/provide chemical safety data sheets in Khmer                              |             |                    | Top Clothes*    |              |
| install exhaust ventilation in areas of the factory where chemicals are in use |             |                    |                 | San Lei Fung |
| separate areas of the factory where chemicals are used from other work areas   |             |                    |                 | San Lei Fung |
| explain the contents of the chemical safety data sheets to the workers         |             |                    | Top Clothes*    |              |

| Management should   | Implemented | Partly Implemented | Not implemented | New                                |
|---|-------------|--------------------|-----------------|------------------------------------|
| provide proper equipment to workers who work with chemical substances |             |                    |                 | Da Joo, San Lei Fung, United Faith |

### 2.2.8 Protective measures

| Management should   | Implemented                                       | Partly Implemented                               | Not implemented   | New  |
|---|---|--|---|--|
| provide masks and/or gloves to workers free of charge   | Goldtex, Phong Wan, San Lei Fung, USA Fully Field | Bumin, City New, Top Clothes*                    | Charm, Da Joo, Oceanic, United Faith (C), Yubin   | Winner   |
| train/encourage workers to use protective clothing and equipment  | Belgian, Eternal Way                              | City New, Cung Sing, Trinunggal, USA Fully Field | Bumin, Da Joo, F.Y., Oceanic, Phong Wan, P.Y.L., Quality Textile, Thai Pore, Top Clothes*, United Faith | Belgian, Goldtex, Lucky Zone, Phnom Penh Garment, S.H. International, San Lei Fung, Winner |
| provide workers suitable footwear free of charge, or allow workers to use their own footwear in the workplace | Bumin, Charm, Grace Sun, S.H. International       |  | Cung Sing, Da Joo, Winner, Quality Textile  | Phong Wan  |

### 2.2.9 Lighting

| Management should                                     | Implemented | Partly Implemented | Not implemented | New |
|---|-------------|--------------------|-----------------|-----|
| eliminate glare from lighting in the trimming section | Phong Wan   |                    |                 |     |

### 2.2.10 Noise

| Management should   | Implemented                     | Partly Implemented | Not implemented | New       |
|---|---------------------------------|--------------------|-----------------|-----------|
| reduce noise levels in the factory, or provide ear protection for workers | Eternal Way, Phnom Penh Garment |                    |                 | Thai Pore |

### 2.2.11 Machine safety

| Management should  | Implemented | Partly Implemented | Not implemented              | New  |
|--|-------------|--------------------|------------------------------|--|
| ensure that the machines are well maintained                     | Bumin       | Oceanic            |                              | Belgian, Cung Sing, Lucky Zone, Phong Wan  |
| ensure that the electrical wiring system is properly maintained  | Bumin       |                    | Phong Wan                    |  |
| equip the machines with safe/needle guards                       | Eternal Way |                    | Gladpeer, Phnom Penh Garment | Belgian, Bumin, Charm, Cung Sing, Da Joo, Goldtex, Grace Sun, Phong Wan, P.Y.L., Thai Pore, Trinunggal, Winner, Yubin, USA Fully Field |
| post warning signs/safety notices on the electrical switch boxes | Bumin       |                    |                              | Phong Wan  |

### 2.2.12 Ventilation and heat

| Management should  | Implemented               | Partly Implemented    | Not implemented                      | New   |
|--|---------------------------|-----------------------|--------------------------------------|---|
| take steps to reduce heat in the workplace               | Charm, USA<br>Fully Field | Goldtex, United Faith | Da Joo, Grace Sun, San Lei<br>Fung   | City New,<br>Lucky Zone,<br>Oceanic,<br>Phnom Penh<br>Garment,<br>Phong Wan,<br>Quality<br>Textile<br>Thai Pore ,<br>Trinunggal |
| improve ventilation and air circulation in the workplace | Belgian                   | Bumin, Eternal Way    | Oceanic, Phong Wan, P.Y.L.,<br>Yubin | Cung Sing,<br>Winner  |
| introduce dust reduction measures                        |                           |                       | Top Clothes                          | Trinunggal  |
| keep fans and other ventilation systems in good repair   |                           |                       |                                      | Cung Sing,<br>Yubin   |

### 2.2.13 Housekeeping

| Management should                            | Implemented | Partly Implemented | Not implemented                                  | New                  |
|--|-------------|--------------------|--|----------------------|
| keep the workplace clean                     | Charm       |                    | Oceanic, S.H.<br>International,<br>United Faith* | Thai Pore            |
| keep the workplace tidy                      |             |                    | Oceanic, United<br>Faith*                        | Thai Pore,<br>Winner |
| ensure that the roof, windows, walls, and/or |             | Bumin              | Belgian, Cung Sing,                              | Thai Pore,           |

| Management should  | Implemented    | Partly Implemented | Not implemented   | New  |
|--|----------------|--------------------|---|--|
| ceilings are clean   |                |                    | Phong Wan, S.H. International, Top Clothes                          | United Faith, Winner, Yubin                          |
| repair the ceiling   |                |                    |   | Top Clothes  |
| ensure that access paths allow for two-way traffic                     |                |                    | Oceanic, Phnom Penh Garment, Phong Wan*, S.H. International, Winner | Belgian, Gladpeer, Grace Sun, Trinunggal             |
| keep all access ways free of obstruction                               | Belgian, Bumin |                    | San Lei Fung, Top Clothes, United Faith*                            |  |
| ensure that raw materials and finished products are organised neatly   |                |                    | Oceanic, Phong Wan*   | Belgian, Phnom Penh Garment, Top Clothes, Trinunggal |
| ensure that tools and safety switches are within easy reach of workers |                |                    |   | Cung Sing  |
| provide (enough) equipment for transporting heavy/bulky materials      | Phong Wan      |                    | Belgian, Lucky Zone   |  |

### 2.2.14 Drinking water

| Management should   | Implemented                | Partly Implemented      | Not implemented  | New   |
|---|----------------------------|-------------------------|--|---|
| provide safe drinking water                                       |                            |                         |  | S.H. International                              |
| provide enough drinking water                                     | Yubin                      |                         |  |   |
| provide cups or other sanitary means for drinking water           | Da Joo, S.H. International | City New, P.Y.L., Yubin | Belgian, Bumin, Cung Sing, San Lei Fung, Top Clothes, United Faith | Oceanic, Quality Textile, Thai Pore, Trinunggal |
| set up an additional drinking water station                       |                            |                         |  | Belgian, S.H. International                     |
| ensure that the drinking area/water containers are clean/hygienic | City New, Winner           |                         | Top Clothes, USA Fully Field                                       | Belgian   |
| repair broken drinking water taps                                 |                            |                         | Bumin  |   |

### 2.2.15 Sanitation facilities

| Management should                             | Implemented              | Partly Implemented | Not implemented                | New                |
|---|--------------------------|--------------------|--------------------------------|--------------------|
| provide the number of toilets required by law | Belgian, Charm*, Goldtex |                    | Cung Sing, Da Joo, Top Clothes |                    |
| repair broken toilets                         |                          |                    | United Faith*                  | Grace Sun, Oceanic |

| Management should  | Implemented     | Partly Implemented                    | Not implemented  | New                                |
|--|-----------------|---------------------------------------|--|------------------------------------|
| repair broken toilet doors   | Charm*, Da Joo  |                                       | Bumin  | Oceanic, San Lei Fung, Top Clothes |
| provide a washing facility near the toilets  |                 |                                       |  | Eternal Way, Goldtex, Top Clothes  |
| ensure that all toilets are regularly cleaned  | Charm*, Goldtex | Bumin                                 | Belgian*, Cung Sing, Da Joo, Grace Sun, Oceanic, P.Y.L.* , San Lei Fung*, Top Clothes*, Yubin, USA Fully Field*                                | S.H. International                 |
| ensure that the toilets have sufficient soap and water   | Charm*          | Phnom Penh Garment, Trinunggal, Yubin | Belgian*, City New, Cung Sing*, Da Joo*, Oceanic, Phong Wan, P.Y.L.* , San Lei Fung*, Thai Pore, Top Clothes*, United Faith*, USA Fully Field* | Grace Sun, S.H. International      |
| not place undue restrictions on toilet use   | Da Joo          |                                       | Oceanic, Top Clothes, United Faith   |                                    |
| improve the lighting in the toilets  | City New        |                                       |  | Trinunggal                         |
| provide suitable footwear that workers can wear when they use the toilets, or allow workers to wear their own footwear |                 |                                       |  | Top Clothes                        |

### 2.2.16 Seating

| Management should  | Implemented | Partly Implemented | Not implemented  | New  |
|--|-------------|--------------------|--|--|
| provide adjustable chairs with back rests for workers who work sitting down                |             |                    | Belgian, Bumin, Charm, City New, Cung Sing, Da Joo, Eternal Way, F.Y., Gladpeer, Goldtex, Grace Sun, Lucky Zone, Oceanic, Phnom Penh Garment, Phong Wan, P.Y.L., Quality Textile, S.H. International, San Lei Fung, Thai Pore, Top Clothes, Trinunggal, United Faith, Winner, Yubin, USA Fully Field |  |
| provide chairs near the workstation for workers who work in a standing position to rest on | Phong Wan   | City New           | Belgian, Bumin, Charm, Da Joo, Grace Sun, Lucky Zone, Quality Textile, S.H. International, San Lei Fung, Top Clothes, Thai Pore, Trinunggal, United Faith, Yubin, USA Fully Field  | F.Y., Goldtex, Oceanic, Phnom Penh Garment |
| not unduly restrict workers who work in a standing position from resting on chairs         |             | P.Y.L.             | Gladpeer   | Thai Pore                                  |
| ensure that workers do not work sitting on the floor                                       |             |                    |  | Trinunggal                                 |

### 2.2.17 Eating area

| Management should                              | Implemented | Partly Implemented | Not implemented | New                     |
|--|-------------|--------------------|-----------------|-------------------------|
| consider setting up an eating area for workers |             |                    |                 | Eternal Way, Trinunggal |

### 2.2.18 Personal Belongings

| Management should  | Implemented | Partly Implemented | Not implemented | New                          |
|--|-------------|--------------------|-----------------|------------------------------|
| set up a secure place for workers to store their personal belongings |             |                    |                 | Belgian, Gladpeer, Phong Wan |

## 2.3 Labour Relations

### 2.3.1 Workers' freedom to organise

In one factory, workers indicated that they no longer had problems forming and joining unions.

| Management should   | Implemented | Partly Implemented | Not implemented | New |
|---|-------------|--------------------|-----------------|-----|
| not interfere with the right of workers to form and join trade unions | Bumin       |                    |                 |     |

### 2.3.2 Anti-union discrimination

There were no reports of workers being subject to discrimination because they formed or joined a union. However, there was a case where union leaders and union members had their employment terminated after a strike. See additional information under Section 2.3.6 (Strikes/Lockouts) below.

### 2.3.3 Shop stewards

| Management should                         | Implemented   | Partly Implemented | Not implemented           | New                      |
|---|---------------|--------------------|---------------------------|--------------------------|
| hold new shop steward elections           |               |                    | Top Clothes, Trinunggal   | Grace Sun, Winner, Yubin |
| ensure that shop steward elections comply | Belgian, City | Phong Wan          | Bumin, Cung Sing, Da Joo, | Oceanic,                 |

| Management should  | Implemented  | Partly Implemented                         | Not implemented  | New                        |
|--|--|--|--|----------------------------|
| with applicable rules and procedures   | New, F.Y.,<br>Lucky Zone                                 |  | Goldtex, San Lei Fung, United Faith, Yubin   | USA Fully Field            |
| ensure that the number of shop stewards elected complies with the law  | P.Y.L.   | Quality Textile                            |  |                            |
| provide shop stewards an office, a meeting room, office material and two hours per week to perform their tasks | Bumin,<br>Gladpeer,<br>Winner, Yubin,<br>USA Fully Field | City New, Phnom Penh Garment, United Faith | Charm, Cung Sing, Da Joo, F.Y., Goldtex, Oceanic, Phong Wan, P.Y.L., Quality Textile, San Lei Fung, Thai Pore, Top Clothes |                            |
| post the results from the shop steward election in the workplace   |  |  |  | Phong Wan, USA Fully Field |
| establish separate electoral bodies of shop stewards for manual workers and skilled workers                    |  |  | Thai Pore  |                            |

#### 2.3.4 Liaison officer

| Management should   | Implemented              | Partly Implemented | Not implemented                              | New                           |
|---|--------------------------|--------------------|--|-------------------------------|
| appoint a liaison officer                                   | Bumin, Cung Sing, P.Y.L. |                    | Da Joo, San Lei Fung, Thai Pore, Top Clothes | Grace Sun, Phnom Penh Garment |
| consult with workers before appointing a liaison officer    | Quality Textile          |                    | City New, Oceanic, Phong Wan                 |                               |
| inform workers about the appointment of the liaison officer | Yubin                    |                    |  |                               |

### 2.3.5 Collective disputes

| Management should                                       | Implemented                                   | Partly Implemented | Not implemented                 | New |
|---|---|--------------------|---------------------------------|-----|
| implement conciliation agreements                       | Bumin, Cung Sing, Lucky Zone, USA Fully Field |                    | Phnom Penh Garment, Top Clothes |     |
| ensure that conciliation agreements comply with the law |   |                    | San Lei Fung                    |     |
| post conciliation agreements in the workplace           | Cung Sing                                     |                    | Phnom Penh Garment, Top Clothes |     |

### 2.3.6 Strikes/Lockouts

There were no strikes in 22 factories.

Two factories had one strike (Belgian, Bumin), and two factories had two strikes (Lucky Zone, Phnom Penh Garment). The workers went on strike for the following reasons:

- ◆ incorrect payment of wages (Belgian, Bumin (C))
- ◆ failure to pay 50% wages during a suspension of work (Bumin)
- ◆ failure to upgrade casual workers to regular workers (Phnom Penh Garment)
- ◆ failure to ensure that overtime is voluntary (Bumin)
- ◆ indecent behaviour by line leaders (Bumin)
- ◆ failure to provide annual leave (Bumin)
- ◆ dismissal of union leaders (Phnom Penh Garment)
- ◆ failure to resolve a conflict between workers and management/line leaders (Lucky Zone, Phnom Penh Garment)
- ◆ failure to provide shop stewards with a meeting place, 2 hours per week to meet, etc. (Bumin)

In all instances, an agreement was reached with the assistance of MOLVT. Management fully implemented the agreement in two factories (Bumin, Lucky Zone). Management did not implement the conciliation agreement in one factory (Phnom Penh Garment), and in one factory, the status of implementation was unknown (Belgian). The Arbitration Council heard disputes arising during strikes in two factories (Lucky Zone, Phnom Penh Garment).

None of the strikes were organised in accordance with all the applicable rules and procedures, but all of the strikes were peaceful. In one factory (Phnom Penh Garment), management terminated several union leaders and union members after a strike, accusing them of inciting other workers to go on strike and committing other serious offences. The Arbitration Council ordered the factory to re-hire these workers, but the factory objected to this award, and has appealed it in court.

| Management should  | Implemented | Partly Implemented | Not implemented | New                |
|--|-------------|--------------------|-----------------|--------------------|
| refrain from imposing sanctions on workers for participating in a strike |             |                    |                 | Phnom Penh Garment |

### 2.3.7 Individual disputes

There were no suggestions made to management regarding the handling of individual disputes in the factories.

### **3 Summary of implementation status by factory**

This section provides an overview of progress made by each factory in implementing the suggestions. Indications made with regard to new suggestions reflect changes in situations where previously no suggestion was made, changes to an initial suggestion based on new developments, or a situation where refinements in the interpretation of the checklist warranted offering new suggestions.

Belgian Industries Co., Ltd.: Of 24 suggestions made, 6 had been implemented, 2 had been partly implemented and 16 had not been implemented. Seventeen new suggestions were made.

Bumin Cambodia Garment Co., Ltd.: Of 47 suggestions made, 22 had been implemented, 9 had been partly implemented and 16 had not been implemented. Eight new suggestions were made.

City New Garment Co., Ltd.: Of 46 suggestions made, 23 had been implemented, 8 had been partly implemented, 12 had not been implemented and three had been dropped because they were no longer relevant. Seven new suggestions were made.

Charm Textiles Co., Ltd. (formerly C-One Cambodia Garment Co., Ltd.): Of 27 suggestions made, 9 had been implemented, 1 had been partly implemented, 13 had not been implemented and four had been dropped because they were no longer relevant. Nine new suggestions were made.

Cung Sing Garment Co., Ltd.: Of 43 suggestions made, 12 had been implemented, 1 had been partly implemented, 28 had not been implemented and two had been dropped because they were no longer relevant. Twelve new suggestions were made.

Da Joo Cambodia Ltd.: Of 41 suggestions made, 12 had been implemented, 6 had been partly implemented, 21 had not been implemented and two had been dropped because they were no longer relevant. Two new suggestions were made.

Eternal Way Ltd.: Of 10 suggestions made, 6 had been implemented, 1 had been partly implemented and 3 had not been implemented. Ten new suggestions were made.

F.Y. Cambodia: Of 17 suggestions made, 5 had been implemented and 12 had not been implemented. Four new suggestions were made.

Gladpeer Garment Co., Ltd.: Of 21 suggestions made, 9 had been implemented, 1 had been partly implemented, 8 had not been implemented and three had been dropped because they were no longer relevant. Seven new suggestions were made.

Goldtex Garment Co., Ltd.: Of 19 suggestions made, 6 had been implemented, 3 had been partly implemented, 9 had not been implemented and one was dropped because it was no longer relevant. Five new suggestions were made.

Grace Sun Cambodia Co., Ltd.: Of 18 suggestions made, 7 had been implemented, 2 had been partly implemented and 9 had not been implemented. Twenty new suggestions were made.

Hang Fung Shing Garment Co., Ltd.: (Closed)

Lucky Zone Apparel Co., Ltd.: Of 21 suggestions made, 8 had been implemented, 3 had been partly implemented, 7 had not been implemented and three had been dropped because they were no longer relevant. Four new suggestions were made.

Luen Thai Garment Co., Ltd.: (Closed)

Oceanic Garment Co., Ltd.: Of 31 suggestions made, 1 had been implemented, 4 had been partly implemented, 24 had not been implemented, and two were dropped because they were no longer relevant. Fifteen new suggestions were made.

Phnom Penh Garment City Co., Ltd.: Of 25 suggestions made, 7 had been implemented, 2 had been partly implemented and 16 had not been implemented. Seventeen new suggestions were made.

Phong Wan Enterprises: Of 37 suggestions made, 13 had been implemented, 5 had been partly implemented, 17 had not been implemented and two had been dropped because they were no longer relevant. Thirteen new suggestions were made.

P.Y.L. Cambodia Ltd.: Of 30 suggestions made, 12 had been implemented, 5 had been partly implemented, 12 had not been implemented and one had been dropped because it was no longer relevant. Four new suggestions were made.

Quality Textiles Co., Ltd.: Of 22 suggestions made, 2 had been implemented, 3 had been partly implemented and 17 had not been implemented. Four new suggestions were made.

S.H. International: Of 21 suggestions made, 3 had been implemented, 2 had been partly implemented, 15 had not been implemented and one had been dropped because it was no longer relevant. Fourteen new suggestions were made.

San Lei Fung Garment Co., Ltd.: Of 42 suggestions made, 10 had been implemented, 4 had been partly implemented, 26 had not been implemented and two had been dropped because they were no longer relevant. Ten new suggestions were made.

Shelby Cambodia: (Closed)

Thai Pore Garment Co., Ltd.: Of 20 suggestions made, 0 had been implemented, 1 had been partly implemented, 17 had not been implemented and two had been dropped because they were no longer relevant. Fifteen new suggestions were made.

Top Clothes Co., Ltd.: Of 37 suggestions made, 5 had been implemented, 4 had been partly implemented, 27 had not been implemented and one had been dropped because it was no longer relevant. Eleven new suggestions were made.

Trinunggal Komara Garment Co., Ltd.: Of 11 suggestions made, 1 had been implemented, 4 had been partly implemented and 6 had not been implemented. Eighteen new suggestions were made.

United Faith Garment Co., Ltd.: Of 33 suggestions made, 5 had been implemented, 7 had been partly implemented and 21 had not been implemented. Eight new suggestions were made.

USA Fully Field Garments Co., Ltd.: Of 22 suggestions made, 8 had been implemented, 2 had been partly implemented, 9 had not been implemented and three were dropped because they were no longer relevant. Seven new suggestions were made.

Willing Garment Co., Ltd.: (Closed)

Winner Garment Mfg. Co., Ltd.: Of 11 suggestions made, 3 had been implemented, 2 had been partly implemented and 6 had not been implemented. Nineteen new suggestions were made.

Yubin Service Co., Ltd.: Of 33 suggestions made, 9 had been implemented, 8 had been partly implemented and 16 had not been implemented. Five new suggestions were made.

## **CONCLUDING REMARKS**

This report is the seventh in a series with factory names. There is no evidence of forced labour or child labour in any of the factories covered in this report. Two factories that had been altering the contractual status of workers when they returned from maternity leave have discontinued this practice. However, in another factory, management required workers to take an additional 3 months of maternity leave over that provided by law, and the additional 3 months leave was unpaid.

While problems remain in about one third of the factories, there has been some improvement in the correct payment of wages for casual workers. Most of the factories that previously failed to ensure that overtime work is undertaken voluntarily have addressed this issue. However, most factories' overtime hours still exceed legal limits. The one factory where there had been evidence of interference in the right of workers to form and join unions, has addressed this issue. However, in one factory, management terminated several union leaders and union members after a strike, accusing them of inciting other workers to go on strike and of committing various serious offences.

In most of the factories, significant progress has been made in improving working conditions, but obstacles still persist. In general terms, a significant percentage of the suggestions made by the project for this group of factories were implemented or partly implemented since the last visit. A substantial number of factories continue to implement suggestions while a small number of factories made little effort to improve.

Specifically:

- 709 suggestions were made for the group. This represents an average of 27 suggestions per factory.
- 383, or 54% were not implemented.
- 294, or 41.5% were either fully or partly implemented.

The ILO will continue working with all parties involved to bring about further improvements. The project is shifting its focus to making the monitoring system sustainable and establishing mechanisms to address systematically the problems identified. It will extend the remediation programme to more factories in 2005 to assist in improving working conditions and productivity, as well as develop tools that can be used sector-wide to ensure compliance with the law and internationally recognized labour standards.

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**STATEMENT  
OF THE PROJECT ADVISORY COMMITTEE  
ON THE RELEASE OF THE TWELFTH ILO SYNTHESIS REPORT  
ON THE WORKING CONDITIONS IN CAMBODIA'S TEXTILE AND APPAREL SECTOR**

1. On 14 July 2005, the Project Advisory Committee (PAC) of the ILO *Better Factories Cambodia*<sup>1</sup> project, met in Phnom Penh to review and endorse the twelfth ILO Synthesis Report on the working conditions in Cambodia's garment industry. The PAC comprises three representatives each from the Government of Cambodia, the Garment Manufacturers Association in Cambodia and the Cambodian trade union movement.
2. The members of the PAC welcome the release of the report and once again express their appreciation to the ILO project team, which continues to demonstrate a fair and thorough approach in making its assessments.
3. We believe that the decision of the PAC to support the ILO project has brought positive benefits to the project, and has led to better working conditions, and a greater respect for the rights of workers. We hope that it will also lead to higher productivity in the future.
4. It is encouraging that factories made progress on implementation of nearly half of the suggestions made by the ILO monitors since the last visit. Whilst we would like to see all suggestions implemented, this is still solid progress. We particularly note the much higher level of compliance in this group of factories compared to the factories covered by the 11th synthesis report which were receiving their first visit. This demonstrates that the ILO monitoring is improving working conditions over time.
5. We note with satisfaction that this report confirms that there is no evidence of forced labour or child labour in the factories surveyed.
6. We are also pleased to note that the two factories that had been altering the contractual status of workers when they returned from maternity leave have discontinued this practice.
7. We are pleased to note that issues related to the right to form and join unions were appropriately addressed in one factory based on the monitors suggestions. We also note that several factories made progress implementing conciliation agreements.
8. We note that one factory terminated several union leaders and union members after a strike, accusing them of inciting other workers to go on strike and of committing various serious offences. This case is currently been appealed in the courts.
9. We note with concern that none of the strikes covered by this report were organized in accordance with all the applicable rules and procedures. However all of the strikes were peaceful.

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<sup>1</sup> Formerly known as the ILO Garment Sector Working Conditions Improvement Project

10. We note that problems remain in about one third of the factories covered in this report regarding the correct payment of wages for casual workers, despite some improvement in this area. We also note significant improvement in ensuring that overtime is voluntary. However, we note with regret that the frequency and duration of overtime remains an issue in most factories. We call upon all identified employers to fulfil their legal obligations in these respects.
11. While most factories covered by this report have made solid progress in improving working conditions, the PAC regrets that a few factories appear to have made limited efforts, especially in areas of safety and health. Due to the accession of Cambodia to the WTO, the abolition of import quotas and the expiry of the US-Cambodia Trade Agreement we believe high standards of working conditions and labour relations throughout the sector are now, more than ever, of the utmost importance.
12. The PAC again calls upon buyers to demonstrate their support for the efforts underway in Cambodia by expanding commitments to sourcing from our garment industry, and by further contributing to improved working conditions in Cambodia's garment sector.

Phnom Penh, 14 July 2005