

2016 Garment Industry 33rd Compliance Synthesis Report Cambodia

Reporting Period
May 2015 – April 2016
Number of factory assessments: 381



International
Labour
Organization



**International
Finance
Corporation**
WORLD BANK GROUP

Copyright © International Labour Organization (ILO) and International Finance Corporation (IFC) (2016)

First published (2016)

Publications of the ILO enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to the ILO, acting on behalf of both organisations: ILO Publications (Rights and Permissions), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: pubdroit@ilo.org. The IFC and ILO welcome such applications.

Libraries, institutions and other users registered with reproduction rights organisations may make copies in accordance with the licences issued to them for this purpose. Visit www.ifrro.org to find the reproduction rights organization in your country.

ILO Cataloguing in Publication Data

Better Factories Cambodia: Thirty third compliance synthesis report / International Labour Office; International Finance Corporation. - Geneva: ILO, 2016

1 v.

Better Work Synthesis Reports: ISSN 2227-958X (web pdf)

International Labour Office; International Finance Corporation

Clothing industry / textile industry / working conditions / workers' rights / labour legislation / ILO Convention / international labour standards / comment / application / Cambodia

The designations employed in this, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the IFC or ILO concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the IFC or ILO of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the IFC or ILO, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address, or by email: pubvente@ilo.org

Visit our website: www.ilo.org/publns

Acknowledgements

Better Factories Cambodia is supported by the following donors (in alphabetical order):

- The Royal Government of Cambodia
- The Garment Manufacturers Association of Cambodia (GMAC)
- The United States Department of Labour
- The Government of the Netherlands
- The Government of Australia
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

The Better Work Global Programme is supported by the following core Government donors:

- The Government of Australia
- The Government of Denmark
- The Government of the Netherlands
- The Government of Switzerland: State Secretariat for Economic Affairs, Switzerland (SECO)
- The United States Department of Labour

In addition, the Better Work Programme is supported by corporate donations from the Levi Strauss Foundation, GAP Inc. and the United States Council for International Business (USCIB) Foundation (funds provided by The Walt Disney Company)

This publication does not necessarily reflect the views or policies of the organizations or agencies listed above, nor does mention of trade names, commercial products, or organizations imply endorsement by them.

Table of Contents

Table of Contents	4
List of Tables	4
Executive Summary	5
Section I: Introduction and Methodology	5
Introduction	8
Institutional Context	9
BFC highlights	11
Better Work Methodology	15
Calculating Non-Compliance	16
Note on the factories represented in this report	16
Limitations in the assessment process	17
Section II: Findings	18
Average Non-Compliance Rates	18
Detailed Findings	20
1. Core Labour Standards	20
2. Working Conditions	23
Section III: Changes in Compliance	31
Top non-compliance issues	31
Other areas of changes in compliance	34
Section IV: Conclusions	36
Annex A: Detailed in-focus tables	37
Annex B: Transparent reporting	40
Annex C: Factories in Better Factories Cambodia	41
Annex D: Buyers	49

List of Tables

In Focus 1: Documentation and Protection of Young Workers	21
In Focus 2: Hazardous Work and Other Worst Forms	21
In Focus 3: Gender	22
In Focus 4: Forced Labour and Overtime	22
In Focus 5: Freedom to Associate	23
In Focus 6: Interference and Discrimination	24
In Focus 7: Paid Leave	24
In Focus 8: Social Security and Other Benefits	24
In Focus 9: Wage Information, Use and Deduction	37
In Focus 10: Minimum Wages/Piece Rate Wages	25
In Focus 11: Overtime Wages	37
In Focus 12: Contracting Procedures	25
In Focus 13: Dialogue, Discipline, and Disputes	26
In Focus 14: Employment Contracts	37
In Focus 15: Termination	37
In Focus 16: Chemicals and Hazardous Substances	38
In Focus 17: Emergency Preparedness	28
In Focus 18: Health Services and First Aid	38
In Focus 19: OSH Management Systems	38
In Focus 20: Welfare Facilities	38
In Focus 21: Working Protection	39
In Focus 22: Working Environment	29
In Focus 23: Leave	29
In Focus 24: Overtime	30
In Focus 25: Regular Hours	30

Executive Summary

The Better Factories Cambodia programme is a partnership between the International Labour Organization and the International Finance Corporation. The programme began conducting independent assessments of working conditions in Cambodian apparel factories in 2001. Each assessment consists of four on-site person days and includes management, union and worker interviews, document reviews, and factory observations. The goal of these assessments is to establish a baseline of performance against which participating factories can work with Better Factories Cambodia to make ongoing improvements to their working conditions.

Better Factories Cambodia, and the other Better Work programmes produce public synthesis reports on an annual basis. The goal of these reports is to provide transparent information for all programme stakeholders regarding working conditions in the factories where the programme operates. Independent research commissioned by Better Work provides evidence that this type of public reporting contributes significantly to continuous improvements in factory compliance levels.

This 33rd synthesis report, which covers assessments done in 381 factories, is the first report that is presented after Better Factories Cambodia aligned its assessment tool and database with the Better Work Global programme. Since the two different databases are not yet fully connected, this report will not focus as much on historical data and trends. This is expected to re-appear in the next report.

The key findings presented in this report are summarized below:

- The latest results of public reporting point out that since the start of the initiative, the percentage of low compliant factories has dropped from 10% at the start of public reporting to a little bit over 4% of all factories included in the database. In addition, the percentage of factories complying with all 21 critical issues has increased from 28% before public reporting to 47% after public reporting, among the factories covered in the database in the past year. Although there are some individual critical issues that have not improved, overall it can be concluded that the public reporting initiative is driving change at the factory level.
- **Child labour** was found in 2% of the factories where BFC confirmed the presence of underage workers (normally between 12-15 years). For the second year in a row, the number of confirmed cases of child labour has dropped from 65 in 2013 to 28 in 2014 and 16 in 2015. In collaboration with GMAC, BFC was able to work with most factories to place these underage workers in vocational training centers. In those cases, factories paid for the vocational training and continued to pay the salary of those workers and workers had the option to return to the factory after having reached the age of 15. A small majority of factories refused to collaborate with GMAC and BFC on the remediation programme, and appeared on the BFC public reporting website as unremediated child labour.
- Non-compliance levels on areas related to **Discrimination** remain low. The compliance point on discrimination based on gender was the only compliance point with findings during this assessment period, and this related to discrimination against men as well as women.
- BFC reported noncompliance on **Forced Labour** in a small number of factories (5). This concerned workers being forced to work overtime under the threat of a penalty. This is an area that BFC has started to assess since the alignment with the assessment tool used in the Better Work programmes.
- With respect to the cluster related to **Freedom of Association** and **Collective Bargaining**, none of the compliance points exceeded an 8% non-compliance rate, noting that freedom of association

violations might be hard to prove due to the sensitive nature of the issue. Most of the non-compliance in this cluster related to management interference with unions, automatic deductions of union dues, freedom to form or join a union and illegal dismissal of union leaders.

- The **Compensation** cluster is large section with 7 separate compliance points with non-compliance rates ranging between 1% (premium pay) and 52% (paid leave and social security and other benefits). Issues around paid leave mostly relate to the provision of paid time off for breastfeeding and the provision of sick leave. It should also be noted that only 2% of the factories did not pay at least the minimum wage and that compliance levels around minimum wage have not deteriorated since the minimum wage increased.
- The cluster covering **Contracts and Human Resources** also has varying levels of non-compliance for its four compliance points. Issues that are driving non-compliance across these different compliance points are the 2 year limit on the use of fixed term duration contracts, contracts not complying with the labour law and management not sufficiently explaining the contracts' terms and conditions to workers.
- The cluster covering **Occupational Safety and Health (OSH)** requirements is the largest cluster with eight different compliance points covering a total number of 82 compliance questions. Non-compliance levels in the OSH cluster are high, with 7 out of 8 of the compliance points having higher than 50% non-compliance rate. Many areas related to OSH continue to be a challenge for garment factories, due to a range of reasons, including i) legal requirements that are not easy to meet (such as undertaking of medical examination prior to contracting workers, the requirements to light intensity in the workplace), ii) insufficient management systems, including OSH policies, procedures and responsibilities in place that are necessary to ensure that OSH requirements are upheld in a sustainable way. It should be noted that meeting OSH requirements is a challenge in many garment exporting sectors in other countries as well. Recognising the challenges that factories face around ensuring occupational safety and health, BFC is putting more emphasis on helping factories in developing the necessary management systems through its advisory services and training programme and, in collaboration with GMAC and the Ministry of Labour and Vocational Training, is putting increased effort on its training programme on OSH issues.
- The three compliance points in the cluster on **Working Time** are Regular Hours (10% non-compliance), Leave (33% non-compliance) and Overtime (76% non-compliance). Non-compliance on overtime is almost fully related to the fact that factories allow more than the maximum two hours of overtime. Overtime remains a challenging area in the global garment sector as it is related to production demands such as a rush shipment date, last minute changes to orders, as well as lack of proper production planning. Most areas on leave, including the number of leave days, special leave days and maternity leave have low non-compliance levels.
- The top non-compliance findings are still largely the same as in the previous BFC synthesis report. It should be noted though that improvements were made with respect to some OSH related issues such as the provision of cups for drinking water, the formation of a functioning OSH committee and lighting in the workplace. At the same time, there is also a range of legal requirements that are met by the majority of factories, for instance payment of attendance bonus, regular working hours of 8 per day and the resolving grievance and disputes in compliance with legal requirements.

As part of its new strategy that covers 2016 – 2018, Better Factories Cambodia is placing even more emphasis on not only identifying, but actively helping factories and workers deal with the challenges they face regarding

working conditions. The programme is increasing its capacity to work with more factories on advisory services and trainings and as such, help to establish improved dialogue between workers and management to find sustainable solutions at the factory floor. Training and advisory services are essentially components to enabling factories to increase ownership and their own internal knowledge base. The programme is also entering into much closer collaboration with the government around increasing capacity for workplace inspections and better utilising the government's enforcement and remediation power. Collaboration with and between the government, the trade unions, GMAC, factory owners and international brands will continue to be key drivers of sector wide change.

Section I: Introduction and Methodology

Introduction

The Better Factories Cambodia (BFC) programme started operating in Cambodia in 2001. It was linked to an innovative trade agreement between the Royal Government of Cambodia (RGC) and the United States of America (USA). The U.S.–Cambodia Bilateral Textile Agreement, initially covering 2000 and 2001 and later extended until 2004, provided an incentive to increase the quota for Cambodian garment export to the US linked to ongoing improvements in labour conditions in garment factories.

BFC's mandate is to monitor compliance with labour standards in the garment exporting factories in Cambodia. To complement the monitoring activities, BFC also offers support to factories in their improvement processes. At the outset, the programme provided training to factories on specific workplace issues, such as Human Resource Management, Occupational Health and Safety, productivity and also training of workers and managers to jointly improve working conditions, such as training on workers' rights and responsibilities, negotiation skills for managers and workers, and workplace cooperation.

Later, the programme started delivering factory specific advisory services aimed at creating sustainable bipartite committees responsible for improving working conditions at the factory floor. In those factories that receive advisory services, BFC helps set up bipartite committees and then supports these committees to start tackling the root causes of non-compliance. Both training and advisory have been important complimentary services to BFC's assessments and have helped to drive more sustainable change at the factory level.

The Better Factories Cambodia programme is a partnership of the International Labour Organization and the International Finance Corporation. The programme, began conducting independent assessments of working conditions in Cambodian apparel factories in 2001. Each assessment consists of four on-site person days and includes management, union and worker interviews, document reviews, and factory observations. The goal of these assessments is to establish a baseline of performance against which participating factories can work with Better Factories Cambodia to make ongoing improvements to their working conditions.

This is the 33rd Better Factories Cambodia synthesis report and covers the period May 2015 – April 2016. During this period, the programme carried out 381 assessment visits and produced 420 reports. The purpose of the Better Factories Cambodia Synthesis Report is to provide an overview of working conditions in the Cambodian garment and footwear industry¹.

In order to streamline access to information for factories and buyers and to strengthen alignment and consistency with other Better Work country programs, in May 2015 BFC adapted its tools and systems for compliance assessment and reporting. With regards to the recording of information and generation of factory reports, BFC transitioned from its previous Information Management System (IMS) to the Supply Chain Tracking of Assessments and Remediation system (STAR). The STAR system provides a single platform for factories and buyers to access factory assessment reports and other records regarding service provision across all Better Work country programs.

¹ Footwear factories join Better Factories Cambodia on voluntary basis for the bundled services of assessment and advisory services. BFC expanded its services to footwear factories based on the Footwear Pilot Program in 2012 and began registering footwear factories from 2013.

In relation to tools for assessment visits and factory report templates, BFC shifted from its IMS assessment checklist to the Compliance Assessment Tool. The Compliance Assessment Tool helps to further align the approach to compliance assessment visits and reports across Better Work country programs, while allowing for the specificity of the legal frameworks and industry reality in the national context. The Compliance Assessment Tool closely reflects the previously used IMS checklist, however certain changes in the structuring of the questionnaire imply that compliance trends over time might not fully line up.

Institutional Context

Statistical data

The footwear sector continued to record rapid growth in 2015, with exports increasing by 21.8 per cent to US\$ 538 million, while exports of garments rose by 6.5 per cent to US\$ 628 million. The total exports of the garment and footwear sector reached US\$ 6.3 billion in 2015, representing 7.6 per cent growth over 2014.

Meanwhile, the number of garment and footwear factories has grown steadily and reached 699 at the end of 2015 (garments: 626 factories; footwear: 73 factories). This compares to 626 at the end of 2014, an increase of almost more than 70 factories in a year. At the time of writing this report, export data for the first quarter of 2016 were not available yet.

Table 1: Growth in Cambodian garment and footwear sector (year-end)²

	2012	2013	2014	2015
Exports (US\$ bn)	4.76	5.32	5.83	6.3
Factories	436	528	626	699
Workers	447,852	533,486	580,692	646,869

The European Union (EU) continued to represent the largest market for Cambodia's garment and footwear exports. During 2015, 46% of Cambodia's garment and footwear exports went to the EU, while 30% were shipped to the US market. The remaining 24% were destined for other markets, mainly Canada and Japan. An increasing share of Cambodia's exports from the sector have gone to the EU in recent years, with the US share falling.

Garment and footwear remains the backbone of Cambodia's exports. In 2015, combined garment and footwear exports accounted for 78% of the country's total merchandise exports. This represented a slight decline from the 82% the sector had in 2010.

Labour disputes

The number of strikes increased by 9.26% in 2015, from 108 in 2014 to 118 in 2015, however, the number of lost workdays fell by 14% from 513,444 in 2014 to 452,364 in 2015. During the first quarter of 2016, GMAC reported 12 strikes with 44,045 workdays lost.

² Industry-wide data is provided by the Ministry of Commerce.

Table 2: Strike activity reported by GMAC members (year-end)³

	2012	2013	2014	2015
Strikes	121	147	108	118
Lost Workdays	542,827	888,527	513,444	452,364

The Arbitration Council registered **338** cases during the reporting period, of which **260** were garment or footwear factory-related. Of these, **one third** were resolved through mediation before going to arbitration. The most common issues referred to the Arbitration Council during this period were:

1. Disputes over wages and bonuses;
2. Discipline and termination; and
3. General working condition (such as clean water at WC, more drinking water at workplace)

Minimum wages setting process

In 2014, the ILO supported the Royal Government of Cambodia (RGC) in creating an institutional framework for minimum wage fixing based on tripartite negotiation. This framework allows for yearly minimum wage adjustments. Under this framework, a tripartite Labour Advisory Committee (LAC) negotiates and agrees on a recommended minimum wage adjustment and provides that recommendation to the Ministry of Labour and Vocational Training.

In October 2014, the Royal Government of Cambodia, based on the recommendations of the LAC, decided the minimum wage would increase from US\$ 100 to US\$ 128 per month for regular workers. Following another round of negotiations in 2015, the LAC recommended the MoLVT to increase the minimum wage by US\$ 7 in 2016. The Minister and Government ultimately decided in October 2015, to increase the wage by US\$ 12 per month. As of 2016, minimum wage for regular workers is US\$ 140 and for probationary workers US\$ 135.

The ILO will continue to support the annual minimum wage review process, among others by assisting the Committee's Secretariat in updating data to inform the negotiations on the minimum wage for 2017 and providing training to the tripartite members on negotiating and interpretation of the social and economic standards that are used as a basis for setting the minimum wage.

Transportation

2015 was characterized by several road accidents involving workers commuting to and from factories resulting in fatalities and serious injuries. They brought renewed attention to the unsafe conditions associated with the transport of workers to and from factories. According to statistics that appeared in a report by the Ministry of Labour and Vocational Training National Social Security Fund, in 2015, 60 garment and footwear workers were killed during traffic accidents that occurred while they were being transported to and from. BFC is currently in discussion with brands on what role it can play in brand initiatives that target the problems around transportation.

Trade Union Law

During 2014 and 2015, the drafting of the Trade Union Law, which started in 2008, has been the focus of much attention from national and industry stakeholders. During the process, the government requested ILO's technical assistance. While meaningful improvements were noted in subsequent drafts, on numerous occasions the ILO drew the government's attention to several key concerns and gaps. These are mainly related to insufficient protection of the right of all workers and employers to freely set up

³ Industry-wide strike data is provided by GMAC. [The 'Compliance with Fundamental Rights' section differs as it contains strike data specific to the group of factories assessed during the period covered by this report.]

organizations of their own choosing, and of the right of these organizations to decide on their internal matters without interference, as part of Cambodia's obligations under ratified ILO Conventions.

On 4 April 2016, the new Union Law passed the National Assembly, followed by the approval of the law by the Senate on 12 April. Concerns over the new law and the process through which it was passed led to several demonstrations by workers' organisations and public criticism by the international trade union movement. On 17 May, the King signed the law and the Ministry of Labour is now working on a set of PRAKAS that will guide the implementation of the law.

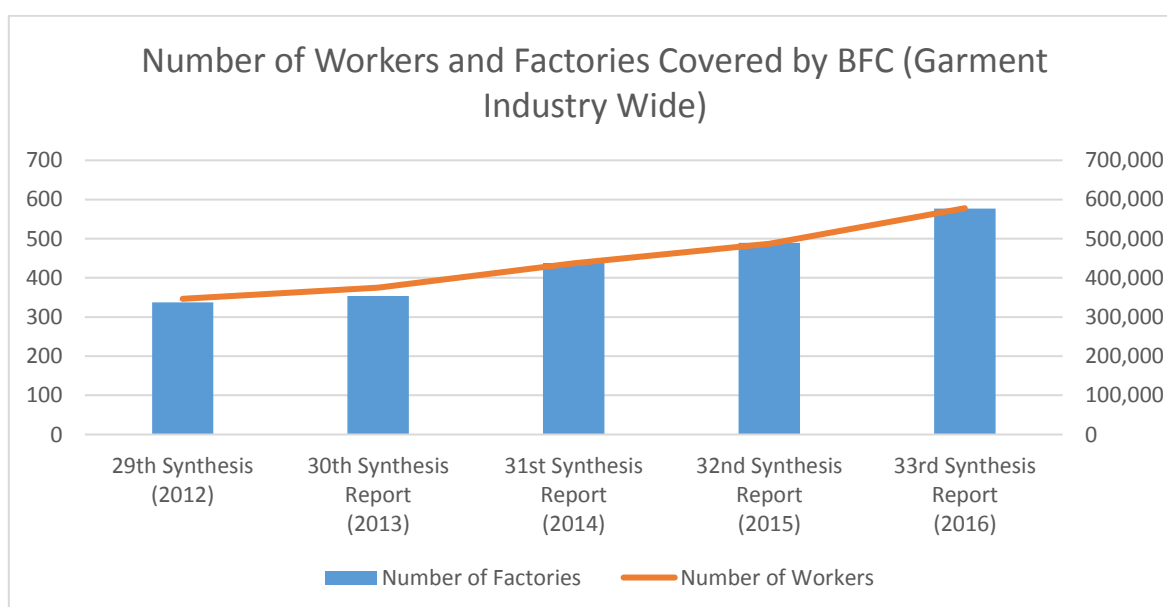
The international institutions formally responsible for the review of national legislation in light of relevant international labour standards are commonly referred to as the ILO supervisory bodies. These include the Committee on the Application of Standards, which is meeting during the International Labour Conference in Geneva in June 2016; the Committee of Experts on the Application of Conventions and Recommendations, which will meet in November-December 2016; and the Committee on Freedom of Association which holds regular meetings in Geneva. It will be for these bodies, based on their own rules and procedures, to examine Cambodia's new trade union law, in order to assess compliance with ratified Conventions.

BFC highlights

Industry Coverage

The following graph presents the number of workers and factories covered by the BFC Programme.

Graph 1: Number of workers and factories covered by BFC



The number of factories shown includes all active factories (not closed or suspended) that have registered with BFC. The employment figures are drawn from the most recent monitoring report for every active factory. Women workers represent 85% among the total workforce in the programme (577,732), while male employees account for 15%. Thirty three percent of all 577 factories registered with BFC are owned by Chinese investors, followed by Taiwan (19%), Hong Kong (15%), and Korea (13%). Only three percent of the factories are owned by Cambodians. The other owners are from Australia, Belgium, Canada, France, India, Italy, Japan, Korea and Cambodia, Malaysia, Netherland, Singapore, Spain, Sweden, Thailand,

Turkey, United Kingdom, and United States. Newly registered factories are not reflected in these figures until after they have been monitored and a report has been issued.

The figures may not precisely line up with those reflected in previous reports due to factory closings and re-openings that were discovered outside of the Synthesis Report period. The figures also differ from the Ministry of Commerce figures, primarily due to differences in the time at which information becomes available to each, and the fact that the figures above only include active factories that have been monitored.

Better Factories Cambodia's new strategy 2016 - 2018

BFC's previous strategic phase ended in December 2015. The programme undertook an extensive consultation process with key stakeholders to get their views on BFC's priorities for the next strategic phase. The focus of these consultations was on discussing how the programme, in collaboration with constituents and stakeholders, can further increase impact and sustainability and the role that each of the stakeholders should play in the strategy.

Consultations were held with representatives of: the Ministry of Labour, the Ministry of Commerce, GMAC, factory managers, several unions, international buyers, IFC, ILO, Better Work Global and Better Factories Cambodia.

Constituents and partners view that BFC's continuing role on monitoring factories and strengthening workers' and managers' capacity to improve working conditions is still essential. In the new phase, the programme will more actively enable national stakeholders to play a stronger role in the future. This is seen as a key requirement for the sustainability of and ownership for improved compliance in the garment sector.

Under the new phase, the programme will continue to remain focused on garment and footwear sector in order to retain its focus and maximize its impact on this large and strategic sector of the economy. The program will continue to expand and strengthen its factory based services, while at the same time, increasing its focus on collaboration with the national constituents.

In doing so, the programme will focus on deepening partnerships between BFC and constituents, which is necessary for continuous improvement and institutional sustainability. It will enhance its relation with trade unions, engage in more extensive cooperation with GMAC, and support MOLVT capacity building. It will develop a joint strategy and action plan for capacity building and collaborative initiatives with the MOLVT, with milestones and expected outputs, which will be periodically reviewed to determine progress.

Better Factories Cambodia will also strengthen its approach on Industrial Relations in factory level services and be more involved in building capacity for manager and worker/trade union representatives to help prevent and resolve disputes, while maintaining its neutrality. The strategy focusses on using stronger partnerships with constituents to build capacity and leverage commitment of GMAC and the union federations to strengthen capacity for constructive dialogue, grievance resolution and respect for legal standards. In support of this, BFC is developing a more explicit and strategic approach across its assessment, advisory and training services to help build improved industrial relations at the factory level and, if and where feasible, beyond. Having the support of the tripartite constituents and buyers to do so will be essential for the success.

Political and industrial stability are important for buyers and investors to continue operation in and sourcing from Cambodia, but the future of the industry also depends on increasing competitiveness and

productivity. Considering international developments around trade and potential new garment producing countries emerging on the scene, Cambodia's dependence on cheap labour as an important source for competitive advantage is at risk. During the consultations, stakeholders recognized the need to come together to work on a joint strategic vision for the sector. Stakeholders also requested BFC to support this process, to help facilitate dialogue between employers, workers, the government, international brands and, where appropriate use ILO and IFC's expertise to provide technical input and support in building that vision

The new strategy has been endorsed by the programme's Programme Advisory Committee in January 2016 and is currently being implemented.

Better Factories' core services

Throughout the period covered by this report, BFC has continued to support industry stakeholders in improving working conditions and compliance with labour standards in Cambodia. The below overview of key delivery indicators of the programme demonstrate another year of solid increase in demand for all BFC services:

Table 3: BFC key delivery indicators for synthesis report 32 and 33

	Synth Report 32	Synth Report 33	Change
Factories assessed (including footwear assessments)	419	422	+1%
Number of workers covered during this assessment	441,047	456,285	+ 3%
Factories with advisory services	83	85	+2.5% ⁴
Factory participation in training	443	517	+ 14.3%
Number of training participants	1120	1974	+ 76.25%
Number of reports purchased by buyers	381	450	+18.11%
Number of factories from which buyers purchased reports	257	267	+ 3.89%
Number of brands purchasing reports	39	48	+ 23.08%

The topics for the training courses are presented below:

- Supervisory Skills
- Fire Safety
- Human Resource Management Systems
- Labour Law
- Sexual Harassment
- Workplace Corporation
- Social Compliance
- Chemical Management
- Safe Working Arrangements
- Effective Problem Solving

⁴ Due to a limit to BFC's capacity to serve all advisory factories, the programme has not been able to increase more. We expect that sufficient capacity will in place to serve up to 100 factories towards the end of the year

- Learning Seminars⁵ on:
 - Problem Solving
 - Grievance Handling Mechanisms
 - Building Safety
 - Management Systems

⁵ Learning seminars are larger seminars where staff from 20 – 40 factories come together for a joint training on a specific topic. Learning seminars are offered to factories as part of the advisory services package. The focus is on action oriented learning and peer learning.

Better Work Methodology

Better Work carries out factory assessments to monitor compliance with international labour standards and national labour laws. In its factory and industry-level reports, it highlights non-compliance findings. Better Work reports these figures to help factories easily identify areas in need of improvement. Collecting and reporting this data over time will help factories demonstrate their commitment to improving working conditions.

Better Work organises reporting into eight areas, or clusters, of labour standards: four of the clusters cover fundamental rights at work and four cover basic conditions at work. Each of the eight clusters is divided into its key components, known as 'compliance points'. With very limited exceptions, the compliance points are standard across all Better Work countries.

In 1998, Member States, workers, and employer representatives at the International Labour Organization identified fundamental principles and rights at work based on eight very widely ratified International Labour Conventions - 29, 87, 98, 105, 100, 111, 138, and 182. These Conventions provide the framework for assessing non-compliance with the Child Labour, Discrimination, Forced Labour, and Freedom of Association and Collective Bargaining clusters across all Better Work country programmes.

The four other clusters assess conditions at work - including compensation, contracts and human resources, occupational safety and health, and working time. The compliance points covered in these clusters are largely consistent across countries; however, each compliance point contains specific questions that may vary from country to country due to differences in national legislation. National law is used as a benchmark regardless of whether it is in line with international conventions that have been ratified by the country. In countries where national law fails to address or lacks clarity around a relevant issue regarding conditions at work, Better Work establishes a benchmark based on international standards and good practices.

In May 2015 Better Factories Cambodia fully aligned with the Better Work methodology.

The detailed list of compliance points within each cluster is indicated in the table below.

	Compliance Clusters		Compliance Points
Core Labour Standards	1	Child Labour	1. Child Labourers 2. Unconditional Worst Forms 3. Hazardous Work 4. Documentation and Protection of Young Workers
	2	Discrimination	5. Race and Origin 6. Religion and Political Opinion 7. Gender 8. Other Grounds ⁶
	3	Forced Labour	9. Coercion 10. Bonded Labour 11. Forced Labour and Overtime 12. Prison Labour
	4	Freedom of Association and Collective Bargaining	13. Freedom to Associate 14. Collective Bargaining 15. Union Operations 16. Interference and Discrimination 17. Strikes

⁶ As described in more detail below, this compliance point covers discrimination relating to disability as well as HIV/AIDS status.

Working Conditions	5	Compensation	18. Minimum wages 19. Overtime wages 20. Premium Pay ⁷ 21. Method of Payment 22. Wage Information, Use and Deduction 23. Paid Leave 24. Social Security and Other Benefits
	6	Contracts and Human Resources	25. Employment Contracts 26. Contracting Procedures 27. Termination 28. Dialogue, Discipline and Disputes
	7	Occupational Safety and Health (OSH)	29. OSH Management Systems 30. Chemicals and Hazardous Substances 31. Worker Protection 32. Working Environment 33. Health Services 34. Welfare Facilities 35. Worker Accommodation 36. Emergency Preparedness
	8	Working Time	37. Regular Hours 38. Overtime 39. Leave

Calculating Non-Compliance

Better Work calculates non-compliance rates for each factory and reports these in individual factory reports. The non-compliance rate is reported for each sub-category, or compliance point, within a cluster. A compliance point is reported to be non-compliant if one question within it is found to be in non-compliance.

In public synthesis reports, Better Work calculates the average non-compliance rates for all participating factories in each of these same sub-categories. For example, an average non-compliance rate of 100% means that all participating factories were found to have a violation in that area.

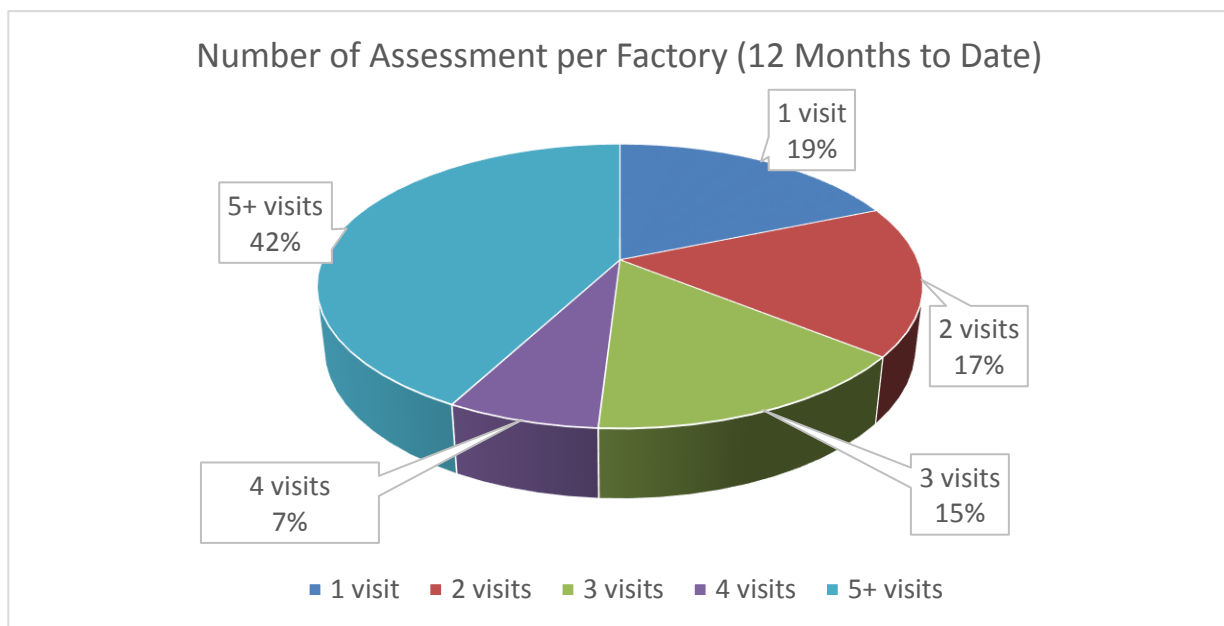
While it is a strict indicator, the non-compliance rate is useful for Better Work to aggregate and compare data across countries. However, this number is not sufficient to fully describe the specific issues that Enterprise Advisors have observed during their assessments. For this reason, tables highlighting key non-compliance findings at the question level are also presented in Section II with the title of 'In Focus' tables. These tables, showing the number of factories found to be non-compliant based on each specific question, allow the reader to fully appreciate the specific challenges identified in factory assessments under particular compliance points.

Note on the factories represented in this report

The synthesis report presents a snapshot of non-compliance in the participating industry of the respective country. The rates presented in the synthesis report refer to participating industry averages.

The table below presents the number of assessments per factory (12 Months to Date).

Table 4: Number of assessments that each single factory has received in a year



Limitations in the assessment process

The factory-level assessments carried out by Better Factories Cambodia follow a thorough checklist of over 250 questions covering the above mentioned labour standards. Information is gathered through a variety of sources and techniques, including document reviews, observations on the factory floor, and interviews with managers, workers and union representatives.

The detailed factory assessment reports are based on what was observed, investigated and analysed during the actual assessment and a review of relevant documents collected during the assessment visit. Before the reports become official, factories are given seven days to provide feedback and clarifications on its findings.

As described in the introduction of this report, Better Factories Cambodia made some changes to its methodology, including a change to the STAR database, to fully align its assessment methodology to that of the Better Work global programme. This has also led to some changes in the Compliance Assessment Tool and therefore reporting. Where relevant, we have provided additional explanation for changes that have impacted compliance levels. The full Compliance Assessment Tool can be found on the programme's website.

Some issues covered in Better Factories Cambodia's assessment can be difficult to assess and verify independently. These issues include sexual harassment and freedom of association. Getting enough evidence on these issues to determine violations can be challenging due to range of reasons, including the sensitive nature of the issues and reluctance of workers to report.

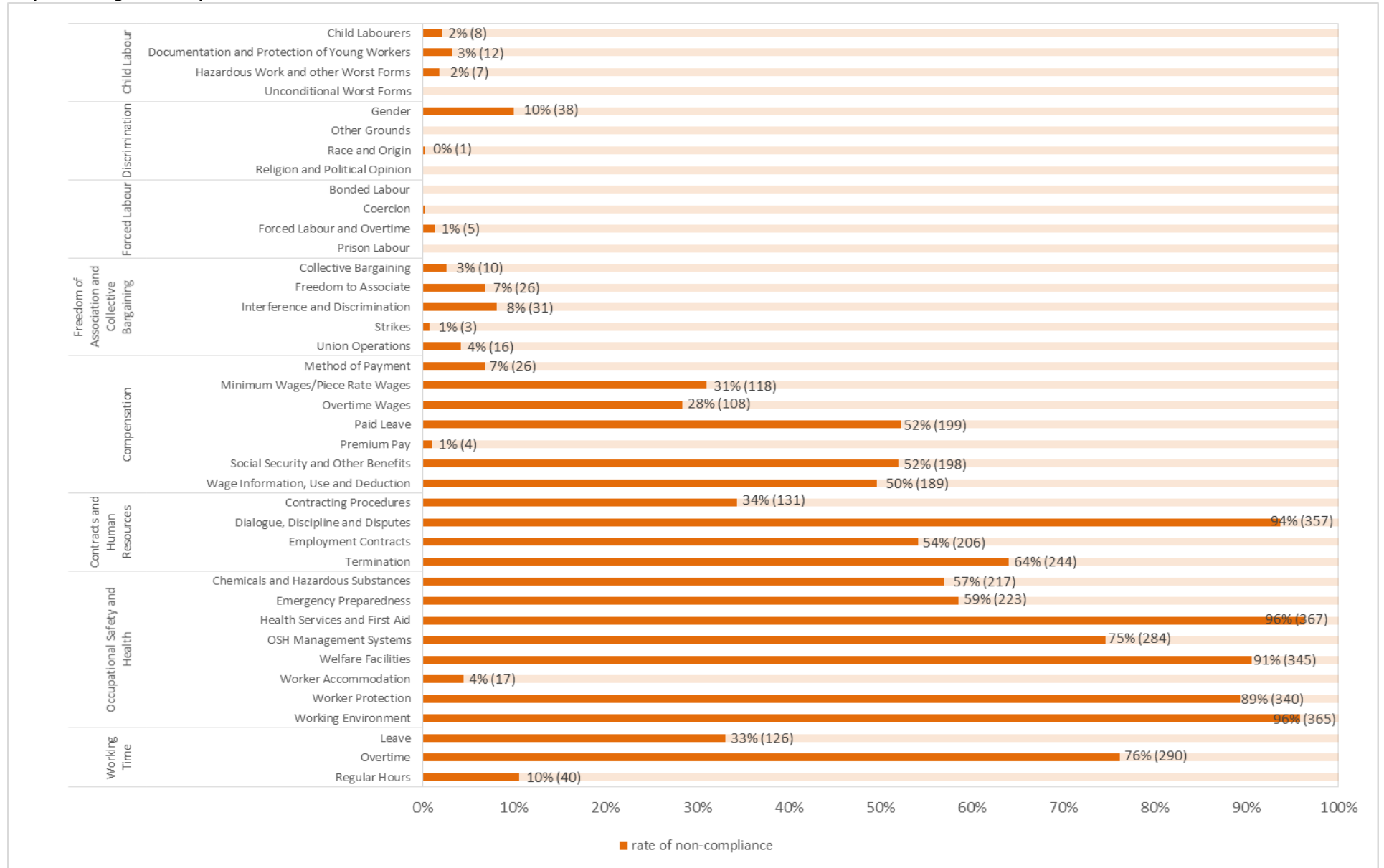
Compliance assessments offer an opportunity to determine an objective answer to compliance on relevant issues. This structure limits the ability to prove reductions of the severity of non-compliance that remain. For example, factories may significantly improve upon a problem but may still not qualify as compliant, especially when the labour law is stringent (as is the case on the number of western toilets for women workers). For factories that are in advisory services, improvements are being reported in progress reports and shared with them and relevant brands.

Section II: Findings

Average Non-Compliance Rates

Chart 1 provides an overview of average non-compliance rates for factories covered in this report. Key findings are provided below, followed by a section with additional details.

Graph 2: Average non-compliance rates



Detailed Findings

This section describes the levels of non-compliance across participating factories for each sub-section (compliance point) within each of the eight categories of labour standards covered by the Better Factories Cambodia assessments. For some areas, In Focus tables with more detailed findings are presented in the text, while the other In Focus tables are included in Annex A. The questions that are related to transparent reporting on critical issues are presented in a separate section on transparent reporting.

1. Core Labour Standards

The table below shows the key findings on core labour standards (child labour, forced labour, discrimination, freedom of association, anti-union discrimination).

Table 5: Non-Compliance with Fundamental Rights, 2011-2015

	Current Report	June 2015	Apr 2014	May 2013	Nov 2012	May 2012
Child Labour (factories with confirmed underage workers)	2%	3%	4%	2%	1%	7%
Forced Labour (coercion)	0.3 ⁸ %	0%	0%	0%	0%	0%
Forced overtime ⁹	1.3%	N/A	N/A	N/A	N/A	N/A
Discrimination (factories engaged in discrimination)	12%	13%	20%	16%	18%	19%
Freedom of Association – Interference and discrimination (factories interfered with FOA) ¹⁰	8%	N/A	N/A	N/A	N/A	N/A
Freedom to associate (freely forming or joining a union, federation or confederation)	7%	N/A	N/A	N/A	N/A	N/A

A. Child Labour

Child Labour (under 15 years of age according to national law) is one of the zero tolerance issues that BFC monitors in factories BFC undertakes a sample check in each factory to assess compliance on child labour. As such, BFC conducts investigations on the suspected cases that are a result of this sample. The table below shows an overview of the number of confirmed child labour cases in factories for the current and

⁹ This concerns one factory where the employer required probationary workers to finish their three-month period before approving resignation paper.

¹⁰ There is a separate question on voluntary overtime, “Is overtime voluntary” which is not included in the forced labour and overtime compliance point. For this question, overtime must be voluntary, including overtime worked on Sundays and public holidays.

If workers are forced to work overtime in order to earn the minimum wage, or forced to work more than two hours of overtime per day and there is coercion, this contributes to a forced labour violation. Forced labour and overtime happens when workers are forced to work overtime in order to earn minimum wage, workers have no real choice but to work overtime, and workers are under the menace of a penalty for instance termination and there is economic compulsion such as threats to fire workers or never offer overtime to workers again

¹¹ The different questions related to FoA have not been fully linked between the IMS and the STAR system and therefore, at the moment of writing the report. As a result, this reports shows the current findings only.

previous reporting periods. The data demonstrates a strong decrease in number of confirmed under aged workers over the last couple of years in the factories. This decrease goes hand in hand with very close collaboration between GMAC and BFC under an MoU to investigate a remediate child labour and as such suggests a positive impact of this collaboration. This collaboration could be regarded as a good practice that could be replicated in other areas where feasible.

Table 6: Changes in child labour SR 31, SR 32 and SR 33

	May 2015 – April 2016	May 2014 – April 2015	May 2013 – April 2014
	# of confirmed child labour cases (< 15 yrs)	# of confirmed child labour cases (< 15 yrs)	# of confirmed child labour cases (< 15 yrs)
Footwear	0	2	9
Garment	16	28	65
Total	16	30	74

In 4 of the 16 cases, the factories refused to participate in the remediation programme and as a result, appeared on the transparency data base as un-remediated child labour. GMAC's practice is to cancel the membership of those factories that refuse to collaborate. In addition, the Ministry of Commerce has followed up and used their mandate on granting and withdrawing export licenses which has led to one factory agreeing on a remediation plan.

For more details on the findings, see In Focus table 1 and 2 below.

In Focus 1 : Documentation and Protection of Young Workers

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Does the employer keep a register and get consent from the guardians of workers under 18 years of age?	10	2.6%
Does the employer reliably verify the age of workers prior to hiring?	5	1.3%

In Focus 2 on Child Labour: Hazardous Work and Other Worst Forms

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Are any workers who are under age 18 working at night, or working more than 8 hours per day (including overtime)?	7	1.8%
Does the employer subject any workers under age 18 to the unconditional worst forms of child labour?	0	0.0%

B. Discrimination

Under discrimination, BFC monitors any discriminatory practices against workers during hiring, employment or termination based on their race, colour, sex, or political opinion. The programme also checks whether management dismisses or changes workers' employment status due to maternity leave, pregnancy or different pay for men and women. The highest non-compliance rate for the Discrimination cluster was as a result of 10% of the factories found to have discriminated on the basis of gender. Additionally, there were 5% factories that were found to have used gender as a factor in their hiring decisions. The findings varied from factories being reluctant to hire men due to perceived behavioural and control issues, as well as discriminatory hiring towards females over concerns of missed time due to

pregnancy and/or maternity leave. There was no discrimination found in any factories on the basis of religion or political opinion and only 1 factory where non-compliance was noted for discrimination based on race and origin out of the 381 factories examined.

For more details on the findings, see In Focus table 3 below.

In Focus 3: Gender

Question	# of factories out of compliance	% of factories out of compliance
Does the employer terminate workers who are pregnant or force them to resign?	15	3.9%
Does the employer terminate workers who are pregnant or on maternity leave or force them to resign?	5	1.3%
Is an applicant's gender a factor in hiring decisions?	19	4.9%
Is gender a factor in decisions regarding conditions of work?	1	0.2%

C. Forced Labour

Due to the alignment with the Better Work reporting, there have been some changes with respect to reporting under the Forced Labour Cluster. Forced Labour now includes bonded labour, coercion, forced labour and overtime, and prison labour, fully in line with the ILO core conventions. With respect to these changes, BFC now reports on forced overtime under the forced labour cluster and this has resulted in 5 factories out of compliance on forced overtime. It should be noted that this reporting is a result of changes to the BFC assessment methodology and does not necessarily mean a deterioration in the factory practices. Conversations between the government, GMAC and BFC have started around collaboration and the use of enforcement mechanisms to address the issues.

During the reporting period, there were six factories (1.6%) involved in Forced Labour: One relates to the coercion where workers were not free to leave their employment especially in the probationary period. The employer required probationary workers to finish their three-month period before approving resignation paper.

The other five cases related to forced labour and overtime. Based on the findings of those cases, workers were forced to work overtime. Workers were required to have a written approval from their foreign supervisors before they could leave the factory after finishing normal working hours. No national supervisors were allowed to sign the approval request. Without the approval, security guards would not let the workers leave the factory. Those who left at the end of the normal working shift were not paid full 8 hours on that day. Workers would face termination at a later stage if found having repeated objections to working overtime. See also In Focus table 4 below.

In Focus 4 : Forced Labour and Overtime

Question	# of factories out of compliance	% of factories out of compliance
Are workers forced to work overtime under threat of penalty?	5	1.3%
Does the employer force workers to work more than 2 hours of overtime per day by threatening dismissal or other action that would reduce their future income?	0	0.0%
Does the employer force workers to work overtime by paying them below minimum wage during normal working hours?	0	0.0%

D. Freedom of Association and Collective Bargaining

The compliance point Freedom of Association had a non-compliance rate of 6.8% (26 factories) with most findings related to deduction of union dues without workers free consent. There were also cases where workers could not freely form or join a union without the threat of being fired and cases related to the location of factories in industrial zones where owners prevented unions from being formed.

The sub-category with the highest non-compliance rate (8%) in this cluster was Interference and Discrimination, with 31 factories being non-compliant. Issues in factories related to union leaders having management positions, factories controlling union financial management, factories paying unions, unions accepting these payments and also illegal dismissal of union leaders.

In both categories, problems are linked to deeper root causes including management controlling unions, rivalry between unions for membership and/or inadequate worker representation from unions.

The non-compliance rate of other categories such as Collective Bargaining (CBA), Strikes, and Union Operations did not exceed 4%.

For more detail, see In Focus Tables 5 and 6 below.

In Focus 5: Freedom to Associate

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Can the union(s) freely form and join federations and confederations of their choice?	0	0.0%
Can workers freely form and join a union?	20	5.2%
Does the employer require workers to join a union?	9	2.4%

In Focus 6: Interference and Discrimination

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Does the employer interfere with workers or unions when they draw up their constitutions and rules, hold elections, or organize their activities, administration or finances?	11	2.9%
Does the employer provide incentives to workers to keep them from joining a union or engaging in union activities?	1	0.2%
Has the employer taken steps to bring the union(s) under its control?	11	2.9%
Has the employer terminated a union official without getting permission from the ministry?	6	1.6%
Has the employer terminated any worker or not renewed their contract due to the worker's union membership or activities?	6	1.6%

2. Working Conditions

E. Compensation

The cluster around compensation measures compliance with respect to national legislation on wages, pay, information on compensation and benefits.

The highest non-compliance rate was recorded for Paid Leave and for Social Security and Other Benefits, both with non-compliance rates of 52%. Non-compliance for Paid Leave was cited at a high rate due to employers not correctly providing paid sick leave as required by law, or in other instances refusing to accept certificates from private clinics when a worker missed a day as a result of an illness. Additionally, the employer often did not inform or provide female workers with one hour of paid time off per day for breast-feeding. With respect to correct payment for maternity leave, the law requires employers to pay workers who have worked for one year and who are on maternity leave half of their average monthly earnings during the 12 months preceding the maternity leave (including OT pay and bonuses). The issues around correct payment of maternity leave include issues with the calculation of the correct amount (either not based on an average of average monthly earnings, or not taking the average of the last 12 months), or the moment of payment (required to be before or during maternity leave, however, some factories provided this upon return from maternity leave). Non-compliance levels on other areas such as paying workers correctly special leave, suspension of work, annual leave or public holidays are much lower, see for the details In Focus table 7 below.

In Focus 7: Paid Leave

Question	# of factories out of compliance	% of factories out of compliance
Does the employer pay workers correctly during special leave?	27	7.1%
Does the employer pay workers correctly during suspensions of work?	12	3.2%
Does the employer pay workers correctly for annual leave?	28	7.3%
Does the employer pay workers correctly for maternity leave?	65	17.1%
Does the employer pay workers correctly for paid public holidays?	3	0.8%
Does the employer provide paid sick leave as required by the factory's Internal Regulations, or if there are no Internal Regulations, according to the Ministry's practice?	101	26.5%
Does the employer provide workers one hour of paid time off per day for breast-feeding?	99	25.9%

For Social Security and Other Benefits, the highest cause of non-compliance were discrepancies in the rate at which an attendance bonus was paid to workers who started after the 1st of the month, which was an issue in 32% of the factories examined. According to the law, workers should be paid a \$10 attendance bonus if they show up regularly for work on required work days. It was noted that when workers started after the 1st of the month, employers often did not pay the proportional amount of the attendance bonus that was due according to the factories internal regulations. The calculation of the attendance bonus when workers took sick leave and special leave was a source of non-compliance, with 16% and 14% of factories having been found non-compliant in these areas, respectively. On other areas, such as correct payment of mandatory wage supplements and employers contribution to the National Social Security Fund, non-compliance levels were much lower (respectively 7% and 1.5%). See more detail in In focus table 8 below.

In Focus 8: Social Security and Other Benefits

Question	# of factories out of compliance	% of factories out of compliance
Does the employer pay all workers the correct mandatory wage supplements (including transportation and housing allowances)?	28	7.3%
Does the employer pay all workers who work regularly the correct attendance bonus when workers take annual leave?	53	13.9%
Does the employer pay all workers who work regularly the correct attendance bonus when workers take sick leave?	60	15.8%
Does the employer pay all workers who work regularly the correct attendance bonus when workers take special leave?	53	13.9%

Does the employer pay the correct attendance bonus to all new workers who start after the first of the month and to casual workers who work regularly?	122	32.0%
Does the employer pay the required employer contribution to the National Social Security Fund?	6	1.6%
Does the employer pay workers their wages for the first day they miss work due to work-related accidents or illnesses?	14	3.7%

With respect to Wage information, use and deduction, the area of highest non-compliance is related to employers not having only one accurate payroll record (12%). Employers keep separate payrolls to record (excessive) overtime and/or work on public holidays or Sundays. This is a frequent issue in garment producing factories in the world. No non-compliance was found with respect to employers restricting workers' freedom to use their wages as they choose. See In Focus table 9 in Annex A.

Data on Minimum Wage payments reveals that Non Compliance levels on payment of minimum wage for regular workers and ordinary hours of work are low (respectively 0.1% and 2.6%). Most non-compliance findings related to piece rate level set too high (28.5%) meaning that in the factories that had piece rate, it was set at such a level that less than 75% of the piece rate workers could produce an amount that was equivalent to the minimum wage.

In Focus 10: Minimum Wages/Piece Rate Wages

Question	# of factories out of compliance	% of factories out of compliance
Does the employer pay at least minimum wage for all types of workers other than regular workers?	10	2.6%
Does the employer pay regular workers at least minimum wage for ordinary hours of work?	4	1.1%
Is the piece rate set at a level that permits workers of average ability working normal hours to earn minimum wage?	109	28.6%

With respect to payments made for overtime, the most frequent area of non-compliance is related to employers not paying the correct meal allowance or a free meal during overtime (19%). According to the labour law, workers should be paid at least 2,000 Riel as a meal allowance when they work overtime, including Sunday. Some employers paid less than 2,000 Riel and/or did not provide the lunch allowance on Sunday. Non-compliance levels with respect to payment of normal overtime, payment for work on public holidays, weekly rest days or payment during night shifts were lower (respectively 8.6%, 3.9%, 8.6% and 2.9%). See In Focus Table 11 in Annex A.

F. Contracts and Human Resources

The cluster around Contracts and Human Resources measures compliance with respect to national legislation on Contracting Procedures, Dialogue, Discipline and Disputes, Employment Contracts and Termination.

With respect to contracting procedures, most non-compliance was found on the two-year limit on the use of fixed term contracts (28%)¹¹. A total of 12.8% of the factories did not maintain workers' original starting dates with repeated fixed duration contracts (FDCs) within and beyond the two year limit and as a result, workers' did not receive all their entitlements. See for details In Focus table 12 below.

¹¹ It should be noted that in addition to these factories, there is a group of factories that has agreements with workers (representatives) on the use of FDC beyond two years. BFC is currently reviewing these practices in light of its assessments and changes to the systems.

In Focus 12: Contracting Procedures

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Does the employer comply with the two-year limit on the use of fixed term contracts?	106	27.8%
Does the employer include the entire period of continuous employment when determining workers' entitlements to maternity leave, attendance bonus, seniority bonus, and/or annual leave?	49	12.9%
Does the recruitment process for migrant workers comply with legal requirements?	1	0.2%

For Dialogue, Discipline and Disputes, BFC found that over 93% of the factories examined did not fully comply with rules and requirements regarding shop stewards in the factories. It should be noted that this question changed substantially when BFC aligned with the Better Work methodology: The new questions combine questions of the previous compliance assessment tool [consulting with worker representatives before organizing shop stewards, allowing representative unions (if any) to nominate candidates, allowing workers to submit their names as candidates (if no union exists), holding elections during working hours, conducting election by secret ballots, and shop stewards should be provided two-paid hours per week to perform their tasks, a meeting room, office supplies, a place to display information, and a copy of the labour law if requested]. The question as it is reported on now does not necessarily reflect a deterioration of factory level practices.

Additionally, it was found that in 12% of the factories examined workers had been bullied, harassed, or subjected to humiliating treatment, largely in the form of shouting, inappropriate language and/or disrespectful behaviour of line supervisors towards workers. Many supervisors get into the job without any appropriate training. This, in combination with high volume orders, last minute changes to orders and cultural differences with top management, can lead to this type of behaviour. As part of a Better Work Global initiative, BFC is putting emphasis on supervisory training to factories. During the reporting period, BFC organised 10 courses for supervisory training, in which 209 participants from 49 factories participated. Initial findings from an independent impact assessment carried out by Tufts University show very strong positive impact of the training on supervisors' levels of confidence, attitude towards workers and workplace relations and increase of productivity. As such, BFC will continue to push out this training to factories.

In Focus 13: Dialogue, Discipline and Disputes

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Does the employer comply with requirements regarding shop stewards?	355	93.2%
Has the employer complied with arbitration¹² awards?	13	3.4%
Has the employer complied with final conciliation agreements?	16	4.2%
Have any workers been bullied, harassed, or subjected to humiliating treatment?	45	11.8%

In the **Employment Contracts** sub-category, the most common non-compliance issues pertained to management not adequately explaining the terms of a contract to workers (33%). For 23% of the factories, the employment contracts did not comply with the Cambodian labour law and/or internal regulations. Factories differ on which clauses of the employment contracts do not comply with the Cambodian labour law. In those cases where employment contracts did not comply with legal requirements, BFC staff verified if in practice factory management was implementing these non-legal clauses. Those cases have been reported on in the relevant sections of the report. For more details on employment contracts, see In Focus

¹² This refers to the binding agreements

table 14 in Annex A.

Under the **Termination** sub-category, the most prevalent source of non-compliance was because terminated workers did not receive all outstanding wages within 48 hours. This was due to many factories having a set monthly pay date which often fell past the 48 hour time limit to pay terminated workers. Another area of relatively high non-compliance was related to employers not correctly compensating workers for unused annual leave (41%) or severance pay (28%). In the latter case, where factories were not in compliance, it was mainly due to management not paying (all) severance pay to casual or probationary workers. Non-compliance levels with respect to meeting legal requirements with respect to suspension of work or having a valid reason for terminating contracts are lower (10% non-compliance for both). For more details on the Termination, see In Focus table 15 in Annex A.

G. Occupational Safety and Health

Occupational Safety and Health (OSH) is a large cluster which includes compliance points related to i) Chemicals and Hazardous substances, ii) Emergency Preparedness, iii) Health Services and First Aid and iv) OSH Management Systems v) Welfare facilities, vi) Worker Protection and vii) Working Environment. Many areas related to OSH continue to be a challenge for garment factories and are often the result of a lack of proper policies, procedures and division of roles and responsibilities on OSH.

As can be learned from the graph 2: ‘average non-compliance rate’, some of the OSH compliance points have high non-compliance rates, as is seen in many garment factories in the world. This is due to a range of reasons. Firstly, some of the compliance points contain many questions (up to 20). A factory needs to be in compliance with each questions to get a compliance rate at the compliance point level. For instance the compliance point on worker protection is a large area with 22 questions and non-compliance of 89%. There is a range of areas that have very low non-compliance levels (between 0 %– 5%) such as availability of appropriate safety warnings, workers being trained on the use of protective material and machines, provision of dusk masks etc. Other areas though have around 50% of the factories out of compliance. These include questions related to provision of protective equipment and ergonomic requirements (mostly related to provision of chairs to workers to sit on occasionally).

Then there are several OSH compliance points that contain questions which are very hard to meet for factories. For example, the Health Services and First Aid compliance point with a non-compliance rate of 96% has several questions related to legal requirements where factories have been struggling with. One of them is the requirement for workers to do a medical examination at the ministry of labour before they start work. Very often workers do the medical examination after they are hired since there is only one place where they can get the medical examination done in time. In addition, factories are required to set up a separate HIV/AIDS committee. While some factories do have one in place, it is not meeting (regularly).

Another example is the Working Environment compliance point with 96% non-compliance. This is almost entirely due to the fact that factories face difficulties meeting the legal requirements relate to light, which is seen as set too high to be practical. In this compliance point ventilation and temperature are also have relatively high non-compliance levels. Although there are examples of factories that have invested in improved lighting and better ventilation that are in BFC’s advisory services, factories out of compliance will need to invest considerably in this area.

Then there are examples that point to an overall lack of proper management systems in the factory to ensure good and consistent practises on OSH. An example is compliance point around emergency preparedness which has 59% of non-compliance. For factory to be well prepared for emergencies, it rather needs clear work-processes and procedures to be in place and followed up on than making big investments. Much of BFC’s advisory services is focussing on supporting advisory factories to take a good

look at the root causes of these types of issues and then develop policies and procedures to tackle non-compliance issues in a more systemic way.

Below, each of the compliance points are discussed in more detail.

The majority of the non-compliance issues for **Chemicals and Hazardous Substances** were related to improper exposure of workers to chemical substances and incorrect labeling or storage of those substances in the workplace. For example, in 184 factories, or almost 50% of factories, it was noted that chemical and hazardous substances were not properly labelled, this was often due to no label being present in Khmer language. See for more detail, In Focus table 16 in Annex A

Emergency preparedness is key to prevent or limit casualties in case of emergencies, such as fire or collapse. Routes not being clear of obstruction in case of an emergency was the leading cause of non-compliance for emergency preparedness with 166 factories found in non-compliance. In those 166 factories, one or more sections were being blocked by unfinished products or debris, making it more difficult for workers to escape in case of an emergency. Additionally, 109 factories did not conduct emergency drills every 6 months, as required by law. Most factories have a fire detection and alarm system in place, with the fire-fighting equipment within easy reach and sufficient workers trained to use this equipment (respectively less than 10%).

In Focus 17: Emergency Preparedness

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Are escape routes free of obstruction?	166	43.5%
Does the employer conduct periodic emergency drills?	109	28.6%
Does the workplace have a fire detection and alarm system?	14	3.6%
Does the workplace have adequate fire-fighting equipment and within easy reach of workers?	33	8.6%
Has the employer trained an appropriate number of workers to use the fire-fighting equipment?	36	9.4%

For the **Health Services and First Aid** sub-category, the highest cause of non-compliance was factories not having a functioning HIV/AIDs committee. It should be noted that in over half of the 317 factories with non-compliance that were found in non-compliance there was an HIV/AIDs committee established but it was not meeting regularly nor did it meet the requirements to be considered functioning. Additionally, 300 factories did not meet the many necessary requirements surrounding having an adequately equipped and staffed infirmary. In addition to a lack of supplies, one of the most common issues was the lack of adequate presence of nurses and doctors outside of regular working hours. See for more details In Focus table 18 on Health Services and First Aid in Annex A.

With respect to **OSH Management Systems**, non-compliance levels range from 23.5% for factories not having a written OSH policy, to 54% for factories not having bipartite cooperation on OSH matters. This signals that there is still a high need to work with factories on developing their policies, procedures and responsibilities with respect to managing their OSH issues at the workplace. This is one of the reasons why Better Work and BFC have been putting more emphasis on working with factories in advisory on the development of management systems for OSH and other areas with high levels of non-compliance due to lack of systems questions. See for more detail In Focus Table 19 in Annex A.

For the **Welfare facilities** sub-category, BFC found that 73% of the factories did not meet all the requirements to have a functioning and accessible nursing room and a functioning day care centre. A substantial amount of these factories did provide child care allowance to female workers with children between 18 – 36 months. According to legal requirements, workplaces with more than 100 women

workers, should provide a nursing room for mothers to breastfeed their babies. The employer also should set up a day care centre at or near the workplace.

Non-compliance was found for not providing cups or other sanitary means for drinking water in 59% of the factories, this was due to either going long periods of times without providing cups/bottles or requiring workers to bring their own cups/bottles. Non-compliance level with respect to workers providing enough free safe drinking water is relatively low with 11% factories not in compliance. See for details In Focus table 20 in Annex A.

In the **Worker Protection** cluster, the most common issues remain that factories do not comply with all ergonomic requirements. This was largely due to factories not providing chairs to standing workers to rest on occasionally and factories not providing all the proper personal protective equipment to workers such as metal gloves and/or dust masks (both 59%). See for more details In Focus table 21 in Annex A.

The biggest non-compliance areas in the **Working Environment** compliance point relate to adequate lighting, temperature and acceptable noise levels in the workplace. Over 50% of factories did not comply with one or more of these areas in at least a portion of the workplace when levels were measured during factory visits.

In Focus 22: Working Environment

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Are noise levels acceptable?	202	53.0%
Are the temperature and ventilation acceptable?	263	69.0%
Is the workplace adequately lit?	334	87.6%

From this section, it is clear that many legal requirements with respect to OSH remain a challenge in many factories. BFC has designed a training for factories that need improvements. This training will be rolled out next year and, in collaboration with GMAC, target those factories that face most non-compliance on the issues. In addition, more emphasis in advisory services on the design of (OSH) systems will provide factories the opportunity to find long term solutions for the OSH challenges that they are currently facing in the workplace.

H. Working Time

The Working Time clusters measures compliance on legal requirements related to Leave, Overtime and Regular Hours.

The highest rate of non-compliance for the Working Time cluster were in the overtime sub-category **Leave**, mostly related to the legal requirement to provide time off for breast feeding (25%). The most common issue was that newly recruited workers with babies were not provided with one hour of paid time off per a day for breast-feeding. In some factories workers were not informed of their right for paid time off for breast feeding and were not given time off. Non-compliance around other Leave related legal requirements, such as annual leave and special leave are relative low as can be learned from In Focus Table 23 below.

In Focus 23: Leave

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Does the employer give workers at least 18 days of annual leave per year and an extra day of annual leave for every three years of service?	34	8.9%

Does the employer give workers up to 7 days of time off for special leave per year?	24	6.3%
Does the employer provide workers at least 90 days of maternity leave?	8	2.1%
Does the employer provide workers up to six months of time off for sick leave for an illness certified by a qualified doctor?	7	1.8%
Does the employer provide workers with paid time off for breast-feeding during working hours as required by law?	100	26.2%

In 66% of factories in the **Overtime** sub-category, overtime work was found to exceed more than two hours per a day. This remains a challenging area in the global garment sector as excessive overtime is related to issues such as to production demands such as a rush shipment date as well as lack of proper production planning. Additionally, in 38% of the factories the employer failed to get permission from the Labour Inspector before suspending weekly rest days. Many factories noted for non-compliance on this issue had either been granted previous permission that had expired or were in the process of obtaining permission for Sunday work. See also In Focus table 24.

In Focus 24: Overtime

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Does the employer get permission from the Labor Inspector before suspending weekly rest days?	144	37.8%
Does the employer get permission from the Labour Inspector before workers work overtime?	58	15.2%
Is overtime voluntary?	32	8.4%
Is overtime work limited to two hours per day?	252	66.1%

In the final sub-cluster, around **Regular Hours**, non-compliance levels are relatively low as can be learned from In Focus table 25.

In Focus 25: Regular Hours

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Do regular daily or weekly working hours exceed the legal limit?	3	0.8%
Do regular daily working hours exceed 8 hours per day?	1	0.2%
Do the working time records reflect the hours actually worked?	34	8.9%
Does the employer give workers at least 24 consecutive hours off per week?	1	0.2%

Section III: Changes in Compliance

Methodology

BFC's compliance data covering 2001 – April 2015, is part of the IMS (Information Management System) under which BFC reported until April 2015. BFC's compliance data as of May 2015 is included in the STAR data base. Since these two databases have not been linked yet, this synthesis report does not provide a full overview in changes on compliance over time.

However, this section does provide historical data with respect to some key sections, as presented below.

Top non-compliance issues

Table 7 presents the top ten non-compliance issues during the current reporting period. Some of these issues were also in the top ten non-compliance during the previous synthesis report and are persistent issues across the industry. A number of compliance points are combined together, for instance, legal requirements regarding shop stewards, (for a more detailed explanation, see section F Contracts and Human Resources under Chapter I). With the change from IMS to STAR Reporting, a question regarding "Having a Functioning HIV/AIDS Committee" is added to the assessment checklist. This relates to the legal requirement for factories with more than 50 workers, to consult and set up an HIV/AIDS Committee between the employer and the union(s) (or shop stewards if there is no union).

Table 7: Top ten non-compliance comparison between 32nd and 33rd synthesis report

	33 Synth Report	32 Synth Report
Comply with requirements regarding shop stewards	93%	N/A
Ensure that workplace is well lit	87%	92%
Having a functioning HIV/AIDS Committee ¹³	83%	N/A
Ensure that workers undergo a medical examination before being employed	76%	82%
Increase the staffing in the infirmary by ensuring that medical staff are on duty during the required number of hours (including OT)	78%	76%
Ensure that OT does not exceed 2 hours per day	66%	76%
Take the following steps to ensure workers' OHS: forming of a functioning joint management/worker OSH committee	54%	72%
Acceptable heat levels in the workplace	69%	69%
Provide cups or other sanitary means for drinking water	59%	67%
Provide workers who work standing up chairs near the workstation to rest on	59%	62%

Summary of areas with low non-compliance

The table below presents a summary of questions with non-compliance rates that are less than 3% in the factories covered in this report. These are areas that BFC, in general, believes have been recognised and

¹³ This non-compliance figure includes factories that have an HIV/AIDS committee set up, which in practice is not functioning.

addressed by the overwhelming majority of factories and management systems have been implemented that ensure compliance and adherence with the Cambodian Labour Law.

Table 8: Summary of High Compliance Points

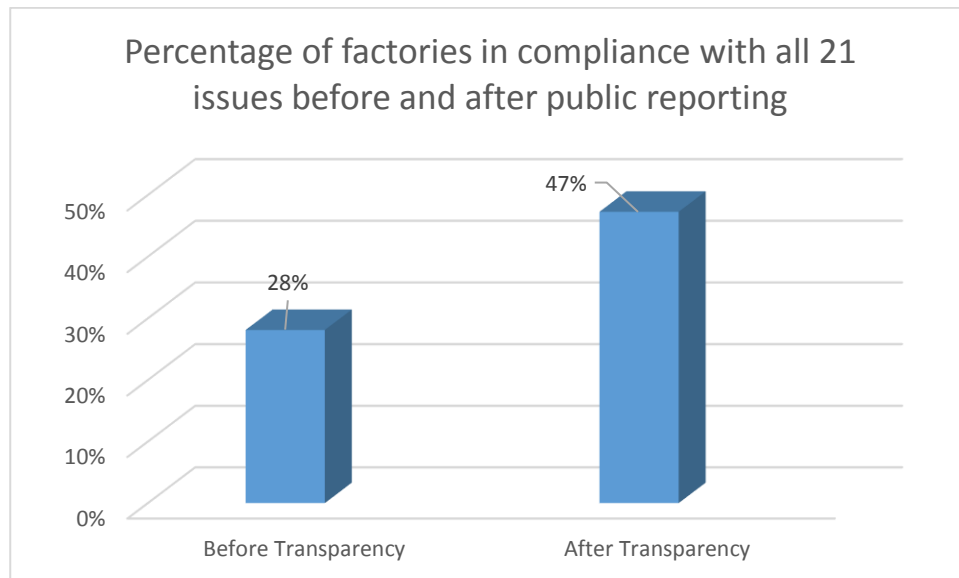
<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Are workers paid on time, twice per month, or as otherwise agreed by worker representatives?	3	0.7%
Are piece-rate workers paid correctly for ordinary hours of work?	3	0.7%
Does the employer pay at least minimum wage for all types of workers other than regular workers?	10	2.6%
Does the employer pay all workers 1,000 Riels for a meal or give them a reasonable free meal when they work overtime?	1	0.2%
Does the employer pay the required employer contribution to the National Social Security Fund?	6	1.6%
Does the employer pay workers the correct attendance bonus?	1	0.2%
Does the employer restrict workers' freedom to use their wages as they choose?	0	0.0%
Do workers have to pay anyone to get a job?	2	0.5%
Does the recruitment process for migrant workers comply with legal requirements?	1	0.2%
Are disciplinary measures proportional to the seriousness of workers' misconduct?	1	0.2%
Did the employer resolve grievances and disputes in compliance with legal requirements?	6	1.6%
Does the employer provide workers proper notice, and an opportunity to defend themselves before they are terminated based on their conduct or performance?	9	2.3%
Is gender a factor in decisions regarding pay?	0	0.0%
Are flammable materials safely stored?	8	2.1%
Are there enough emergency exits?	4	1.0%
Does the employer address safety and health risks to pregnant workers or workers are nursing?	0	0.0%
Are appropriate safety warnings posted in the workplace?	8	2.1%
Does the employer provide workers at least 90 days of maternity leave?	8	2.1%
Does the employer comply with requirements regarding suspension of weekly rest?	1	0.2%
Do regular daily working hours exceed 8 hours per day?	1	0.2%

Public reporting

BFC has continued its public reporting initiative, which was reintroduced in 2014 as part of a strategy to accelerate industry progress by disclosing factory compliance with key legal requirements. BFC's public reporting database covers 419 factories – approximately 74% of the garment factories in Cambodia that have export permits. Between May 2015 and April 2016, BFC has produced 2 aggregate Transparency reports (Cycles 5 and 6).

Evidence from the past year suggests that public reporting continues to be a crucial trigger of change. Data before and after public reporting for the factories covered in Transparency Cycles 5 and 6, show a noticeable increase in the number of factories in compliance with all publicly reported issues, from 28% to 47%.

Graph 3: % of factories in compliance with all critical issues before and after public reporting



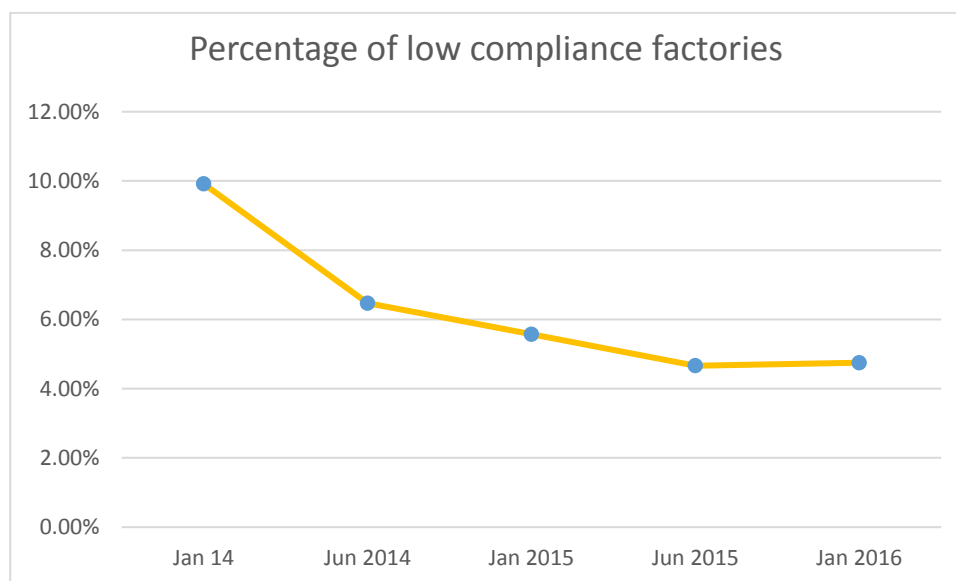
The data also indicates important improvements in compliance rates in several areas linked to public reporting, such as compliance with the requirements of holding regular evacuation drills (+13%), unlocked emergency exit doors (+ 10%), no discrimination against workers (+6%), bonuses, allowance and leave counting the whole employment period (+6%), no un-remediated child labour (+4%), correct payment of overtime wages (+ 4%).

The contribution of public reporting as a driver of change can also be seen in relation to low compliance factories.¹⁴ Since the early stages of public reporting, the percentage of factories in the low compliance group have been decreasing from 9.9% in January 2014 of the factories to 4.7% in January 2016.

With respect to the data related to strikes, 99% of the strikes did not comply with at least one or more legal requirements. The remaining 1% relates to a strike where there is not enough information to determine whether the strike was in compliance or not. It should be noted that 93% of the strikes were organised for reasons permitted by the law. There has been no change with respect to this data since the start of public reporting.

¹⁴ These are factories which have the lowest compliance levels against 52 legal requirements, i.e. falling two standard deviations below the mean for compliance.

Graph 4: % of low compliance factories over time



Based on the practices on transparent reporting for the Cambodian Garment Sector as done by Better Factories Cambodia, other countries with a Better Work Programme are now also preparing for publicly reporting, including Vietnam, Indonesia and Bangladesh. There are some slight changes between BFC and the other programmes (mostly related to the topics covered in the critical issues list) and to the extent feasible, the two different lists will be aligned in the near future.

While some important progress is evident, as the table in annex B shows, public reporting has not impacted all publicly reported issues. Continued attention and efforts are needed to address persistent challenges.

Other areas of changes in compliance

This report also tracks changes in compliance on an additional 25 key issues over the last five reporting cycles¹⁵.

Table 9: Changes in compliance selected working conditions (last five reporting cycles)

Legal Requirement	Percentage of factories in non-compliance				
	SR33	SR32	SR31	SR30	SR29
Payment for maternity leave	17%	18%	24%	25%	23%
Overtime limited to 2 hours per day	66%	76%	82%	85%	88%
Only one payroll ledger that accurately reflects wages paid to workers	33%	33%	40%	48%	45%
Payment of \$10 attendance bonus when workers take annual leave	14%	25%	34%	37%	42%
Sufficient soap and water available near the toilets	39%	47%	54%	53%	52%
Written health and safety policy in Khmer	24%	27%	31%	32%	36%
Heat levels in the factory	69%	69%	65%	73%	68%

¹⁵ The green columns are those working conditions that demonstrate improvements in compliance compared to the previous synthesis report. The orange columns demonstrate decreases in compliance compared to the previous synthesis report. The white columns don't show any changes between the current and the last report.

Minimum wage for regular workers	1%	3%	2%	3%	3%
Minimum wage for probationary and casual workers ¹⁶	3%	2%	2%	8%	8%
Minimum wage for piece-rate workers	1%	2%	8%	9%	5%
Correct OT rate for regular workers and piece-rate workers ¹⁷	8%	2%	3%	3%	3%
Eighteen (18) days of annual leave	9%	5%	5%	4%	5%
Paid sick leave ¹⁸	27%	24%	27%	24%	32%
Voluntary overtime	8%	13%	14%	14%	11%
Provision of personal protective equipment	58%	47%	51%	59%	52%
Guards properly installed and maintained on sewing machines and dangerous moving parts of machines and equipment ¹⁹	26%	25%	38%	36%	42%
At least 24 consecutive hours off per week	1%	1%	1%	0%	5%
Weekly time off on Sunday	2%	2%	3%	6%	1%
Factory works on Sundays	80%	87%	86%	89%	80%
Not unreasonably restricting workers from taking sick leave	8%	7%	11%	7%	11%
Health and safety policy written in Khmer	28%	31%	32%	36%	38%
Safety and health information in Khmer posted in the workplace	3%	8%	8%	8%	5%
First-aid boxes in the workplace	26%	43%	39%	41%	28%
No payment to get a job	1%	1%	1%	2%	1%

¹⁶ In STAR reporting assessment checklist, the payment for two categories of workers (Probationary Workers, Casual Workers, and Sub-Contractors if they work in the factory premise) is combined into only one question: 'Does the employer pay at least minimum wage for all types of workers other regular workers?'

¹⁷ The two IMS questions on payment of correct OT for regular workers and piece-rate workers are combined into one question only: 'Does the employer pay workers 150% of their normal wage for all ordinary overtime hours worked?' All workers should be paid 150% of their normal pay for overtime work performed on a normal workday before 22:00. Piece-rate workers who earn more than minimum wage should be paid 150% of their average hourly piece-rate earnings.

¹⁸ Paid sick leave here refers to the payment for sick leave according to this question: 'Does the employer provide paid sick leave as required by the factory's Internal Regulations, or if there are no Internal Regulations, according to the Ministry's practice?' that requires the employer to provide paid sick leave as required by the Internal Regulations. If there are no Internal Regulations, paid sick leave should be provided in accordance with Labour Ministry practice (100% pay for the first month; 60% pay for the second month; 40% pay for the third month; and no pay for months 4-6). The time given for sick leave is covered by another question: 'Does the employer provide workers up to six months of time off for sick leave for an illness certified by a qualified doctor?' This question relates whether workers get up to 6 months of sick leave for an illness certified by a qualified doctor.

¹⁹ BFC combined two IMS questions needle guards and proper guards for dangerous moving parts of machines together into one question: 'Are guards properly installed and maintained on all dangerous moving parts of machines and equipment?'. This requires employer to ensure that proper guards are installed and maintained on potentially dangerous parts of machines and equipment.

Section IV: Conclusions

Better Factories Cambodia 33rd Compliance Synthesis Report is the first report that presents industry wide compliance data after BFC's full alignment with the Better Work methodology. Although full historic trends are not available yet since the two databases have not been fully linked, there are no clear indications that big changes with respect to data in last year's report have taken place.

More work is still necessary, especially around areas concerning freedom of association, legal provisions around contract, such as the 2 year limit to use of FDC, overtime and many of the OSH related legal requirements.

Many of these challenges that need further improvement are a result of the Cambodia's demanding environment around Industrial Relations, pressure in the global supply chain to meet production targets and a lack of management systems (policies, procedures, roles and responsibilities).

In its new strategy, Better Factories Cambodia has designed specific interventions to help factories and workers deal with these challenges. This includes more emphasis to address the IR challenges through training and advisory services, a specific focus on helping factories to find sustainable solutions by designing effective management systems, targeted training on some of the biggest areas of non-compliance on OSH and bringing factories together in larger industry seminars to create a learning platform for factories where they can engage with another and share their experiences on challenges and methods for factory improvements

Despite the fact that there are still many issues that need to be improved, evidence in the previous synthesis report demonstrates that significant improvements have been made with respect to compliance levels in the Cambodian garment industry since the start of BFC. In collaboration with its tripartite constituents, international buyers and its institutional partners the ILO and the IFC, BFC will continue to focus its effort on increasing compliance levels through providing independent monitoring and increasing factory level support to improvements in working conditions at the factory level.

A key feature of BFC's 2016 – 2018 strategy is work closer engagement with industry players. This collaboration is vital for driving sector wide improvements. Each of the industry players have concrete responsibilities for making sector wide improvements happen and much of BFC's strategy is designed to support those efforts. For example:

- The Royal Government of Cambodia can make effective use of numerous enforcement mechanisms to uphold the provisions in the labour law, especially in factories with low compliance.
- GMAC can foster a culture of compliance among their members. The collaboration with BFC on child labour investigation and remediation is a clear example of how GMAC is actively supporting a key compliance area. Similar initiatives on other important compliance areas could be considered to make factories better and more productive workplaces.
- Trade Unions should strengthen their understanding of and commitment to the responsibilities of unions— including following strike procedures. Unions are in a position to use the data in this report as well as the information available through transparent reporting to engage management and/or employer organizations in dialogue and collective bargaining to find constructive solutions to factory- and industry-level problems.
- International buyers sourcing from Cambodia wield considerable influence in the factories in which they source. Their willingness to engage suppliers using this report and data from the project's Transparency database can help drive improvements in factories and thereby improve working conditions and the industry's reputation globally.

Annex A: Detailed in-focus tables

In Focus 9: Wage Information, Use and Deduction

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Does the employer properly inform workers about wage payments and deductions?	46	12.1%
Does the employer restrict workers' freedom to use their wages as they choose?	0	0.0%
Has the employer made any unauthorized deductions from wages?	77	20.2%
Does the employer keep only one accurate payroll record?	128	33.6%

In Focus 11: Overtime Wages

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Does the employer pay all workers correctly for work on public holidays?	15	3.9%
Does the employer pay all workers the correct meal allowance or give them a reasonable free meal when they work overtime?	74	19.4%
Does the employer pay workers 150% of their normal wage for all ordinary overtime hours worked?	33	8.6%
Does the employer pay workers double their normal wage for all hours worked on weekly rest days?	33	8.6%
Does the employer pay workers double their normal wage for all overtime hours worked at night?	11	2.8%

In Focus 14: Employment Contracts

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Do the employment contracts comply with Cambodian labour law and with the factory's internal regulations?	88	23.1%
Do the employment contracts specify the terms and conditions of employment?	10	2.6%
Do the internal regulations comply with legal requirements?	77	20.2%
Does management have a system to ensure that workers understand the terms and conditions of employment?	126	33.1%

In Focus 15: Termination

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Does the employer compensate workers for unused paid annual leave when they resign or are terminated?	158	41.5%
Does the employer comply with legal requirements before suspending workers or reducing the size of the workforce due to changes in operations?	40	10.5%
Does the employer only terminate workers for valid reasons?	23	6.0%
Does the employer pay all outstanding wages and indemnities within 48 hours of termination?	170	44.6%
Does the employer pay terminated workers the correct damages when required?	39	10.2%

Does the employer pay workers the correct severance pay?	106	27.8%
--	-----	-------

In Focus 16: Chemicals and Hazardous Substances

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Are chemicals and hazardous substances properly labelled?	184	48.3%
Does the employer have chemical safety data sheets for the hazardous chemicals used in the workplace?	141	37.0%
Does the employer keep an inventory of chemicals and hazardous substances used in the workplace?	116	30.4%
Does the employer provide adequate washing facilities and cleansing materials in the event of exposure to hazardous chemicals?	126	33.1%
Has the employer effectively trained workers who work with chemicals and hazardous substances?	153	40.1%
Has the employer prepared for response, control and cleaning of chemical spills?	48	12.6%
Has the employer taken action to prevent and limit workers' exposure to chemicals and hazardous substances?	163	42.7%

In Focus 18: Health Services and First Aid

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Does the workplace have a functioning HIV/AIDS Committee?	317	83.2%
Does the workplace have an adequately equipped and staffed infirmary?	300	78.7%
Has the employer ensured that there is a sufficient number of readily accessible first aid boxes/supplies in the workplace?	95	24.9%
Has the employer provided first-aid training for workers?	80	20.9%
Does the employer address safety and health risks to pregnant or nursing workers?	0	0.0%

In Focus 19: OSH Management Systems

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Does the employer have legally required construction/building permits?	103	27.0%
Does the employer record work-related accidents and illnesses and report them to the ministry?	113	29.6%
Does the factory have a written OSH policy?	90	23.6%
Has the employer developed mechanisms to ensure cooperation between workers and management on OSH matters?	206	54.1%
Has the employer performed an assessment of general occupational safety and health issues in the factory?	180	47.2%

In Focus 20: Welfare Facilities

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Does employer provide cups or other sanitary means for drinking water?	224	58.8%
Does the employer provide workers enough free safe drinking water?	42	11.0%

Does the workplace have a functioning and accessible nursing room, and a functioning day care centre at or near the workplace?	278	72.9%
Does the workplace have adequate accessible toilets?	136	35.7%
Does the workplace have adequate hand washing facilities and adequate soap?	148	38.8%

In Focus 21: Worker Protection

<i>Question</i>	<i># of factories out of compliance</i>	<i>% of factories out of compliance</i>
Are guards properly installed and maintained on all dangerous moving parts of machines and equipment?	98	25.7%
Does the employer comply with ergonomic requirements?	225	59.1%
Does the employer provide workers with all necessary personal protective clothing and equipment?	224	58.8%
Has the employer provided workers who work with chemical substances with proper clothing and personal protective equipment when necessary?	30	7.8%
Has the factory conducted an assessment of the potential hazards in the workplace?	177	46.4%

Annex B: Transparent reporting

Public reporting issues	Change in Compliance
Regular emergency evacuation drills (every 6 months)	13%
Emergency exit doors are unlocked during working hours	10%
No discrimination against workers	6%
Bonuses allowances leaves count entire employment period	6%
No unremediated child labour	4%
Correctly paid overtime wages	4%
No discrimination against workers based on union membership	3%
Correctly paid minimum wages	2%
No dismissal of pregnant workers	1%
Workers can join and form unions freely	1%
Emergency exit doors are sufficient	0%
No management interference with union	0%
No forced labour	0%
No dismissal of workers during maternity leave	0%
No sexual harassment	0%
Equal pay for men and women	0%
Job is not dependent on union membership	0%
No control of union by employer	-1%
Workers are free not to join a union	-2%
Water for drinking is clean and sufficient	-5%
Dangerous machine parts have safety guards (not needle guards)	-5%

Annex C: Factories in Better Factories Cambodia

Garment Factories List			
N°	Factory Name	N°	Factory Name
1	8 Star Sportswear Ltd.	41	Cambo Handsome Ltd.
2	A & J Carter (Cambodia) Ltd	42	Cambo Handsome Ltd. #1
3	ACCASETTE Garment Co., Ltd	43	Cambo Handsome Ltd. #2
4	Acro Garment Ind Corp	44	Cambo Handsome Ltd. #3
5	Agile Sweater (Cambodia) Co., Ltd	45	Cambo Hong Xing International Knitting Co., Ltd.
6	Akeentex Pte. Ltd.	46	Cambo Kotop Ltd # 1
7	Akeentex Pte. Ltd. - Branch No.1 (formerly owned by Kinma)	47	Cambo Kotop Ltd.
8	Alim (Cambodia) Co., Ltd.	48	Cambo T.D.G Co., Ltd
9	All Wintex Garment Manufacturing Corp Ltd	49	Cambo Unisoll Ltd
10	Alpha-FR International Co., Ltd	50	Cambodian Gateway Underwear Co., Ltd.
11	AMM Garment (Cambodia) Co.,Ltd.	51	Cambodian Pacific Home Fashion Co., Ltd
12	Anful Garments Factory (Cambodia) Ltd.	52	Cambodian Textiles Worldwide Phnom Penh Works Co., Ltd.
13	Anxing (Cambo) Garment Factory Limited	53	Camitex II (Cambodia) Mfg. Co., Ltd.
14	Apple Apparel (Cambodia) Co., Ltd	54	Camli Luck Enterprise Co., Ltd.
15	Apsara Garment Co., Ltd.	55	Canfull Apparel Industry Ltd (formerly Fullway (Cambodia) Garment Ltd. (formerly Cambodia Apparel))
16	Asia Dong Run Import Export Co., Ltd	56	Canteran Apparel (Cambodia) Co., Ltd.
17	ATTO (Cambodia) Co., Ltd	57	Cerie (Cambodia) Garment Co., Ltd
18	Aurora Apparel (Cambodia) Co.,Ltd.	58	Chea Sinat Garment Co., Ltd.
19	B.D (Cambodia) Sport Co., Ltd	59	Cheng Hao (Cambodia) Fashion Co., Ltd
20	Bayon Garment Factory Co., Ltd.	60	Chia Ho (Cambodia) Garment Industrial Co., Ltd
21	Benoh Apparel (Cambodia) Co., Ltd.	61	Choung Hao Garment Co., Ltd
22	Berry Apparel (Cambodia) Co., Ltd.	62	Chu Hsing Garment Co., Ltd.
23	Best Asia Fashion Garment Manufacturing Co., Ltd	63	Chuan Mei Sporting Goods (Cambodia) Co., Ltd.
24	Best Sources (Cambodia) Factory Ltd.	64	Chun Chao (Cambodia) Garment Co., Ltd
25	Bless Full Fashion (Cambodia) Ltd	65	Chun Hing Knitting International Co., Ltd.
26	Bloomsfield (Cambodia) Knitters Ltd	66	Chung Fai Knitwear and Dyeing Fty. Ltd.
27	Bloomtime Embroidery Pte Ltd.	67	Chung Yick Textile Factory Limited (formerly Full Fortune Knitting Ltd.)
28	Bodykids Fashion Wear Co., Ltd.	68	CIK Cambo Co., Ltd.
29	Bowker Garment Factory (Cambodia) Company Limited.	69	Cinkamp Apparel Corporation Co., Ltd.
30	Bright Sky Pte Ltd.	70	Cipel (Cambodia) Co., Ltd
31	Broadland Cambodia Garment Industries Co., Ltd. Branch 1	71	CMCW Cambodia Co., Ltd.
32	C Square Garment Finishing Co., Ltd.	72	Cocovol Apparel (Cambodia) Inc
33	Caitac & Wanlin Apparel Co., Ltd	73	Cocovol Apparel (Cambodia) Inc. (Branch 2)
34	Calacam Investment Co., Ltd.	74	Cocovol Apparel (Cambodia) Inc. (Branch 3)
35	Callisto Apparel (Cambodia) Co., Ltd	75	Colour Apparel Garment (Cambodia) Co., Ltd.
36	CAM A P I Medical Co., Ltd	76	Columbus Apparel (Cambodia) Inc.
37	Cam Forever Co., Ltd.	77	Copious (Cambodia) International Inc
38	Cam Taekang Sportech Co., Ltd.	78	Core World Garment Co., Ltd.

39	Cam Verna Fashion Co., Ltd.	79	Co-Seek Garment Co., Ltd
40	Cambo C-L Upper Garment Co., Ltd	80	Cosmo Textile Co., Ltd.
81	CPCG International Co., Ltd	131	Fong Yean (Cambodia) Garment Co., Ltd.
82	Crystal Martin (Cambodia) Limited (7NG)	132	Foot Forward (Cambodia) Socks Co., Ltd
83	Crystal Martin (Cambodia) Limited.	133	Footmark (Cambodia) Corporation
84	CS Goldway Textile (Cambodia) Co., Ltd	134	Ford Glory (Cambodia) Manufacturing Limited.
85	Cu Cu (Cambodia) International Co., Ltd	135	Foremart (Cambodia) Co., Ltd (formerly D & L Ultimate (Cambodia) Co., Ltd)
86	CWKH Garment (Cambodia) Limited	136	Fortune Fashions Limited
87	Dae Kwang Garment Co., Ltd.	137	Fortune Garment & Woolen Knitting Factory Ltd.
88	Dai Young Cambodia Co., Ltd.	138	Fortune Teo Garment Factory Limited
89	Dali Garment International (Cambodia) Limited	139	Fuling Computer Embroidery Co., Ltd
90	Daqian Textile (Cambodia) Co., Ltd.	140	Full Reach International Co., Ltd.
91	Dayup Global Co., Ltd.	141	Fuma Costume (Cambodia) Co., Limited.
92	Dequan International (Cambodia) Co., Ltd.	142	Fusuny Garment Co., Ltd
93	Deuck Woo (Cambodia) Co., Ltd.	143	FWKK (CAMBODIA) LIMITED
94	Dewhirst (Cambodia) Co., Ltd.	144	G H I Garments Cambodia Co., Ltd.
95	Diamond Tower enterprise Limited	145	G.T.A.M Garment M.F.G Co., Ltd
96	Dignity Knitter Limited (formerly River Rich Textile Ltd.)	146	Gang Glory (Cambodia) Garment Co., Ltd
97	Din Han Enterprise Co.,Ltd.	147	Gartha International Co., Ltd.
98	Dishang Huawei (Cambodia) Garments Co., Ltd	148	Gawon Apparel Co., Ltd. (formerly Bumin)
99	DK Inc	149	GDM Enterprise Branch No.1
100	Dong Kwang Global Co., Ltd	150	GDM Enterprise Co., Ltd.
101	Dongbu Summit (Cambodia) Co., Ltd.	151	G-Evergreen (Cambodia) Knitting Co., Ltd
102	Dongdu Textile (Cambodia) Co., Ltd.	152	Ghim Li (Cambodia) Pte, Ltd.
103	Dynasty Apparel (Cambodia) Company Limited.	153	Gin-Sovann Fashion (Cambodia) Limited
104	E Garment Co., Ltd.	154	Ginwin Industry (Cambodia) Co., Ltd (Branch 2)
105	E Garment II Co.,Ltd.	155	Ginwin Industry (Cambodia) Co., Ltd.
106	Eastern Industrial Enterprise Inc.	156	Gladpeer Garments Factory (Cambodia) Ltd.
107	Eastex Garment Co., Ltd.	157	Global Apparel Textile (Cambodia) Manufacturing Pte., Ltd
108	Eclat Highter International Garment (Cambodia) Co., Ltd. (formerly Highter)	158	Global Apparels Limited (Formerly Jusca Garments)
109	Eclat Textile (Cambodia) Co., Ltd	159	Glory Knitwear Ltd.
110	ECO Base Factory Ltd.	160	Gold Kamvimex Garment Factory Ltd.
111	EDA Enterprise Co., Ltd.	161	Golden Apparel (Cambodia) Ltd.
112	EINS (Cambodia) Co., Ltd.	162	Golden Harbor Garment (Cambodia) Limited
113	Elite (Cambodia) Co., Ltd	163	Golden Hing (Cambodia) Garment Manufacturing Ltd
114	Eminent Garment (Cambodia) Limited	164	Golden Mile (Cambodia) Ltd.
115	Ever Rising Garment Process Finishing Pte., Ltd. (formerly T & W Garment , Yung Wah Branch 3)	165	Golden Plus Textile & Garment Co., Ltd
116	Ever Well Knitting Co., Ltd	166	Golden Star Corporate Development (Cambodia) Co., Ltd
117	Everay Textile Garment (Cambodia) Co., Ltd.	167	Goldfame Enterprises Knitters Ltd.
118	Ever-Glory (Cambodia) Garment Manufacturing Co., Ltd	168	Goldfame Manufacturing Knitter Ltd.
119	Evergreen Apparel (Cambodia) Co., Ltd.	169	Goldfame Star Enterprises (Cambodia) Limited

120	Evergreen Garment Co., Ltd.
121	E-Z International Garment Factory Co., Ltd.
122	F.U.G Garment (Cambodia) Co., Ltd
123	F.Y. Cambodia Fashions Ltd.
124	Fairdon (Cambdia) Limited
125	Felicity Garment (Cambodia) Corporation Ltd
126	Feng Yi (Cambodia) Co., Ltd
127	First Gawon Apparel (Cambodia) Co., Ltd
128	Five Stars Cotton Garment (Cambodia) Limited
129	Five Stars Cotton Garment (Cambodia) Limited (Branch 1)
130	Flexitime (Cambodia) Apparel Limited.
181	Guo Xing Garments and Knitting Factory Co., Ltd.
182	Guowoo (Cambodia) Co., Ltd.
183	H & L Apparel (Cambodia) Corp.
184	H.R Grand Garment (Cambodia) Co., Ltd
185	H2 Garment Co., Ltd.
186	Hai Long Far East Development (Cambodia) Co., Ltd
187	Haitan Garment (Cambodia) Co., Ltd.
188	Hamon Grand International Co., Ltd.
189	Hana (Cambodia) I. Inc
190	Hana Cambodia Inc., Ltd.
191	Hand Seven Apparel Co., Ltd.
192	HC Heng Printing Co., Ltd
193	He Li Tuo Knitting Co., Ltd
194	Heart Enterprise (Cambodia) Co., Ltd.
195	Heng Shing (Cambodia) Garment Manufacturing
196	Heng Storia Textile Co., Ltd
197	Hirota (Cambodia) Garment Co., Ltd
198	Hi-Synergy International Garments Co., Ltd
199	Hi-Tech Apparel (Cambodia) Co., Ltd
200	Hong Kong Winfair Garment (Cambodia) Ltd.
201	Hong Sen Textile (Cambodia) Co., Ltd.
202	Hongdou International Garment Co., Ltd.
203	Hongs One (Cambodia) Garment Co., Ltd.
204	Hontex Co., Ltd.
205	Horizon Outdoor (Cambodia) Co., Ltd
206	Hoyear (Cambodia) Garment Ltd.
207	Hugh Crown Manufacturing (Cambodia) Ltd
208	Hui Mei Silk Screen Print Co., Ltd
209	Hui Yuan Garment Co., Ltd

170	Good People (Cambodia) Ltd.
171	Grace Glory (Cambodia) Garment LTD
172	Graceful (Cambodia) Textiles Co., Ltd
173	Gracy Wise Textile Co., Ltd
174	Grand Textiles (Cambodias) Co., Ltd. (formerly Grandtex International Co., Ltd.)
175	Grand Twins International (Cambodia) Plc.
176	Grandy Crafts Co., Ltd.
177	Great Honour Textile Factory Limited (formerly Winner Knitting Factory Ltd.)
178	Great Union Garment Co., Ltd
179	Greentree Cam Garment Co., Ltd
180	Guang Hua.G.H Garment Co., Ltd
226	J S D Textile (Cambodia) Co.,Ltd.
227	J T H Textile (Cambodia) Inc. (Branch #1) (formerly United Apparel (Cambodia) Inc. #1, (formerly Lotus Textile Garment (Cambodia) Co., Ltd. (Branch 1))
228	J T H Textile (Cambodia) Inc.(formerly United Apparel (Cambodia) Inc. #3, (formerly Lotus Textile Garment (Cambodia) Co., Ltd. (Branch 3))
229	Jacqsintex Industries Cambodia Co., Ltd.
230	Janda(Cambodia) Garment MFG Co., Ltd
231	Japan Rocks.S.E.A (Phnom Penh) Co.,Ltd
232	Japana (Cambodia) Co., Ltd
233	JD & Toyoshima Co., Ltd
234	JD & Toyoshima Co., Ltd II
235	Jechiarng Industrial Co., Ltd
236	Jei Jom Enterprise Co., Ltd
237	Jie Wei (Cambodia) Garment Factory Ltd.
238	Jifa S. Ok Garment (Cambodia) Co., Ltd
239	Jin Yi Hua (Cambodia) Garment Company Limited
240	Jinmyung Garment Development Corp.
241	Jit Embroidery Limited
242	Jit Textiles Limited
243	Jiun Ye Garment (Cambodia) Co., Ltd.
244	JOC-J & W Garment (Cambodia) Co., Ltd
245	Juan Shi Garment Co., Ltd (formerly Chean Ping Garment)
246	Judy Mao Garment ind. Ltd.
247	JVYT Sports Co., Ltd
248	K.A.M. Garment Co., Ltd.
249	K-22 Knits Co., Ltd.
250	Kada Apparel Corp.
251	Kai Yue (Cambodia) Co., Ltd
252	Kairun Printing Co., Ltd
253	Kaneju (Cambodia) Co., Ltd
254	Kang Da Garment Co., Ltd

210	Hulu Garment Co., Ltd.
211	Hung Tak Garment Co., Ltd.
212	Hung Wah (Cambodia) Garment Manufacturing Ltd. (Branch 1)
213	Hung Wah (Cambodia) Garment Manufacturing Ltd. (Branch 2)
214	Hung Wah (Cambodia) Garment Manufacturing Ltd. (Branch 3)
215	Hyunwoocam Co., Ltd
216	I Apparel Ltd.
217	Iberasia Co., Ltd.
218	IK Apparel Co., Ltd
219	In Fong Garment Co., Ltd.
220	In Jae Garment Co., Ltd.
221	In Kyung Cambodia Co., Ltd.
222	Indochine Apparel (Cambodia) Ltd. (formerly Indochine Gawon (Cambodia) Ltd)
223	Inter Hopewell Garment Co., Ltd.
224	International Fashion Royal Co., Ltd.
225	Itaca Industry Limited
271	Kwei Yang (Cambodia) Co., Ltd.
272	Leader's Industrial Co., Ltd.
273	Lean Global Textile (Cambodia) Co., Ltd.
274	Lecien (Cambodia) Corporation
275	Leedar Knitting (Cambodia) Co., Ltd
276	Legend Garment (Cambodia) Ltd.
277	Lian Hao Garment (Cambodia) Co., Ltd
278	Lianfa (Cambodia) Garment Co., Ltd (formerly Kim Sheng Garment Co., Ltd.)
279	Lianfa Hengyu (Cambodia) Garment Co., Ltd
280	Lim Line International (Cambodia) Garment Co., Ltd.
281	Lin Wen Chih Sunstone Garment Enterprises Co., Ltd
282	Lin's Textile Co., Ltd.
283	Liu Tan International (Cambodia) Co.,Ltd
284	Lixing Knitting Factory Limited
285	Long Victory International (Cambodia)
286	Lu Thai (Cambodia) Co., Ltd
287	Lucida (Cambodia) Enterprise Co., Ltd
288	Lucky Ly Sunn Long Garment Co., Ltd
289	Lucky Sapphire Co., Ltd
290	M & V International Manufacturing Ltd. (Kampong Chhnang)
291	M & V International Manufacturing Ltd. (No. 1623)
292	M & V International Manufacturing Ltd. (No.754)
293	M.I.D.O.31 (Cambodia) Garment Co., Ltd

255	Kaotex Garment Co., Ltd
256	Kar Tat Computer Embroidery Sequin Fty
257	Kbal Koah Garment Co., Ltd.
258	Keme Garment (Cambodia) Co., Ltd.
259	Kennetex International Co., Ltd.
260	Keohwea International (Cambodia) Co., Ltd (formerly Chang Hill Cambodia Co., Ltd.)
261	Khu Pheap Garment Co., Ltd.
262	Kie & Kie World Co., Ltd.
263	Kimna Dry Process
264	Kin Tai Garment Co., Ltd.
265	King Fashion Garment Co., Ltd.
266	King First Industrial Co., Ltd. (Merged King First Industrial I & II)
267	King Way Enterprises (Cambodia) Co., Ltd
268	KJPT Best (Cambodia) (formerly Kavotex Cambodia)
269	KKN Apparel Co., Ltd.
270	K-Som Textile Co., Ltd.
319	ML Intimate Apparel (Cambodia) Ltd.
320	Moha Garments Co., Ltd. (Makalot branch 5)
321	Moon Apparel (Cambodia) Co., Ltd.
322	Moon Tai KJ (Cambodia) Co.,Ltd.
323	Morica Industry Co., Ltd
324	Morning Glory Garment Enterprise Co., Ltd (formerly South Bay Enterprise Co., Ltd.)
325	MT. Yeh's Garment (Cambodia) Co., Ltd
326	Naga Peace Corporation Limited
327	Nakatora (Cambodia) Co., Ltd
328	Nakayama (Cambodia) Co., Ltd
329	Nan Kuang Garment (Cambodia) Co., Ltd.
330	Nantai Garment Factory Cambodia Ltd. (formerly Moon Star)
331	Nasmi Industry Co., Ltd
332	Neo-Concept Fashion (Cambodia) Company Limited
333	New Archid Garment Factory Ltd.
334	New Ascent International Garments Limited
335	New Best Global Textile Co., Ltd
336	New Mingda (Cambodia) Co., Ltd.
337	New Orient Cambodia Co., Ltd.
338	New Rainbow (Cambodia) Co., Ltd.
339	New Sky Printing
340	New Wide (Cambodia) Garment Co., Ltd.
341	New Wish Industrial Co., Ltd.

294	Macox Manufacturing Co., Ltd
295	Magacorp (Cambodia) Limited
296	Makalot Garments (Cambodia) Co., Ltd.
297	Makalot Garments (Cambodia) Co., Ltd. (Branch 1)
298	Makalot Garments (Cambodia) Co., Ltd. (Branch 2)
299	Makalot Garments (Cambodia) Co., Ltd. (Branch 3)
300	Man Ou Garment Co., Ltd
301	Manhattan Textile and Garment Corp.
302	Mars Brothers Garment Manufacturing Co., Ltd
303	Mastertex Cam International Co., Ltd.
304	Mastex Incam (Cambodia) Co., Ltd. (formerly In Kyung 2 Cambodia Co., Ltd.)
305	Maurea Garment Corporation.
306	Max View Textiles (Cambodia) Co., Ltd.
307	Maxlin (Cambodia) Co., Ltd.
308	Medtecs (Cambodia) Corp. Ltd.
309	Meng leng Garment Factory Ltd.
310	Meng Tong Garment Manufactory Ltd.
311	Meng Yan Garment Manufacturing & Wet Processing Ltd.
312	Meridian Fashion (Cambodia) Limited
313	Meridian Industries Garment (Cambodia) Limited.
314	MEROSON (Cambodia) Co., Ltd.
315	Min Kuan Textile Co., Ltd.
316	Minmax Cambodia Co., Ltd
317	Mir Apparel World Co., Ltd
318	Mirae Apparel (Cambodia) Co., Ltd.
367	Quality Textiles Co., Ltd.
368	Quantum Apparel (Cambodia) Limited
369	Quantum Clothing (Cambodia) Ltd. (formerly New Island Clothing, Ltd.)
370	Quicksew (Cambodia) Co., Ltd.
371	Quint Major Industrial Co., Ltd.
372	Qun Ding Printing Co., Ltd
373	Reliable Source Industrial (Cambodia) Co., Ltd
374	Ricotex Industrial Co., Ltd
375	Ronchester Inc.
376	Roo Hsing Garment Co., Ltd (Branch No.1)
377	Roo Hsing Garment Co., Ltd.
378	Royal Crowntex International Inc.
379	Ruita Garment (Cambodia) Co., Ltd
380	S.A.C. Co., Ltd.
381	S.H. International Co., Ltd.
382	S.L.J (Cambodia) Apparel Manufacturing Co., Ltd

342	Nex-T Apparel (Cambodia) Co., Ltd.
343	Nextou Co., Ltd.
344	Nice Wear International Co., Ltd. (formerly P.Y. International Co., Ltd.)
345	Nissin Lotus Garment Co., Ltd.
346	Now Corp.
347	Nyan Kids (Cambodia) Ltd.
348	Olive Apparel (Cambodia) Co., Ltd
349	Onis Activewear Co., Ltd.
350	Orange Manufacturing (Khmer) Co., Ltd
351	Orient International Enterprise (Cambodia) Garment Co., Ltd
352	Pacific Apparel Co., Ltd
353	Pak Shun knitting Factory Ltd.
354	Pantessa Garment (Cambodia) Co., Ltd.
355	Papillion Textile (Cambodia) Co., Ltd.
356	Pattern International (Cambodia) Company Limited
357	Peace Glory (Cambodia) Manufacturing Co., Ltd
358	Pemir (Cambodia) Garment Co., Ltd.
359	Peninsula Apparel International Limited
360	Perfect Growth Private Co., Ltd
361	Perfecta (Cambodia) Garment Co., Ltd
362	Perform Well Holdings (Cambodia) Limited
363	Piang Shing Hong Enterprise Co., Ltd (formerly Sum Sum Enterprise Co., Ltd.)
364	Pilot Knit Sport Wear (Cambodia) Co., Ltd
365	Plory-Cam Knitting Limited
366	Propitious (Cambodia) Garment Ltd
414	Silverasia Manufacturing Co., Ltd
415	Sinoproud (Cambodia) Garments Co., Ltd
416	Siu Quinh Garment Ltd.
417	Six Plus Industry Co., Ltd.
418	Sky High (Cambodia) Co., Ltd. (Formerly Wonrex)
419	Sky Hill Apparel (Cambodia) Co., Ltd
420	Skyline Apparel Co., Ltd
421	Skytex Silk Screen Co., Ltd
422	SL (2) Garment Processing (Cambodia) Ltd
423	SL Garment Processing (Cambodia) Ltd.
424	Smart Pea Garment Ltd 1 (formerly Nyan Kids (Cambodia) Ltd. 1)
425	Smart Pea Garment Ltd.
426	Smart Shirts Enterprise (Cambodia) Limited
427	Smart Shirts Garments Manufacturing (Cambodia) Co., Ltd (formerly Sunn Lung Garment Co., Ltd.)
428	Solamoda (Cambodia) Garments Co., Ltd
429	Son Keng Garment (Cambodia) Co.,Ltd.

383	S.P. Brother (Sisophon) Co., Ltd
384	S.R.E Garment (Cambodia) Co., Ltd
385	Sabrina Garment Mfg Corp.
386	Sae Han International (Cambodia) Co., Ltd.
387	Sam Il International Co., Ltd.
388	Samil Cambo Co., Ltd. ((formerly Direct Int'l (Cambodia) Co., Ltd. (Formerly ACE Apparel))
389	San Fong International Co., Ltd.
390	Sang Min (Cambodia) Co., Ltd.
391	Sangwoo (Cambodia) Co., Ltd.
392	Scandinavian Textile (Cambodia) Co., Ltd
393	SCCL (Cambodia) Limited
394	Seduno Cambo Knitting Co., Ltd
395	Seduno Investment Cambo Fashion Co., Ltd.
396	SEED 153 (Cambodia) Co., Ltd.
397	Seeds Garment (Cambodia) Co., Ltd.
398	Seil (Cambodia) Co., Ltd.
399	Seo Rim (Cambodia)Co., Ltd
400	Sepia (Cambodia) Garment Co., Ltd
401	Seratex Co., Ltd.
402	Shanghai Ch Garment (Cambodia) Co., Ltd
403	Sheico (Cambodia) Co., Ltd.
404	Sheico (Phnom Penh) Co., Ltd
405	Shen Zhou (Cambodia) Co., Ltd.
406	Sheng Huang Industries Co., Ltd
407	Shingchang Tech, Inc.
408	Shining Textile Corp. (Formerly Blooming Textile Corporation)
409	Shuang Li (Cambodia) Garment Co., Ltd
410	Shude Garment Co., Ltd
411	Sieh Strong Garment Co., Ltd.
412	Sigil (Cambodia) Garment Manufacturing Co., Ltd
413	Sigma Textiles (Cambodia) Co., Ltd
461	Tak Fook (Cambodia) Garment Ltd.
462	Tak Son (Cambodia) Laundry Ltd.
463	Tak Sun Enterprise (Cambodia) Co., Ltd (Branch 1)
464	Tak Sun Enterprise (Cambodia) Co., Ltd. (formerly HS ENT (Cambodia) Co., Pte Ltd)
465	Tange Land (Cambodia) Co.,Ltd.
466	Te Fu Umbrella Co., Ltd
467	Team Best (Cambodia) Textile Co., Ltd
468	Terratex Knitting & Garment Fty., Ltd.
469	TGMB&N Garment (Cambodia) Co.,Ltd (formerly B & N Garment (Cambodia) Co.,Ltd)
470	Thai-Pore Garment Co., Ltd.

430	Soo Apparel (Cambodia) Co., Ltd
431	Southland (Cambodia) Co., Ltd. (Formerly Universal Apparel)
432	Splendid Chance International Ltd.
433	Splendor Industry Co., Ltd.
434	Sportex Industry Co., Ltd.
435	Star Fuyu Garment Company Limited
436	Starlight Apparel Manufacturing Co., Ltd.
437	Steps Footsocks Asia Co., Ltd
438	Su Tong Fang Group Garment Co., Ltd.
439	Success Index Group (Cambodia) Limited.
440	Sun Best Garment Co., Ltd.
441	Sun Hsu Garment Co., Ltd
442	Sun World Garment Co., Ltd.
443	Sungin Textile (Cambodia) Co., Ltd
444	Sunjoy Fur Processing (Cambodia) Ltd
445	Suntex Pte., Ltd.
446	Supreme Choice (Cambodia) Garment Ltd.
447	Swany (Cambodia) Corporation
448	S-Wonlabel Co., Ltd.
449	S-Yuan (Cambodia) Apparel Manufacturing Co., Ltd
450	T & K Garment Industry Co., Ltd.
451	T & K Garment Industry Co., Ltd. (Branch II)
452	T.K. Garment Sisophon Co., Ltd
453	T.R.C.A Garment Co., Ltd (formerly Winsol Garment (Cambodia) Co., Ltd.)
454	T.U.W Textile (Cambodia) Co., Ltd
455	Tae Young (Cambodia) Co., Ltd.
456	Tai Yang Enterprise Co., Ltd.
457	Tai Yar Garment Industry Co., Ltd. (No.1&2) (formerly Tai Yar Garment Industry Co., Ltd. & Tai Yar Branch 1 and Vinstar Garment)
458	Taieasy International Co., Ltd
459	Tainan Enterprises (Cambodia) Co., Ltd.
460	Tai-Rainbow Co., Ltd
510	Volumecocomo Apparel (Cambodia) Inc.
511	Vonammy (Cambodia) Garment Co., Ltd
512	W & D Cambodia Co., Ltd.
513	W Dexing Garment (Cambodia) Co., Ltd
514	W. Lingerie & Underwear Factory Co., Ltd.
515	Wah Fung Garment (Cambodia) Co., Ltd.
516	Wai Full Garments (Cambodia) Ltd.
517	Wan Hao Apparel Corp.
518	Wanshen Clothing (Cambodia) Co., Ltd
519	Weibo Best Production (Cambodia) Co., Ltd

471	The One (Cambodia) Industries Co., Ltd.	520	Weibo Eic Garment Manufacturing (Cambodia) Co., Ltd
472	The Willbes (Cambodia) Co., Ltd.	521	Whitex Garments (Cambodia) Co., Ltd.
473	Three Plus Development (MFG) Limited	522	Win Shingtex (Cambodia) Co., Ltd. (former Shing Tex Co., Ltd)
474	Tianyan International (Cambodia) Fashion Co., Ltd	523	Winblem Inc
475	Tien Sung Garment (Cambodia) Co., Ltd (formerly Ming Jian (Cambodia) Co., Ltd)	524	Wincam Corporation
476	Timeless Fashion Clothing Co., Ltd (formerly Magic Square (formerly Soyeah))	525	Wing Ying Garment Factory Ltd.
477	Tiner Fashion (Cambodia) Co., Ltd.	526	Winnie Fashion Co., Ltd
478	TLCCB Garment (Cambodia) Co., Ltd	527	Winsand Garment & Woolen Knitting Factory Co., Ltd.
479	Top Centre Manufacturing Ltd.	528	Winson Int'l Garment (Cambodia) Ltd.
480	Top Fame Garments Limited.	529	Wintai Sock Manufacture Ltd (formerly Blossom Century (Cambodia) Ltd.)
481	Top Form	530	Woorie Garments Co., Ltd.
482	Top Silver Limited (Branch 1)	531	Xin Fang (Cambodia) Garment Manufacturing Ltd.
483	Top Silver Limited (Head)	532	Xin Lan (Cambodia) Garment Company Limited
484	Top Summit Garment Inc.	533	Xing Tai Garment (Cambodia) Co., Ltd.
485	Top World Garment Ltd.	534	Xiong Fong International (Cambodia) Co., Ltd
486	Trax Apparel (Cambodia) Co., Ltd.	535	Xu Sheng Cam Co., Ltd
487	Tseng Hongyuan Garment (Cambodia) Co., Ltd	536	Y & W Garment Co., Ltd.
488	Tuki Sport (Cambodia) Co., Ltd.	537	Y.D.L Factory (Cambodia) Co., Ltd
489	Tung Chao Enterprise (Cambodia) Ltd.	538	Yakjin (Cambodia) Inc.
490	Tung Choi Fashion Technology Co., Ltd	539	Yao Hua Print Work
491	TY Fashion (Cambodia) PLC. (No.4) (formerly Tai Yar Garment Industry Co., Ltd. (Branch 3)	540	Yi Da Manufacturer Co., Ltd
492	TY Fashion (Cambodia) PLC. (No.5) (formerly T Y Fashion (Cambodia) Co., Ltd.)	541	Yi Ren Garments (Cambodia) Limited
493	TY Fashion (Cambodia) PLC. (No.6) (formerly T Y Fashion (Cambodia) Co., Ltd. (Branch 2)	542	Ying He (Cambodia) Garment Co., Ltd
494	U.C.Knit Garments Co., Ltd.	543	YMG Garment Accessories Co., Ltd.
495	UFI Tailor Corporation	544	Yong De Wei Garment PTY LTD
496	U-Knits (Cambodia) Co., Ltd	545	Yorkmars (Cambodia) Garment MFG Co., Ltd.
497	Unicorn (Cambodia) Recreation Products Co., Ltd	546	Yorks (Cambodia) Co., Ltd.
498	Uniform and Socks MFG (Cambodia) Ltd.	547	You Li International (Cambodia) Garment Co., Ltd
499	Union Mill Boda (Cambodia) Garment Co., Ltd.	548	Young Dong 1 Co., Ltd
500	Unison Garments Co., Ltd.	549	Young Inner (Cambodia) Co., Ltd
501	United Apparel (Cambodia) Inc.	550	YTC Corporation.
502	Unity Fashion Cambo Co., Ltd	551	Yu Da Garment Industry (Cambodia) Co., Ltd. (formerly Maxpearl Garment)
503	Universal Glory (Cambodia) Ltd.	552	Yu Fa Garment Industry (Cambodia) Co., Ltd.
504	Vanco Industrial Co., Ltd.	553	Yu Jie Computer Embroidery Co., Ltd.
505	Vast Apparel (Cambodia) Ltd.	554	Yuan Da & Rong Fong (Cambodia) Textile Co., Ltd.
506	VFI Processing (Cambodia) Co., Ltd	555	Yubin Service Co., Ltd.
507	VG2 Knitting (Cambodia) Co., Ltd	556	YVP Trading Co.,Ltd (formerly Y & P Garment)
508	Violet Apparel (Cambodia) Co., Ltd.	557	Zhen Tai Garment (Cambodia) Co., Ltd.
509	Vision Glory Knitting (Cambodia) Co., Ltd.	558	Zheng Yong Garment Factory (Branch 1)
559	Zheng Yong Garment Factory Co., Ltd (Branch 3)	563	Zhong Yin (Cambodia) B Textile Co., Ltd

560	Zhenyun Hua Co., Ltd	564	Zhong Yin (Cambodia) Textile Co., Ltd. (formerly Gold Flower Knitting Co., Ltd)
561	Zhong Guo Yun Jin (Cambodia) Garment Factory Co., Ltd	565	Zhong Yov Co., Ltd. (former Kun Mao Hsing Co., Ltd)
562	Zhong Hua Printing Company Ltd.	566	Zhong Zheng (Cambodia) Co., Ltd.

Footwear Factories List			
N°	Factory Name	N°	Factory Name
1	Beautiful Spring Footwear Co., Ltd	8	Kaoway Sport Ltd
2	Complete Honour Footwear Industrial (Cambodia) Co., Ltd	9	Kingmaker (Cambodia) Footwear Co., Ltd
3	G-Foremost (Cambodia) Co., Ltd	10	Lin Wen Chih Sunbow Enterprises Co., Ltd
4	Ho Hsin Tai Limited	11	New Star Shoes Limited
5	I-Cheng (Cambodia) Corporation	12	Strong Health International Limited
6	J.N.T Shoes Factory (Cambodia) Co., Ltd	13	Wing Star Shoes (Cambodia) Co., Ltd
7	Ju Hui Footwear Co., Ltd	14	Ying Dong Shoes Co., Ltd.

Annex D: Buyers

N°	Buyer Name		N°	Buyer Name
1	Abercrombie & Fitch		14	Levi Strauss & Co.
2	American Eagle Outfitters, Inc.		15	Li&Fung
3	Ann Inc		16	Next Plc.
4	Asics		17	New Balance Athletic Shoe, Inc. (NBAS)
5	Coles Supermarkets Ltd Australia		18	Nike, Inc.
6	Debenhams		19	Pentland Brands Limited
7	Esprit		20	Primark Stores Ltd.
8	Fast Retailing Co., Ltd		21	Puma SE
9	Gap Inc.		22	PVH / Phillips-Van Heusen Corporation
10	Global Brands Group		23	Target
11	H & M Hennes & Mauritz AB		24	The Children's Place
12	Inditex		25	The William Carter Company
13	John Lewis PLC			