



BetterFactories
Cambodia

Annual Report 2024: An Industry and Compliance Review

Better Factories Cambodia



International
Labour
Organization



IFC

International
Finance Corporation
WORLD BANK GROUP

Creating Markets, Creating Opportunities

Contents

List of abbreviations	3
Acknowledgements	4
Introduction	5
Industry overview	5
Better Factories Cambodia in numbers	8
Key activities in 2024.....	9
Compliance assessment summary 2024.....	12
Summary of findings	12
Assessment data and methods	14
Compliance assessment findings overview.....	17
Detailed findings.....	21
Travel goods and bags	39
Conclusion and next steps.....	42
Annexes	45
a. Garment enterprises included in this report.....	45
b. Travel goods and bag enterprises included in this report	51
c. Methodology and limitations.....	52

Figures

Figure 1. Cambodian GTF exports (2024).....	6
Figure 2. The location of participating factories	8
Figure 3. Better Factories Cambodia at a glance (data from 2024).....	8
Figure 4: Non-compliance by Compliance Point in 2024.....	17
Figure 5: Non-compliance by Compliance Point in 2024 (Travel goods and bags)	40

List of abbreviations

BFC	Better Factories Cambodia
CAT	Compliance Assessment Tool
CBA	Collective Bargaining Agreement
GBVH	Gender-based violence and harassment
GEAR	Gender Equality and Returns
GFT	Garment, Footwear and Travel Goods
HRDD	Human Rights Due Diligence
IFC	International Finance Corporation
ILO	International Labour Organization
LDC	Least Developed Country
MLVT	Ministry of Labour and Vocational Training
OSH	Occupational Safety and Health
PPE	Personal Protective Equipment
TAFTAC	Textile, Apparel, Footwear and Travel Goods Association in Cambodia

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Introduction

Better Factories Cambodia (BFC) is part of the Better Work programme, a partnership of the International Labour Organization (ILO) and the International Finance Corporation (IFC). As an ILO flagship programme, Better Work brings together stakeholders from all levels of the global garment manufacturing industry to improve working conditions, enhance respect for labour rights, and boost competitiveness. BFC was established in 2001 and is the longest running Better Work programme. It regularly prepares public reports such as this current report to summarize industry updates and to highlight aggregate non-compliance findings from the programme's factory assessments. The compliance summary of this BFC Annual Report is based primarily upon compliance data collected from the 381 assessments in garment factories conducted by the programme in 2024, while also providing an overview of results from 75 assessments in the travel goods and bags sector. To provide context, this report starts with a brief overview of the industry context and BFC activities in key thematic areas. The report then presents an analysis of assessment findings and concludes by highlighting key areas of work for BFC and its partners looking forward.

Industry overview

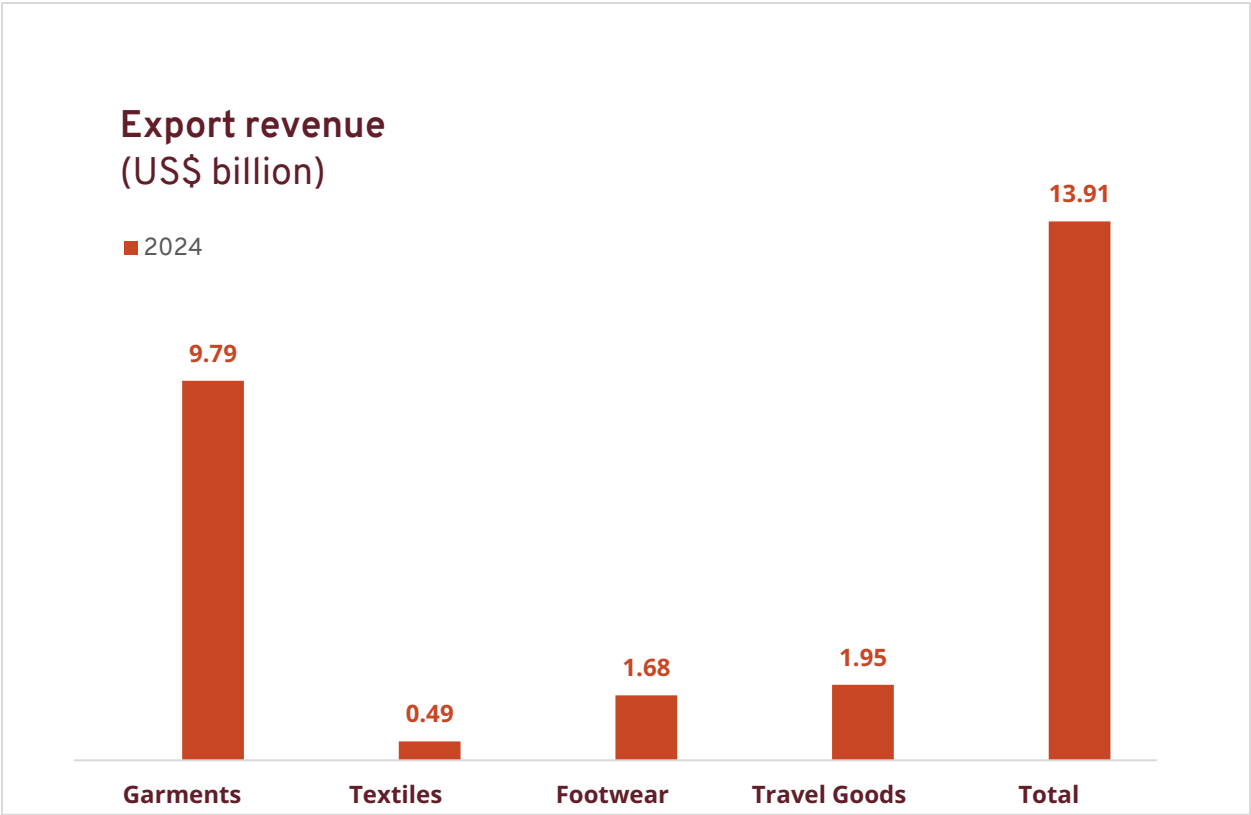
The global garment sector is facing significant uncertainty as economic, geopolitical, and regulatory shifts affecting trade and global supply chains have unfolded in 2025. As a significant supplier of garments to the world market, Cambodia is directly affected by these trends.

The garment sector has been central to Cambodia's economic growth for decades. The sector supports the competitiveness of local businesses and provides significant employment opportunities. Data from the Royal Government of Cambodia shows the garment, footwear, and travel goods (GFT) sector experienced steady growth from 2020-2024, with the number of firms increasing by 30 per cent in the five-year period to a total of 1,555 firms in 2024. These firms employ over 918,000 workers, 75-80 per cent of whom are women. The monthly minimum wage earned by these workers was set at US\$ 204, a figure that has steadily increased in the past decade and has increased to US\$ 208 in 2025. The expansion of the industry in this period includes growth of both export-oriented factories and enterprises providing specialized supplementary services like laundry, embroidery, dyeing, and packaging.¹

¹ Cambodia Garment, Footwear and Travel Goods Sector Brief: Issue 4 (March 2025). TAFTAC, Eurocham Cambodia, Responsible Business Hub.

Together with footwear and travel goods, exports of garments have accounted for a large majority of exports from the country. In 2024, exports of the GFT totaled US\$ 13.6 billion, with ready-made garments accounting for over 70 per cent of the total. After experiencing an overall decline in 2023², this represents significant growth for GFT exports, and an all-time high for the sector in terms of export value (Figure 1).

Figure 1. Cambodian GTF exports (2024) in US\$ billions



Maintaining growth in the sector could prove challenging in a volatile global trading environment. Exports in Cambodia’s GFT sector primarily rely on preferential market access granted by the United States and the European Union, the first and second top export destinations, respectively. Withdrawals of trade benefits, the imposition of tariffs from major trading partners, or a global economic recession — could negatively affect the strong growth the sector has witnessed in 2024.

The global trading system in particular faces significant uncertainty. As globally integrated industries, the garment, footwear and travel goods sector are exposed to changes in trading

² Consolidated data from the Ministry of Commerce Cambodia

costs stemming from the imposition of new tariffs. The U.S. government in 2025 proposed and partially implemented new tariffs on imported goods to the United States, but significant uncertainty remains regarding how particular sectors and producing countries will be affected in the short, medium, and long-term. The United States is the largest export market for Cambodian garments, accounting for nearly 39 per cent of the country's total GFT export revenue in 2024. Twenty-five out of the 45 international brands partnering with BFC are based in the United States.

Regulatory trends related to human rights due diligence legislation continued to gain relevance throughout 2024, presenting key opportunities for GFT firms in Cambodia. The major export markets for the GFT sector in Cambodia — particularly the EU — are leading the way to adopt and operationalize due diligence legislation, which may influence the sourcing strategies of international buyers sourcing from the country. The European Union has taken a leading role promoting these regulatory approaches, and while its Corporate Sustainability Due Diligence Directive (CSDDD) entered into force in July 2024, the scope and implementation timeline of the directive has been the subject of ongoing consideration. This effort is built upon legal regulations passed in several individual European countries. In North America, Canada has passed recent legislation requiring reporting on measures to prevent forced labour and child labour, and the United States has pursued targeted sectoral regulations. In addition, two years after the government of Japan adopted non-binding guidelines on corporate human rights due diligence, a joint report with the ILO released in 2024 reviewed the current state of implementation and good practices.³

Due diligence legislation directs multinational enterprises to embed a systematic, risk-based approach to managing potentially negative external effects of their business operations, to identify and monitor social and environmental risks throughout their supply chains, and to provide or cooperate in remediation when appropriate. Such regulations are designed to align with and reinforce international labour standards, and they emphasize the importance of stakeholder engagement and transparent reporting. With extensive experience in promoting respect for international labour standards through risk-based monitoring and continuous improvement efforts, BFC and the stakeholders it engages in the GFT sector are well-positioned to exemplify how to implement due diligence in practice. The programme has promoted robust management systems at the supplier level to address workplace risks, and it has emphasized the critical foundation of establishing effective social dialogue to address such risks and promote continuous improvement.

³ Kobayashi, Y. and Tanaka, S. (2024) "Responsible Business Conduct and Human Rights Due Diligence: Good Practices of Japanese Companies Operating in Bangladesh, Cambodia and Viet Nam." International Labour Office for Japan, and Japan External Trade Organization, Tokyo.

Better Factories Cambodia in numbers

Figure 2. The location of our 732 participating factories

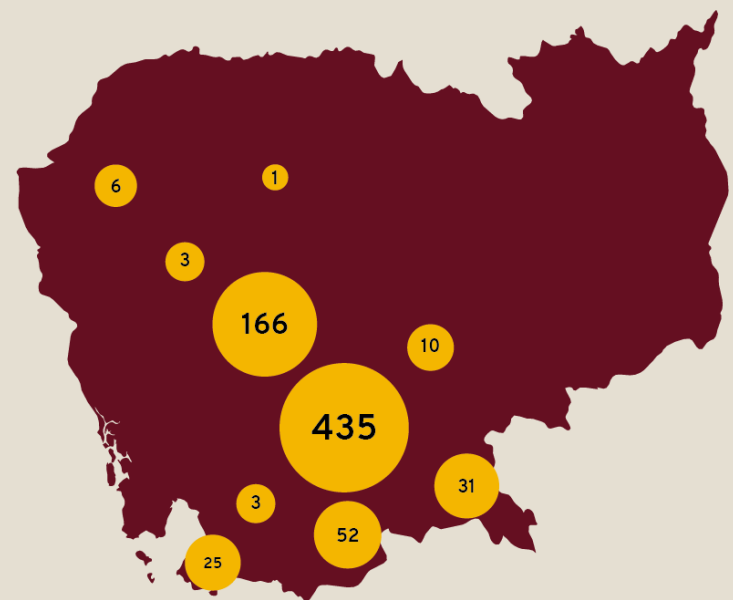









Figure 3. Better Factories Cambodia at a glance (data from 2024)

2024	
	732 Factories
	713,826 Workers (80% women)
	475 Assessment reports
	263 Factories in advisory
	1,504 Advisory meetings (525 virtual)
	3,828 Training participants (52% women)
	93 Buyers (42 buyer partners)

Key activities in 2024

Better Factories Cambodia conducts its work with individual enterprises in the context of broader sector-wide thematic interventions. The programme also prioritizes knowledge sharing and the transfer of technical capabilities to national stakeholders to promote long-term, sustainable impact and local ownership. This section presents a summary of some of the key thematic activities and work with partners in 2024 advancing BFC's long-term vision.

Engaging sectoral stakeholders

Throughout 2024, BFC engaged with national institutions in the GFT sector. The programme supported successful implementation of the Joint Action Plan 2023-24 with the Ministry of Labour and Vocational Training (MLVT). As part of the Joint Action Plan, dozens of labour inspectors at both national and provincial levels received comprehensive training on assessment methodologies, report writing, and occupational safety and health standards specific to the GFT industry. These capacity building initiatives were complemented by practical shadow visits of BFC assessments, where officials gained firsthand experience with BFC's procedures. The Building Bridges Programme — a collaborative learning programme that brings together representatives from government, trade unions, employers' associations, and individual factories — represented another key aspect of knowledge sharing and capacity development.

At a strategic level, BFC contributed to the Royal Government of Cambodia's GFT Sector Development Strategy 2022-27 and is a formal member of the GFT Sector Advisory Working Group. Better Factories Cambodia played a critical sectoral convening role at key points throughout 2024 to advance discussions regarding improving working conditions, productivity, and economic upgrading in the GFT sector. Key interlocutors included the MLVT, the Ministry of Commerce, TAFTAC, the Cambodian Garment Training Institute (CGTI), trade unions, and international brands.

The programme brought together diverse stakeholders — government officials, industry representatives, and trade unions — to foster collaboration and build local expertise. In collaboration with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Textile, Apparel, Footwear, and TAFTAC, and EuroCham, BFC organized a Responsible Business and Sustainability Forum for the GFT sector in Cambodia in December 2024. The forum advanced discussions on responsible business and sustainability practices, fostering social dialogue among industry leaders. The forum included a focus on grievance mechanisms related to human rights due diligence and highlighted upcoming training sessions and resources for enterprises.

Promoting social dialogue

Better Factories Cambodia promotes effective social dialogue and sound industrial relations within firms and at the sectoral level as key drivers for achieving decent work. Activities in 2024 reflected the multi-level approach the programme brings to this topic. In factories enrolled in advisory services, BFC provided support to establish functional bipartite committees, with a significant increase in the share of factories with functional and effective committees achieved in 2024. More broadly, BFC regularly engaged with trade unions through its quarterly trade union contact group meetings. These meetings provided a forum for updates and discussion on key sector developments. Training sessions with unions helped promote access and use of BFC's available data and reports, and to address thematic topics such as wages and benefits calculations and collective bargaining agreements.

Improving grievance handling

Better Factories Cambodia started the year with a multi-stakeholder event addressing effective grievance handling mechanisms. The programme implemented an in-depth grievance mechanism programme across 41 factories, engaging dozens of both management and worker representatives. The programme took a comprehensive approach to training on grievance handling that reached factory-level stakeholders, as well as labour officials at national and provincial levels. As part of the project, BFC produced a research brief addressing the current state of grievance handling capacity in the sector and recommendations for promoting best practices.⁴ Further, BFC conducted training on effective grievance handling mechanisms for both national and provincial labour inspectors as part of the Building Bridges programme. The factory training led to significant improvements in grievance handling procedures at the factory level: approximately 30 per cent of the 41 selected factories have shown clear improvement in developing and operationalizing effective grievance mechanisms and report to be on track meeting expected standards.

Advancing gender equality

With women constituting a large majority of the workforce in Cambodia's GFT sector, promoting gender equality remained central to BFC's activities in 2024. The programme took a strategic approach by working with MLVT to develop a comprehensive Gender Action Plan. Better Factories Cambodia also conducted specialized training on ILO Convention No.

⁴ Advancing Effective Grievance Mechanisms in Cambodia's Garment Footwear and Travel Goods Sector: The Way Forward (2024) ILO-IFC Better Work programme research brief

190 on Violence and Harassment in the workplace among MLVT's labour inspection team. International Women's Day in March 2024 was used as a platform for broader engagement as BFC organized the event, "Marching to Promote Women's Rights and Inspire Inclusion at the Workplace," among three factories enrolled in BFC advisory services, directly reaching nearly 3,000 workers and generating significant social media attention. The programme also focused in 2024 on targeted leadership development programmes for both men and women across multiple factories. Parallel two-day leadership trainings for men and women challenged gender biases, promoted equality, and aimed to build confidence among participants. Follow-up sessions within workplace committees established with the help of BFC promoted the reach of this training.

Promoting responsible digital wage payments

Together with sector partners, BFC and the ILO's Global Centre on Digital Wages for Decent Work marked significant advancement in 2024 in promoting digital wage payments. Through strategic collaboration with TAFTAC, 75 per cent of BFC-registered factories — representing 85 per cent of the workforce — transitioned to digital payment systems. Recognizing that digital solutions alone are insufficient, BFC and its partners launched comprehensive financial literacy campaigns reaching over 200,000 workers. The programme developed innovative solutions, including a financial literacy chatbot that saw approximately 2,000 workers learn and improve their financial literacy through platforms like Facebook and Telegram. Targeted training sessions on financial education and responsible digital wage payments further supported this transformation in wage payments.

Leadership from BFC in this area extended to international knowledge sharing, with presentations at the OECD Forum on Due Diligence in the Garment and Footwear Sector in February 2024 and facilitated dialogues with financial sector representatives. The programme was instrumental in co-developing with GIZ and other sectoral partners a recommendation paper on responsible wage digitalization, which provided a roadmap for continued progress, addressing challenges and opportunities.⁵

⁵ "Responsible Wage Digitalization in the GFT Sector. Sustainability Recommendation Paper." (2024) Deutsche Gesellschaft für Internationale Zusammenarbeit, RISE, ILO, Better Factories Cambodia, TAFTAC, EuroCham. <https://digitalwages.org/insights/responsible-wage-digitalization-in-the-garment-footwear-and-travel-good-sector/>

Compliance assessment summary 2024

Compliance assessments conducted at enterprises are a key pillar of BFC's factory engagement. All garment and travel goods and bags factories producing for export are enrolled in BFC as a result of the mandatory status of the programme for these factories, but only a subset are assessed in any given calendar year. The compliance snapshot provided by this report is based primarily on 381 compliance assessments conducted in garment factories from January to December 2024, with additional discussion of the results from 75 assessments conducted using a similar method in travel goods factories. For a subset of enrolled factories, BFC provides advisory services, which involves tailored coaching to engage factory managers and workers to address non-compliance through dialogue and joint problem solving. In 2024, half of the garment factories assessed (191 of 381) had opted in to receive this advisory service. Throughout this report, select compliance findings are disaggregated based on whether a factory is enrolled in advisory services. While BFC conducted a limited number of assessments in footwear factories, given the small sample size, the results of these assessments are not discussed.⁶

Summary of findings

The findings of this report provide a snapshot of conditions in Cambodia's garment and travel bag sectors in 2024. By fostering an environment of transparency, continuous learning, and collaboration, BFC aims to contribute to a thriving, responsible, and globally competitive industry.

In the 2024 assessment period, garment factories enrolled in BFC advisory services outperformed factories receiving compliance assessments only. The non-compliance rate for the 191 factories receiving assessment and advisory services is lower in 26 of 30 compliance points where non-compliances are recorded. The lower non-compliance rate for factories receiving elective advisory services suggests a positive correlation between receiving BFC advisory services and improved working conditions, but not necessarily a causal relationship. Nevertheless, workers and managers responding to advisory evaluation surveys in 2024 most frequently cite "developing an improvement plan" as the most valuable skill gained through participation in a joint committee formed with the help of BFC. Such feedback suggests that promoting a culture of continuous improvement based on robust social dialogue is consistent with better compliance outcomes.

⁶ Footwear factories are not required to participate in BFC to export, but they can voluntarily enroll to engage in the advisory and assessment process.

Fundamental international labour standards

- Among all garment factories assessed, young workers under the age of 15 were found in two factories, leading to non-compliance with **child labour** legislation.
- One instance of **forced labour**, related to mandating overtime hours under threat of penalty, was found during 2024.
- Twelve per cent of garment factories assessed had at least one non-compliance related to **freedom of association** and **collective bargaining**. Among factories with a collective agreement in place, 10 per cent failed to ensure the conditions set forth in the agreement were at least as favourable for workers as found in national law, and 10 per cent failed to effectively implement provisions in the agreement.
- A small number of factories were found non-compliant in **discrimination**, using gender as a factor in hiring practices, or by using pregnancy status to influence conditions of work or employment status.
- Widespread non-compliances are found throughout the **occupational safety and health** cluster, with particularly high levels of non-compliance with ensuring effective OSH management systems, controlling factory-floor temperature within legal limits, and ensuring emergency preparedness.

Working conditions

- In **compensation**, less than five per cent of factories were found non-compliant with paying the correct minimum wage to workers. 14 per cent of factories were found to pay incorrectly for maternity leave benefits. Over 1 in 5 factories (23 per cent) were found non-compliant in ensuring that a single accurate payroll record was kept.
- A significant proportion of garment factories were found non-compliant with ensuring employment **contracts** clearly specified the terms and conditions of employment, and had systems in place to help workers understand their contracts.
- In an industry long recognised to have issues with excessive **working time**, 59 per cent of factories assessed in 2024 were found non-compliant with keeping overtime within the national legal limit of two hours per day.

Key changes from 2023-2022

This annual report primarily focuses on compliance findings from a cross section of 381 firms enrolled in BFC assessed in 2024. Some key differences at the compliance point level are witnessed when comparing to assessment results from 364 similar factories in 2023. While informative to compare significant differences between these two periods, caution should be taken in interpreting the trends, as the comparison is being made in the two time periods among a different composition of factories.

- One positive trend is a decrease in the percentage of factories with a non-compliance found within the **termination of contract** compliance point. Firms in the programme registered a non-compliance rate of 47.5 per cent, which while still quite high, is down over 7 percentage points from 2023. This represents a further reduction on top of the improvement seen since 2022, when 67.1 per cent of firms had at least one non-compliance in this area.
- A mixed picture emerges for compensation. **Overtime wages** non-compliance increased from 16.5 per cent in 2023 to 22 per cent in 2024, though remains below the level of 29.1 percent found in 2022. Non-compliance for **paid leave** continues an improving trend with 45.7 percent of factories non-compliant in 2024, down from 53.6 percent in 2023 and 58.2 percent in 2022.
- Deteriorating trends are seen around working time. A 62.7 percent rate of non-compliance is recorded for the **overtime** compliance point in 2024, compared to 53.6 per cent in 2023 and 55.7 per cent in 2022. Deploying overtime to meet fluctuating demand is a common strategy in the garment industry and may be reflected in this development in 2024.

Assessment data and methods

Better Factories Cambodia conducts factory-level assessments using a Compliance Assessment Tool (CAT) comprised of 267 questions. During the unannounced assessment, typically conducted over two days, two Enterprise Assessors/Advisors (EAs) employed by BFC gather data through document review, workplace observations, and interviews with managers, union representatives, bipartite committee members, and factory workers. Worker interviews conducted during the assessment process are held onsite, either in a private room within the factory building or outside the building (such as in a yard or eating area) and take place either in small groups or individually. The compiled information is analyzed to create a detailed report. Factories have seven days to provide feedback before the reports are finalized.

During assessments, factories are considered as non-compliant if they do not adhere to Cambodian labour law or international labour standards. The CAT is divided into eight clusters. Five clusters cover the fundamental principles and rights at work and are assessed in line with international labour standards, and the three other clusters are assessed based on national law and regulations. While individual assessment reports allow for identification of non-compliance in individual factories, this annual report provides an opportunity to present aggregate results from a significant cross section of firms participating in the programme in 2024.

Compliance clusters and their basis for assessment	
Fundamental international labour standards	National labour legislation
<ul style="list-style-type: none">♦ Child labour♦ Discrimination♦ Forced labour♦ Freedom of association and collective bargaining♦ Occupational safety and health	<ul style="list-style-type: none">♦ Compensation♦ Contracts and human resources♦ Working time

Fundamental international labour standards: The ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998 and amended in 2022, calls upon Member States to respect, promote and realize the principles and rights in five areas, whether or not they have ratified the relevant conventions. These categories (or clusters for the purpose of the BFC compliance assessment) include: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; the elimination of discrimination in respect of employment and occupation; and the right to a safe and healthy working environment.⁷ The Declaration designates ten ILO Conventions addressing these areas as fundamental, and these conventions form the basis for assessing factory compliance with fundamental rights for all Better Work country programmes. For some issues, such as minimum legal working age, provisions in national law specify requirements for the application of international conventions. If national law is not consistent with core labour standards pertaining to fundamental rights, the core labour standards are applied.

Working Conditions: The three other clusters assess conditions at work, including compensation, contracts and human resources, and working time. The areas covered in these clusters are largely consistent across Better Work countries; however, specific compliance questions may vary from country to country due to differences in national legislation. National legislation is used as a reference point even if it is not in accordance with the international conventions that have been ratified by the country. In countries where national law either 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.

⁷ ILO 1998 Declaration on Fundamental Principles and Rights at Work and its Follow-up, ILO (2022)

The eight compliance clusters are subdivided into 38 compliance points, detailed below.

Compliance clusters and compliance points	
Fundamental international labour standards	
Child labour	
<ul style="list-style-type: none"> Child labourers Hazardous work and other worst forms of child labour Documentation and protection of young workers 	
Discrimination	Forced labour
<ul style="list-style-type: none"> Race and origin Religion and political opinion Gender Other grounds 	<ul style="list-style-type: none"> Coercion Bonded labour Forced labour and overtime Prison labour
Freedom of association and collective bargaining	
<ul style="list-style-type: none"> Freedom to associate Union operations Interference and discrimination Collective bargaining Strikes 	
Occupational safety and health	
<ul style="list-style-type: none"> OSH management systems Chemicals and hazardous substances Worker protection Working environment 	<ul style="list-style-type: none"> Welfare facilities Health services and first aid Worker accommodation Emergency preparedness
National labour legislation	
Working time	Contracts and human resources
<ul style="list-style-type: none"> Regular hours Overtime Leave 	<ul style="list-style-type: none"> Dialogue, discipline and disputes Employment contract Contracting procedures Termination
Compensation	
<ul style="list-style-type: none"> Minimum wages/piece rate wages Overtime wages Premium pay Method of payment 	<ul style="list-style-type: none"> Wage information, use and deduction Paid leave Social security and other benefits

In its annual reports, BFC discloses aggregate non-compliance in participating enterprises. Non-compliance is reported for each subcategory (compliance point) of the eight labour standards clusters. The detailed findings section goes deeper, providing a discussion of non-compliances found at the question level for a select number of issues. In aggregate

reporting, a factory is reported as non-compliant in a compliance point if it is found to be out of compliance *on any one question or issue addressed* within the subcategory.

Based on assessment findings, individual factory reports are produced within one month of the assessment. As compliance assessments capture one specific moment in time, some situations that might lead to non-compliance in the future may not be initially reported as a non-compliance. For factories opting to engage with BFC's advisory services, assessment findings inform the development of an improvement plan.









Compliance assessment findings overview

Figure 4 summarizes the percentage of factories found in non-compliance with at least one question within each of the 38 compliance points for the 381 garment factories assessed by BFC in 2024. A discussion of these findings and detailed observations for a subset of compliance areas follows.

Figure 4: Non-compliance by Compliance Point in 2024

Cluster		Compliance Point	NC-Rate
CORE LABOR STANDARDS	Child Labour	Child Labourers	0.5%
		Documentation and Protection of Young Workers	0.8%
		Hazardous Work and other Worst Forms	0.0%
	Discrimination	Gender	3.1%
		Other Grounds	0.0%
		Race and Origin	0.0%
		Religion and Political Opinion	0.0%
	Forced Labour	Bonded Labour	0.0%
		Coercion	0.0%
		Forced Labour and Overtime	0.3%
		Prison Labour	0.0%
	Freedom of Association and Collective Bargaining	Collective Bargaining	1.3%
		Freedom to Associate	4.5%
		Interference and Discrimination	6.3%
		Strikes	0.0%
		Union Operations	1.6%
	Occupational Safety and Health	Chemicals and Hazardous Substances	46.2%
		Emergency Preparedness	69.0%
		Health Services and First Aid	85.8%
		OSH Management Systems	83.5%
		Welfare Facilities	77.7%
		Worker Accommodation	19.7%
		Worker Protection	84.3%
		Working Environment	92.9%
W O R	Compensation	Method of Payment	31.2%
		Minimum Wages/Piece Rate Wages	17.8%

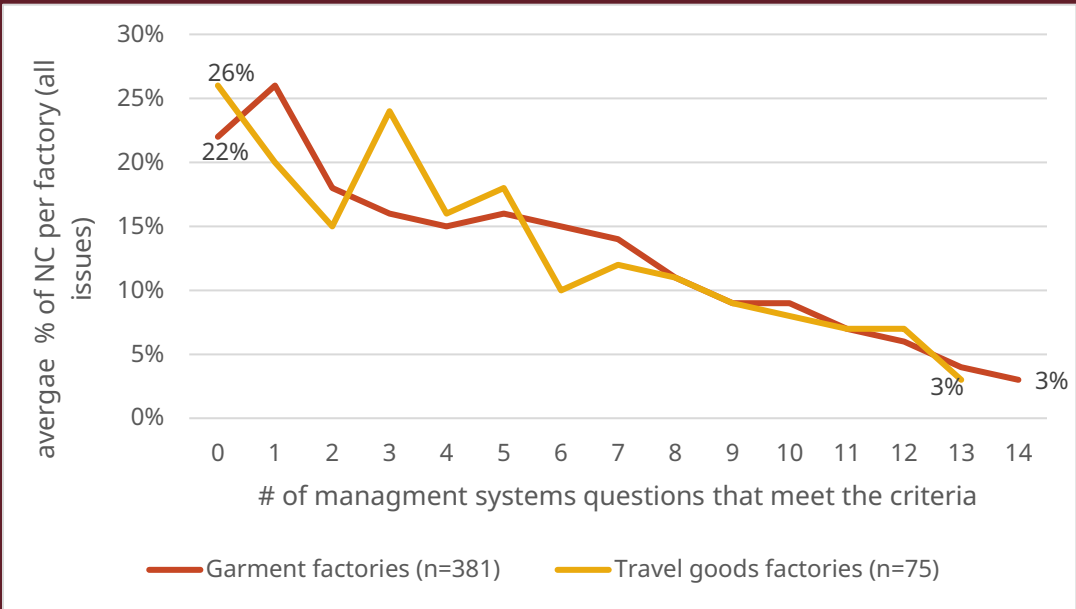
Cluster	Compliance Point	NC-Rate
Contracts and Human Resources	Overtime Wages	22.0%
	Paid Leave	45.7%
	Premium Pay	0.8%
	Social Security and Other Benefits	37.8%
	Wage Information, Use and Deduction	34.4%
	Contracting Procedures	24.7%
	Dialogue, Discipline and Disputes	50.1%
	Employment Contracts	61.4%
	Termination	47.5%
	Leave	34.1%
Working Time	Overtime	62.7%
	Regular Hours	29.9%

Compliance clusters		NC- Case/Per Cent	Description
Child labour		2	Two garment factories with workers found under 15 years of age
		3	Three factories found with non-compliance issues related to proper age verification documentation
Discrimination		3	Three factories found with discriminatory practices related to pregnancy status
Forced labour		1	One factory found on-compliant due to forcing overtime under threat of penalty
Freedom of association and collective bargaining		12%	Percentage of factories assessed with one or more non-compliances related to FOA and CB
		17	Cases found where workers were either unable to form a union, or forced to join a union: both are violations of FOA rights
Occupational safety and health		44%	Percentage of factories found with obstructed emergency exits
		69%	Percentage of factories non-compliant with acceptable workplace temperature
Compensation		14%	Percentage of factories non-compliant with paying maternity leave benefits according to law
Contracts		19%	Percentage of factories found non-compliant for improper use of fixed term contracts beyond two years
Working time		59%	Percentage of factories found non-compliant with limited overtime hours to two hours per day

The role of management systems

Better Factories Cambodia promotes establishing ownership of robust management systems as a means to address non-compliance and support continuous improvement. The programme’s compliance assessment includes 14 questions that interrogate whether effective management systems are in place in factories, particularly in the areas of occupational safety and health and in human resources.

Data from assessments in 2024 show that as management systems improve, the overall percentage of issues found non-compliant in a given factory decreases, as demonstrated in the graph below. For example, in 2024, the nine garment factories that met the criteria of all 14 management systems questions had an overall non-compliance rate of just three percent across all issues assessed. In contrast, the 23 factories that did not meet the criteria of any of the systems questions had a non-compliance rate of 22 per cent. A similar correlation is present for travel goods factories assessed in 2024.



Detailed findings

Fundamental international labour standards

Child labour

The **child labour** cluster covers six compliance questions across three compliance points. In recent years, few instances of non-compliance have been found in this cluster. In 2024, three factories of the 381 assessed were found non-compliant with ensuring reliable verification of workers prior to hiring related to child labour. Employers must check at least two of the workers' original documents and keep a copy of their documents for age verification (e.g., ID cards and birth certificates). In two instances, the employer was found to have properly implemented requirements for checking a sufficient number of identify documents, but did not do so when recruiting casual workers. In a third factory, the employer lacked a proper system for verifying the ages of workers.

Beyond ensuring systems for documentation, BFC EAs triangulate information to detect any workers under 15 years old and conditions of work considered unfit for young workers under 18. Better Factories found two cases of non-compliance with underage workers in garment factories in 2024. In one factory, BFC EAs established that one worker recruited through a subcontractor did not hold reliable identification documents. Through interviews with the worker, her family, and subsequent review of identification documents provided by the family, BFC established the worker was below the age of 15 when hired. The factory was subsequently cited as non-compliant, and BFC engaged with factory management to address the issue through its child labour remediation policy and procedure. The factory agreed to release the worker, who is home under guardianship of her parents, as well as pay monthly wages and school fees until the worker reaches 15 years old, per the child labour remediation policy. In a second factory, BFC EAs found two workers under the age of 15. They established non-compliance through an investigation that included interviews with the workers, factory management, document review, and through a follow-up visit to their home village to verify the real age of suspected underage workers with relevant local authorities. Despite initial agreement with the factory and a buyer's representative to follow the remediation protocol, including payment of monthly wages and school fees, the factory initially did not follow the procedure and delayed the payments due. Following discussion with TAFTAC, and referral of the case to the Government, the Ministry of Commerce suspended the factory's export license upon which the factory proceeded with the payment and completed remediation of the case.

Discrimination

Better Factories Cambodia assesses factories for compliance in line with the Discrimination (Employment and Occupation) Convention, 1958 (No. 111). The Convention defines discrimination as any distinction, exclusion, or preference made on prohibited grounds, including race, colour, sex, religion, political opinion, national extraction, or social origin, which can impair equal opportunity or treatment in employment. The BFC CAT addresses conditions of discrimination through 40 compliance questions spread across the compliance points of gender, race and origin, religion and political opinion, and other grounds. Definitively documenting non-compliance in this cluster during the standard assessment process is rare, though several instances of non-compliance related to gender, particularly in hiring, are noted in 2024.

Eight factories (or two per cent of factories assessed in 2024) were cited as non-compliant with the question, *“Is an applicant’s gender a factor in hiring decisions?”* Echoing findings from 2023, in these cases factories were found to create additional requirements for men versus women in the hiring process. Specially, BFC documented that male workers were required to provide documents such as a personal recommendation, behavioural certificate, or guarantee letter certifying they would agree to certain standards of behaviour at work. In one factory, management admitted they had instituted this two-tier system for recruitment based on the perception that male workers were more like to “cause trouble” or become involved with illegal drugs during their employment. Similar documentation requirements for hiring were not required among female recruits. Factory management has been advised this practice constitutes unequal treatment based on gender.

In addition, two factories were cited as non-compliant in discrimination as gender was specially mentioned in job announcements for recruitment.

Finally, in three other factories, discriminatory practices toward pregnant workers led to non-compliant designations. In one illustrative case, a factory instituted a practice whereby workers who were eight months pregnant were required to submit their resignation along with their request for maternity leave. Enterprise Advisors found that as a result, no new mothers had recently returned to work in this factory after their maternity leave.

Forced labour

The forced labour cluster of the BFC CAT includes eleven questions addressing the abolition of forced labour. Most questions are found in the compliance point covering coercive practices at work. In 2024, only one factory was found non-compliant with a question in the

forced labour cluster. In this workplace, BFC EAs found that 40% of workers consistently started work earlier than the official start time, and they cut short their lunch break each day. Upon further interviews, EAs found that workers — especially those newly recruited — were pressured by group leaders to shorten breaks and work additional time in order to meet production targets. This resulted in workers pressured to work beyond normal working hours without pay, leading to non-compliance with the question, “*are workers forced to work overtime under threat of penalty?*” Workers should be free to voluntarily undertake overtime without being subject to penalty, and be paid overtime wages according to law.

Freedom of association and collective bargaining

Freedom of association (FOA) and collective bargaining are fundamental enabling rights for achieving decent work. Better Factories Cambodia assesses participating factories on 25 questions across compliance points addressing the freedom of association, collective bargaining, interference and discrimination, strikes, and union operations. In 2024, 12 per cent of factories assessed (44 of 381), were found to have at least one question-level instance of non-compliance related to these fundamental rights.

Better Factories Cambodia recognizes the inherent limitations of documenting a full picture of conditions related to freedom of association based on a two-day assessment at workplaces, and rates of non-compliance cited in this report very likely do not reflect the full reality of conditions in the sector. The sensitive nature of the topic can lead to reticence on behalf of workers to raise concerns related to FOA conditions, limiting the evidence needed to determine non-compliance. In other cases, workers may have limited knowledge of their rights, including, for example, the right to join, or withdraw, from a union. Implicit rather than overt pressure to limit the operating environment of unions means instances of non-compliance can be difficult to definitively establish during a time-bound assessment process.

Notwithstanding the methodological challenges to assess FOA conditions, the most common areas of non-compliance in 2024 include restrictions on the freedom to join a union and management interference with union operations at a workplace. Rates of non-compliance with properly implementing collective agreements are also notable.

In 2024, three per cent of factories did not allow workers to freely join a union or form a new union. In one illustrative instance, workers had attempted several times to form an enterprise trade union. After each election, the union notified the results to factory management in order to gain recognition for the trade union. Interviews with workers and union activists indicated that following the notification of election results, the newly elected union leaders and founding members were approached by management and told to resign

from the newly formed union if they wanted to continue working in the factory. If workers did not agree, management indicated their contracts would not be renewed. These dynamics established through the assessment process led to the designation of non-compliance.

In contrast, in several factories, workers were required by their employer to join a union, which is also a violation of FOA rights. In these workplaces, workers were often not even aware they were members of a union, especially if they were relatively new to the workforce. Through interviews, workers described that they did not know who the union leaders were, nor how to withdraw their union membership. Workers lacked sufficient understanding regarding the union membership process, and union fees were automatically deducted without the worker's informed consent.

Twenty-five instances of non-compliance were found within the compliance point of interference and discrimination in 2024. Several factories were cited as non-compliant with the question, *"Has the employer taken steps to manipulate the union or to bring the union(s) under its control?"* In several cases, management provided extra payments to union leaders or provided union leaders with job promotions or benefits and payments that did not correspond to the work normally associated with their jobs. These dynamics suggest efforts to undermine or compromise unions through preferential treatment of union leaders. Another set of non-compliances were found related to management involvement in decision making, formation, administration, finances and elections of unions. In some cases, management was directly involved in administering union elections, while in others, management installed their own preferred leaders, contravening election results.

Among factories assessed in 2024, thirty were noted to have a collective bargaining agreement (CBA) in place. When considering the rates of non-compliance among only these factories, ten per cent of factories with a CBA were found non-compliant with ensuring the provisions of the agreement are at least as favourable for workers as the law. Similarly, ten per cent of factories were non-compliant in ensuring the effective implementation of provisions in the agreements, including not following negotiated terms such as the timing of payments of allowances, among others.

Occupational safety and health

The highest levels of non-compliance in BFC assessed factories in 2024 relate to occupational safety and health, a pattern consistent across other Better Work country programmes. Part of this dynamic is attributed to the high number of areas assessed — 59 individual compliance questions across 8 compliance points — as well as the evident physical nature of certain OSH violations that enables easier detection and documentation

during assessments. Significant differences in compliance performance emerge in this cluster among factories receiving advisory services and those receiving only assessments. Firms receiving advisory services recorded an average 15 percentage-point lower non-compliance rate at the compliance point level in the OSH cluster in 2024.

The **emergency preparedness** compliance point covers crucial safety measures at garment manufacturing workplaces. The non-compliance rate for emergency preparedness stands at 69 per cent of factories with at least one non-compliance among the 11 questions assessed. A pattern emerges of serious fire safety violations across factories, with the most critical being exit blockages. Table 1 provides a granular look at five of these questions. While most factories have enough emergency exits, 167 factories, or over four out of 10 assessed, were non-compliant in ensuring emergency escape routes were free from obstruction of production materials, equipment, or other obstacles. Enterprise advisors also cited narrow pathways that did not allow two-way traffic during emergencies as non-compliant.

Table 1: Emergency preparedness	Non-compliance	
	# of factories	%
Are escape routes free of obstruction?	167	43.8%
Are emergency exits and escape routes clearly marked and posted in the workplace?	124	32.5%
Does the employer conduct periodic emergency drills?	53	13.9%
Does the workplace have adequate fire-fighting equipment that is within easy reach of workers?	48	12.6%
Are there enough emergency exits?	17	4.5%

Summarizing collective non-compliances in the area of **chemical and hazardous substances** shows widespread failures in chemical safety management across garment factories, with the most critical being the use of hazardous chemicals in open production areas, inadequate storage, missing safety documentation, and lack of worker training. While 46 per cent of the entire 2024 sample is non-compliant with at least one question in this compliance point, for factories receiving advisory services this figure is only 34 per cent, rising to 58 per cent non-compliance for assessment-only factories. Such conditions create significant health and safety risks for workers, especially pregnant women and those in work areas adjacent to hazardous materials.

Although the levels of non-compliance are significant, notably, non-compliance on any single question does not exceed one-third of assessed factories. Proper labelling of hazardous substances is the most common non-compliance — according to law, labels should identify the chemical or substance, show their chemical classification, any hazards, and any safety precautions. The labels should be in Khmer and be easy for workers to understand. Assessment findings show Khmer labels are frequently missing. When chemicals are put into different containers or into equipment, the label must display at least the chemical name and hazard pictogram(s).

Table 2: Chemicals and Hazardous Substances	Non-compliance	
	# of factories	%
Are chemicals and hazardous substances properly labelled?	123	32.3%
Has the employer taken action to prevent and limit workers' exposure to chemicals and hazardous substances?	98	25.7%
Does the employer keep an inventory of chemicals and hazardous substances used in the workplace?	95	24.9%
Has the employer effectively trained workers who work with chemicals and hazardous substances?	79	20.7%
Are chemicals and hazardous substances properly stored?	70	18.4%
Does the employer provide adequate washing facilities and cleansing materials in the event of exposure to hazardous chemicals?	54	14.2%

Better Factories Cambodia stresses the importance of **OSH management systems** for promoting a culture of compliance and continuous improvement. Despite this emphasis, significant compliance challenges remain in this area. Half of factories are found non-compliant with conducting regular risks assessments, performing them irregularly or without worker input. Forty-one per cent do not have a proper OSH policy in place, though the rate of non-compliance in this area for factories receiving advisory services is lower, at 25 per cent. By law, factories are required to have mechanisms in place to ensure cooperation between workers and management on OSH matters. Most factories have established OSH committees; however, nearly half of factories are cited as non-compliant, often because such committees are not functional due to members being unaware of their roles and responsibilities, failing to hold regular meetings, or taking no actionable steps on safety matters.

Enterprise advisors assess factories against six compliance questions dealing with **health services and first aid**. An overall non-compliance rate of 86 per cent demonstrates the difficulty of factories to comply fully with national legislation governing services at workplaces such as infirmaries and ensuring proper health checks for workers prior to employment. While nearly all factories have established infirmaries, 71 percent fail to meet legal requirements in several areas and are thus marked non-compliant. Common deficiencies include insufficient medical staffing (doctors often working only a few days per week instead of daily), lack of medical coverage during overtime work, inadequate privacy for female workers, insufficient beds, and poor ventilation. Most infirmaries have adequate basic medicines and equipment.

Another area of significant non-compliance relates to a functioning HIV/AIDS committee, required by law for workplaces with more than 50 workers. Most factories have established HIV/AIDS committees as required by law, with joint representation from management and workers. However, a significant majority of these committees are non-functional due to irregular or no meetings, lack of HIV/AIDS training for both committee members and workers, and committee members being unaware of their roles and responsibilities. Finally, four in 10 assessed factories fail to comply with conducting medical examinations for workers before their employment. Instead, workers are commonly examined weeks or months after starting work. While employers typically cover the cost, EAs have documented that workers who resign during probationary periods often do not receive reimbursement.

The **welfare facilities** compliance point covers national legal requirements for conditions related to drinking water availability, toilet and handwashing facilities, and requirements for nursing rooms and daycare for workers' children. While nearly nine in ten factories provide enough free, safe drinking water, approximately half of factories are found non-compliant with regulations requiring provision of cups or other sanitary means for drinking water. Approximately three-quarters of factories assessed have adequate accessible toilets and even more have adequate handwashing facilities. Those found non-compliant in these areas had problems with poor maintenance, cleanliness issues, and broken fixtures.

According to Cambodian law, a business employing more than 100 women must set up an operational nursing room that is free to use. Forty-five per cent, or 171 factories, were found non-compliant in 2024 with this requirement. If they existed, nursing rooms in non-compliant factories were often non-functional due to being improperly equipped, locked during working hours, used for storage, or in a location that was unknown to workers. Similarly, 38 per cent of factories were non-compliant with either providing daycare centers, which are required under law if a workplace has 100 or more women workers, or, in the absence of a day care center, providing payment for the childcare costs for women workers

who have children between 18 months and three years of age. Daycare facilities were frequently found to lack proper facilities, staffing, or awareness among workers.

An important component of safe and healthy working environments is providing legally required measures for **worker protection** in industrial workplaces. Eighty-four per cent of factories had at least one finding of non-compliance among the diverse questions in this area. Prevalent problems included the lack of valid technical training certificates for operators of boiler, generator, compressor and pressure vessels, with many factories having only main operators certified by the Ministry of Industry, Science, Technology & Innovation (MISTI) while backup or alternative operators lacked proper certification. Similarly, many facilities had expired or missing inspection certificates for heavy machinery from MISTI and frequently failed to have proper industrial layouts approved for the installation locations of these machines.

While factories largely succeeded in providing personal protective equipment (PPE) to workers (only seven per cent non-compliant), over one-quarter of factories failed to effectively train and encourage the proper use of PPE. Specific protective equipment, like dust masks for workers in dusty sections like cutting and sewing, were distributed irregularly and with no system for replacement in non-compliant factories. The lack of rest chairs for standing workers was another common issue, with workers in sections like ironing, packing, quality control, and cutting not provided adequate seating for occasional breaks — 35 per cent of factories were non-compliant with such ergonomic requirements.

Many factories had inadequate machine safety guards, with sewing machines frequently missing needle guards, eye guards, or belt guards, creating potential injury risks for workers. Assessment-only factories were nearly twice as likely to be out of compliance with having proper guards on machines compared to factories enrolled in BFC advisory services (20 per cent versus 11 per cent non-compliant). Feedback on BFC advisory services from a worker representative in one factory helps illustrate how a focus on continuous improvement during advisory activities can support better compliance outcomes:

"I have taken part in addressing several key issues, significantly improving my factory's working environment. The sewing machines now have adequate lighting, enhancing visibility and safety...machines that previously lacked protective covers for wires have been upgraded with proper safety covers." – Worker representative in a joint worker-management committee

Few factories assessed in 2024 (eight per cent) failed to post adequate safety warnings. Select highlights from the compliance point are presented in Table 3.

Table 3: Worker Protection	Non-compliance	
	# of factories	%
Does the employer have the legally required permits for the installation and operation of boiler, generator, compressor, and pressure vessels?	184	48.3%
Do the operators / technicians for boiler, generator, compressor, and pressure vessels have legally required permits and training?	132	34.6%
Has the employer provided workers with dust masks when necessary?	165	43.3%
Are workers effectively trained and encouraged to properly use personal protective equipment and machines?	106	27.8%
Has the employer provided workers with ear plugs when necessary?	89	23.4%
Has the employer provided workers who work with chemical substances with proper clothing and personal protective equipment when necessary?	84	22.0%
Does the employer comply with ergonomic requirements?	135	35.4%
Are guards properly installed and maintained on all dangerous machines and equipment?	58	15.2%
Are appropriate safety warnings posted in the workplace?	31	8.1%
Are workers punished if they remove themselves from work situations that they believe present an imminent and serious danger to life or health?	0	0.0%

The **working environment** compliance point covers conditions at the workplace including temperature, noise, and lighting. As noted in BFC's preceding annual report covering 2022-2023, increasing temperatures have been observed in Cambodia and other garment-producing countries, a trend, observers have linked to climate-change related risks. Indoor temperatures documented during assessments frequently exceeding the 32°C maximum recommended by BFC, often reaching 34-36°C despite some facilities having cooling

systems.⁸ Over two-thirds of factories (69 per cent) were found non-compliant with acceptable temperature and ventilation. An even higher share of factories — 83 per cent — were found non-compliant with having adequately lit workspaces, with many facilities showing missing or broken localized lamps at workstations. Non-compliance with excessive noise levels was lower, at just 15 per cent of factories.

Working conditions clusters

Compensation

The compensation cluster in the BFC CAT includes 30 questions spread among seven compliance points. The two issues most frequently found non-compliant in factories both relate to paid leave, followed by timely payment of regular wages twice per month per law. Factories receiving advisory services performed better across almost all questions in this cluster.

Thirty-seven per cent of factories were found non-compliant with paying correctly for annual leave, and 35 per cent were non-compliant in paying correctly for special leave periods. In reference to both annual leave and special leave, Cambodian law requires the employer to pay annual leave based on average monthly earnings for each day of leave. Instead, many factories calculate payment for these leave days based on the basic wage of workers only. A large gap exists in non-compliance for paying leave time correctly in advisory versus non-advisory factories: approximately 20 per cent factories receiving BFC advisory services are non-compliant in paying correctly for annual and special leave, whereas over 50 per cent of assessment-only factories are non-compliant with these provisions. BFC's advisory services aid factories in understanding legal requirements for compensation issues.

Fifty-three factories (14 per cent) were found non-compliant in paying workers correctly for maternity leave, which past research has shown can lead to significant pay disparities between women and men.⁹ According to law, employers should 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 overtime pay and bonuses). Workers should receive their maternity benefits before or during their 90 days of leave. For factories found non-compliant, maternity payments are either delayed, or calculated based

⁸ Currently, BFC measures factory temperatures using a dry bulb method, while recognizing a wet bulb method may be a preferable measurement method to account for elements of heat stress and other thermal conditions in a factory setting.

⁹ Djaya, D., Brown, D. K., & Lupo, L. (2019). An impact evaluation of Better Work from a gender perspective ILO-IFC Better Work programme discussion paper no. 30

on a basic wage, rather than the monthly average. Table 4 presents a summary of a select number of questions within the **paid leave** compliance point.

Table 4: Paid leave	Non-compliance	
	# of factories	%
Does the employer pay workers correctly for annual leave?	140	36.7%
Does the employer pay workers correctly during special leave?	135	35.4%
Does the employer pay workers correctly for maternity leave?	53	13.9%
Does the employer pay workers correctly for the one hour of paid time off per day for breastfeeding?	13	3.4%
Does the employer pay workers correctly during suspensions of work?	12	3.1%
Does the employer pay workers correctly for paid public holidays?	2	0.5%

Two compliance questions are examined in the compliance point covering **method of payment**. According to law, workers must be paid twice per month, on the second and fourth week of the month. The first payment must comprise 50 per cent of the net wage per month, with the second payment covering the remaining net wage, other remunerations, and benefits that the workers have received each month. Factories found non-compliant (29 per cent) frequently missed paying the full 50 per cent due for the first payment, either by not reflecting the increase of the minimum wage in 2024 from \$200 to \$204 per month, or by erroneously deducting paid leave from first payments. Factories receiving advisory services were found non-compliant with paying on time at a 19 percentage-point lower rate than factories not participating in advisory. Paying wages in the manner required, including during regular working hours, is a less prevalent issue (only five per cent of factories were non-compliant).

Non-compliance with paying **minimum wages and piece rate wages** according to law is less prominent than other areas of compensation. Only five factories (were found non-compliant with paying at least the minimum wage to regular workers, and only 13 factories were found non-compliant with paying at least the minimum wage to all types of workers other than regular workers. More salient are problems with setting piece rate wages at a proper level. According to MLVT policy, if 60 per cent of piece-rate workers can earn minimum wage based on their piece rate earnings, then the piece-rate price is considered

to be set at a level that allows an average worker to earn the minimum wage through this wage setting structure. Compliance assessments in 2024 show that 55 factories are non-compliant with this provision, setting the piece rate too low. In these cases, factories may supplement the wages of workers to meet the monthly minimum wage, but they will still be cited as non-compliant for setting piece rate wages too low. Past research using data from Cambodia has shown that workers paid based on piece rate tend to have worse outcomes related to safety and health at the workplace, including higher self-reported rates of concern with workplace injuries.¹⁰

Like the minimum wages compliance point, non-compliance for **overtime wages** remained modest in 2024. Less than six per cent of factories were found non-compliant with paying workers 150 per cent of their normal wage for all ordinary overtime hours worked. A similar share of factories were non-compliant for paying workers double their normal wage for hours worked on weekly rest days (normally Sunday). Non-compliance is much more common with the legal requirement to provide workers with meal allowances when working overtime. Factories in non-compliance with this provision (66 factories, or 17 per cent of those assessed), were frequently found to pay only half the meal allowance entitlement (1,000 Riels rather than the 2,000 Riels required) when workers perform one hour of overtime. According to national law, workers who log even one hour of overtime should be paid the full meal allowance.

Question-level results for the **wage information, use and deduction** compliance point are presented in Table 5. On the critical question of whether the factory keeps a single accurate payroll record, over one in five factories assessed were found non-compliant. National law stipulates that only one payroll record should be kept, and it should be complete. It should be inclusive of all types of working hours and shifts, and should include information about each worker, elements of their wages, work they performed, wage deductions, and time off. Non-compliant factories were found to have multiple payroll ledgers — often separate records were kept for work on Sunday or overtime work past two hours in a day.

¹⁰ Davis, M. (2021). Piece rate, productivity, and occupational health in the global economy: mixed method evidence from Cambodian garment factories. ILO-IFC Better Work programme discussion paper no. 44

Table 5: Wage information, use and deduction	Non-compliance	
	# of factories	%
Does the employer keep only one accurate payroll record?	87	22.8%
Does the employer properly inform workers about wage payments and deductions?	46	12.1%
Has the employer made any unauthorized deductions from wages?	44	11.5%

Over one in ten factories either made unauthorized deductions from wages, or did not properly inform workers about wage payments and deductions. According to law, employers must explain to workers the items that make up their pay, and the terms of their payment, before they begin work. For non-compliant factories, worker interviews demonstrated that employers failed to provide transparent and easy-to-understand information about wage payment structures or inform workers about their wage payments and benefits when they start working, resulting in widespread worker confusion about how their wages are calculated — particularly for piece rate, overtime, and benefit calculations. Prior research with Better Work survey data suggests that a lack of transparency and understanding on behalf of workers regarding their pay leads to suboptimal outcomes for productivity and working conditions.¹¹ Regarding deductions, a principal reason for citing non-compliance relates to unlawful deduction of wages from workers who recently resigned. Non-compliant factories were found in many cases to require workers to provide seven days' notice before resignation and would deduct the equivalent amount in wages for those workers who did not.

Compliance with **social security and other benefits** are assessed against eight separate compliance questions. Although the overall non-compliance rate is 37.8 per cent of factories for the compliance point, only two questions register over ten per cent of factories as non-compliant. Paying workers on Undetermined Duration Contracts (UDC) the correct seniority indemnity and paying attendance bonuses correctly were the most common sources of non-compliance. Only 17 factories were found to have failed to pay the required employer contribution to the National Social Security Fund.

¹¹ Borino, F., (2018). Piece rate pay and working conditions in the export garment sector. ILO-IFC Better Work programme discussion paper no. 28

Table 6: Social Security and Other Benefits	Non-compliance	
	# of factories	%
Does the employer pay UDC workers the correct seniority indemnity?	60	15.7%
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?	52	13.6%
Does the employer pay all workers who work regularly the correct attendance bonus during leave legally required by law?	34	8.9%
Does the employer provide transport home or a place to sleep for workers who finish work between 22:00 and 05:00?	27	7.1%
Does the employer pay all workers the correct mandatory wage supplements (including transportation and housing allowances)?	24	6.3%
Does the employer pay workers the correct seniority bonus?	19	5.0%
Does the employer pay the required employer contribution to the National Social Security Fund?	17	4.5%
Does the employer pay workers their wages for the first day they miss work due to work-related accidents or illnesses?	6	1.6%

Contracts and human resources

Non-compliance was observed across a range of 25 questions within four compliance points in the contracts and human resources cluster. Factories receiving advisory services recorded non-compliance rates in this cluster notably lower than assessment-only factories. Differences in performance were driven by lower non-compliance within the employment contracts compliance point.

Employment contracts recorded the highest prevalence of non-compliance. The most common issues cited for non-compliance dealt with correctly stipulating the terms and conditions within employment contracts, and ensuring workers understand those terms. Employment contracts were frequently found to have missing information on resignation procedures, missing or incomplete benefits information, lack of information on standard working hours, and conditions for requesting leave. Twenty-eight per cent of factories

receiving advisory services were cited as non-compliant with specifying the terms and conditions of employment correctly in contracts, versus 55 per cent of assessment-only factories. In factories cited as non-compliant with systems to ensure workers understand their contracts (32 per cent in advisory factories versus 60 per cent in assessment-only factories), worker interviews revealed a lack of understanding of wage calculations (particularly piece rates and overtime), benefit entitlements, leave procedures, or basic employment terms, despite receiving brief orientations. Partial or inadequate orientation to contract terms is widespread, with other cases found where no briefing is given to workers upon their employment. In contrast, few instances of workers employed without contracts were found in 2024.

Table 7: Employment contracts	Non-compliance	
	# of factories	%
Does management have a system to ensure that workers understand the terms and conditions of employment?	174	45.7%
Do the employment contracts specify the terms and conditions of employment?	158	41.5%
Do all persons who perform work for the factory, both on the premises and offsite, have a contract?	8	2.1%

Complying with regulations regarding lawful **termination** of employment varied. For six of the eight compliance questions assessed in this compliance point, fewer than six per cent of factories were found non-compliant. The two areas that drove non-compliance in this area were related to proper compensation to workers after they were terminated (Table 8). Nearly 35 per cent of factories were non-compliant with correct compensation for unused paid annual leave for workers upon resignation or termination — frequently factories paid out this sum using incorrect calculations that negatively affected workers. Additionally, 103 factories were non-compliant in terms of timely payment of outstanding wages at the time of termination, which should be completed within two days. Only one instance of terminating workers without valid reasons was documented in 2024.

Table 8: Termination	Non-compliance	
	# of factories	%
Does the employer compensate workers for unused paid annual leave when they resign or are terminated?	132	34.6%
Does the employer pay all outstanding wages and indemnities within 48 hours of termination?	103	27.0%
Does the employer pay workers the correct severance pay?	22	5.8%
Does the employer comply with legal requirements before suspending workers or reducing the size of the workforce due to changes in operations?	10	2.6%
Does the employer pay workers their outstanding wages and the correct seniority indemnity for dismissal?	8	2.1%

The compliance point of **dialogue, discipline, and disputes** similarly clustered non-compliances within two questions — one regarding requirement for engagement with shop stewards, and another related to workplace bullying. In 50 factories (13 per cent of those assessed), EAs established that workers had been bullied, harassed or subjected to humiliating treatment. Through triangulated interviews, workers described systematic cases of supervisors and line leaders engaging in public shouting, using degrading language, and even throwing objects like garments or walkie-talkies, particularly when production targets were not met or when mistakes occurred. Several interviews confirmed such behaviour intensified during periods of peak production. In these factories, workers described feeling demotivated as a result of such behaviour, with some crying or resigning due to the hostile environment. They described that the harassing behaviour created a workplace culture where workers felt they cannot speak up or concentrate effectively on their tasks. Enterprise advisors discussed these findings at the conclusion of the assessment with management, who frequently acknowledged the problem and, in some instances, have attempted to address this through supervisor training.

According to Cambodian law, garment workplaces should have shop stewards who are elected by secret ballot to serve a two-year mandate to represent workers' interest. Over 4 in 10 (43 per cent) of factories were found non-compliant in 2024 with regulations governing shop stewards. Common issues include failing to hold elections within 15 days before previous mandates expired, conducting elections openly rather than by secret ballot, not consulting with worker representatives (and unions, if they are present in the factory) before

organizing elections, and appointing shop stewards instead of holding proper elections. Further, many factories failed to provide elected shop stewards with required facilities and support, including two paid hours per week to perform their duties, dedicated meeting rooms, office supplies, information display areas, and copies of labour law. Additionally, numerous factories do not elect the correct number of shop stewards based on their workforce size, fail to hold separate elections for manual and skilled workers as required, and submit election results to the MLVT without receiving proper approval. Despite some factories providing partial compliance with election procedures, the lack of adequate support for elected shop stewards to perform their functions undermined their ability to represent workers' interests, with many newly elected shop stewards stating they are too busy with production work to fulfill their representative duties.

The final compliance point in the contracts cluster deals with **contracting procedures**. Relatively few non-compliances were recorded in this area in 2024. The most prominent area of non-compliance related to the use of fixed term contracts. Enterprise Advisors mark factories as non-compliant if they find workers employed on fixed duration contracts (FDC) beyond the legal limit of two years. In 19 per cent of factories assessed in 2024 (10 per cent of advisory factories and 29 percent of assessment-only factories), EAs found that many workers continue to work under short-term FDCs (typically 3-6 months) even after working well beyond two years in their role, going against the legal requirements. Common strategies found included rotating workers through repeated FDCs indefinitely and forcing workers to resign and be rehired with new start dates. In some cases, factories were found to have changed their legal name as an additional strategy. Despite maintaining seniority benefits for transferred workers, non-compliance was cited in cases where factories would not recognise the original start dates of transferred workers and exceeded the time limit for keeping those workers on FDCs.

Working time

The working time cluster covers 12 questions across three compliance points: overtime, leave, and regular hours.

The area of largest non-compliance related to working time is limiting **overtime** work to two hours per day. Nearly 59 per cent of factories were non-compliant with this requirement in 2024, more than double the rate of non-compliance with any other question in this cluster. Cambodian law limits overtime to two hours per day, and EAs found that many factories would adhere to this schedule for periods of time. However, EAs cited factories as non-compliant when worker interviews or time logs showed excessive overtime beyond this schedule, often coinciding with peak production periods. Assessment-only factories had

lower non-compliance with this question (54 per cent NC) compared to factories receiving advisory services (63 per cent NC), suggesting that expert advice shared by BFC in advisory services on working time regulations can be overpowered by industry dynamics that lead to excessive overtime.

Another area of significant non-compliance (25 per cent of factories were NC) relates to **leave** time legally required for workers who are new mothers and entitled to breastfeeding breaks. Mothers with children under 12 months of age are entitled to one hour paid time off during working hours for breastfeeding, which may be taken as a one-hour break, or as two half-hour breaks. Compliance assessments showed a frequent lack of awareness of breastfeeding entitlements, with management having inadequate policies that excluded newly hired mothers or allowed workers to choose a payment over time off, which violates legal requirements. Some factories also limited the benefit to only 3-6 months instead of the required 12 months, or they provided it only during certain times of day rather than when needed. Advisory services from BFC may contribute to lower non-compliance with regulations related to leave: advisory factories had non-compliance rates 12 and 16 percentage points lower on providing time off for breastfeeding breaks and the correct number of annual leave days, respectively, relative to assessment-only factories.

Table 9: Working time		Non-compliance	
Overtime	# of factories	%	
Is overtime work limited to two hours per day?	224	58.8%	
Does the employer get permission from the Labor Inspector before suspending weekly rest days?	97	25.5%	
Does the employer get permission from the Labour Inspector before workers work overtime?	25	6.6%	
Leave	# of factories	%	
Does the employer provide workers with time off for breast-feeding during working hours?	95	24.9%	
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?	51	13.4%	
Does the employer give workers up to 7 days of time off for special leave per year?	25	6.6%	
Does the employer provide workers up to six months of time off for sick leave for an illness certified by a qualified doctor?	10	2.6%	
Does the employer provide workers at least 90 days of maternity leave?	3	0.8%	

Regular Hours	# of factories	%
Does the employer provide required weekly rest periods?	69	18.1%
Do the working time records reflect the hours actually worked?	61	16.0%
Do regular daily or weekly working hours exceed the legal limit?	1	0.3%

For regulations governing regular hours, some factories failed to provide sufficient weekly rest periods. Sixty-nine factories, or 18 per cent, denied workers the mandated 24-hour weekly rest period, usually provided on a Sunday. Several cases were documented of work weeks including several consecutive Sundays with no rest days. Relatedly, a similar share of factories (16 per cent) was found non-compliant with working time records. Frequently, time logs for work performed on a Sunday were kept separate from the main time log. Irregularities in attendance systems for regular hours, including those performed on Sunday, also led to findings of non-compliance.

Travel goods and bags

The number of factories in BFC that produce travel goods, including luggage and handbags, has increased significantly in recent years as enrollment became required for access to the export market in 2022. The 75 factories assessed by BFC in 2024 represent over half of the entire travel goods industry in Cambodia. Three of these assessments were conducted jointly with labour inspectors from the MLVT, in accordance with its Joint Action Plan with BFC and as a means to strengthen labour inspection capacity. The 2025 BFC annual report provides a summary snapshot of compliance performance in these firms for the first time.

As seen in Figure 5, the broad patterns of non-compliance in the travel goods sector mirror those in garment factories in 2024. The highest incidence of non-compliance is found within the OSH cluster, with significant issues also recorded under contracts, working time, and compensation.

Figure 5: Non-compliance by Compliance Point in 2024 (Travel goods and bags)

Cluster		Compliance Point	NC-Rate
CORE LABOR STANDARDS	Child Labour	Child Labourers	1.3%
		Documentation and Protection of Young Workers	0.0%
		Hazardous Work and other Worst Forms	0.0%
	Discrimination	Gender	6.7%
		Other Grounds	0.0%
		Race and Origin	0.0%
		Religion and Political Opinion	0.0%
	Forced Labour	Bonded Labour	0.0%
		Coercion	0.0%
		Forced Labour and Overtime	0.0%
		Prison Labour	0.0%
	Freedom of Association and Collective Bargaining	Collective Bargaining	2.7%
		Freedom to Associate	9.3%
		Interference and Discrimination	8.0%
		Strikes	0.0%
		Union Operations	0.0%
	Occupational Safety and Health	Chemicals and Hazardous Substances	72.0%
		Emergency Preparedness	58.7%
		Health Services and First Aid	93.3%
		OSH Management Systems	70.7%
		Welfare Facilities	84.0%
		Worker Accommodation	17.3%
		Worker Protection	88.0%
		Working Environment	96.0%
WORKING CONDITIONS	Compensation	Method of Payment	33.3%
		Minimum Wages/Piece Rate Wages	4.0%
		Overtime Wages	20.0%
		Paid Leave	50.7%
		Premium Pay	1.3%
		Social Security and Other Benefits	36.0%
		Wage Information, Use and Deduction	33.3%
	Contracts and Human Resources	Contracting Procedures	29.3%
		Dialogue, Discipline and Disputes	57.3%
		Employment Contracts	66.7%
		Termination	46.7%
	Working Time	Leave	36.0%
		Overtime	42.7%
		Regular Hours	24.0%

In the **freedom of association and collective bargaining** cluster, the most prominent areas of non-compliance related to the freedom to join a union, and employer involvement in union decision making and activities. One non-compliant practice documented included union leaders being appointed by management rather than through transparent elections.

In several instances, workers were recruited to become union members without their informed knowledge or were required to join a union by the employer. Four per cent of travel goods factories assessed were non-compliant with management seeking to manipulate the union by offering financial incentives to union leaders.

One factory producing travel goods was found to be employing workers under the age of 15, thus cited as non-compliant in the **child labourers** compliance point. During the unannounced assessment, BFC EAs identified six workers who appeared underage. Through triangulation of interviews with the workers, their parents, and through documentation review, EAs established that all six workers were in fact below the age of 15. Factory management cooperated to follow BFC's child labour remediation policy, including covering the costs of investigation, paying workers' wages until they turned 15, and providing for training expenses. Subsequently, the underage workers were confirmed as enrolled in public schools.

Within the **discrimination** cluster, several factories were found non-compliant for using gender as a factor in hiring practices. Similar to dynamics documented in the garment sector in 2024, in several cases male workers faced additional requirements including certified behavioural letters, background check certificates, and guarantor letters with fingerprints that female workers were not required to provide. Management largely acknowledged these discriminatory practices and committed to adjusting recruitment procedures to ensure equal treatment.

Incidences of non-compliance within the **occupational safety and health** cluster were widespread. Similar to patterns documented in the garment sector, significant proportions of factories were non-compliant with properly storing chemicals, implementing an OSH management system, and ensuring factory temperatures and lighting meet legal standards. Factories performed relatively better in the OSH cluster in ensuring adequate number of emergency exits (just four per cent non-compliant), and in ensuring PPE is provided to workers when necessary (five per cent non-compliant). These relatively low rates of non-compliance do not go far enough, however, given the high levels of non-compliance in ensuring emergency escape routes are free from obstruction (37 per cent non-compliant) and in properly training workers to use PPE (23 per cent non-compliant).

Regarding **compensation**, travel goods factories were most likely to fail to compensate workers correctly for paid leave, with nearly 51 per cent of factories having at least one non-compliance. Paying correctly for annual and special leave were top issues, followed by paying correctly for maternity leave. Thirty-two per cent of factories were cited as non-compliant with paying on time and twice per month, as specified in national law. Within the

social security compliance point, factories were most likely to be cited for non-compliance with paying correctly for attendance bonuses, similar to patterns recorded in the garment sector.

Within the **contracts and human resources** cluster, approximately half of factories were found non-compliant with ensuring contracts specified the terms and conditions of employment, and 45 per cent found non-compliant with having a system to ensure workers understand the terms and conditions of employment. Within the dialogues, disciplines, and disputes compliance point, where 57.3 per cent of factories had at least one non-compliance, the most common issue related to respecting national law governing shop stewards. The most common cause of non-compliance was failing to hold elections at least 15 days before the previous mandate expired. Additional procedural issues included electing incorrect numbers of shop stewards, management appointing candidates rather than allowing worker nominations, and conducting non-secret ballots. Within the termination compliance point, factories were most likely not to comply with ensuring proper payments of wages, annual leave, and indemnities to terminated workers.

The dynamics of **working time** non-compliances in travel goods factories follow closely those found in garment sector factories. Overtime hours exceeding the legal limit of two hours per day is the most common driver of non-compliance in this sector. Whereas 59 per cent of garment factories were found non-compliance in overtime hours, the comparable figure for travel goods factories stood at 40 per cent in 2024. Similar to the garment sector, non-compliances within the regular hours compliance point were found due to irregularities in working time record keeping, rather than outright evidence of daily or weekly working hours exceeding the legal limit.

Conclusion and next steps

The Royal Government of Cambodia's Garment, Footwear, and Travel Goods Sector Development Strategy 2022-2027 envisions a GFT industry for Cambodia that is resilient in facing external shocks, supports environmental sustainability, grows into offering higher value-added products, and supports national economic diversification. As a key partner in developing this policy, BFC remains committed to helping the Government and its partners achieve this vision. Collaboration among sector stakeholders is especially critical at this time when the global economy faces potential headwinds and significant uncertainty persists in trade tariff conditions in export markets. Better Factories Cambodia will continue to promote a culture of compliance within the GFT sector through activities that support improved working conditions and firm and industry competitiveness. As evidenced in this report, opportunities for improvement persist alongside significant progress. Building upon

key thematic interventions in 2024, BFC views a critical role for the programme to play in supporting sector stakeholders in the following areas:

- *Strengthening sectoral partnerships.* Better Factories Cambodia will build on its successful 2024 collaboration with the MLVT. In particular, it will focus on implementing elements of the 2025-2026 Joint Action Plan, including expanding training programmes for labour inspectors and deepening its role in the GFT Sector Advisory Working Group. The programme plans to leverage its convening power to advance working conditions and economic upgrading through continued partnership with MLVT, Ministry of Commerce, TAFTAC, CGTI, and trade unions. Building on the Responsible Business and Sustainability Forum held in 2024, BFC will continue to engage sector partners through social dialogue on emerging issues, including human rights due diligence.
- *Advancing programme sustainability.* Better Factories Cambodia continues to advance in finding methods to scale and maintain long-term impact through creating an ecosystem to support compliance being upheld by national partners. A priority of the programme in 2025 will be exploring and implementing efficiency gains through lightening its factory engagement model, including through time-bound interventions that focus on management systems that can accompany effective due diligence processes. A continued emphasis will be placed on strengthening the capacity of national partners. With MLVT, BFC will focus on sharing knowledge and tools to enhance its capacity especially on labour inspection. The programme will also share training tools and materials with TAFTAC and CGTI, and promote inter-ministerial collaboration, industry consultations, and buyer engagement. Through these efforts, BFC seeks to achieve durable sectoral-level change.
- *Supporting social dialogue and sound industrial relations.* As noted in BFC's prior Annual Report, Cambodia has experienced an increasing number of industrial relations issues in the GFT sector in recent years. The programme re-affirms that effective social dialogue is key to achieving sustained, decent working conditions, and will continue to engage with workers' and employers' organizations to promote dialogue and mechanisms for consultation and negotiation at the level of the factory and at the national sectoral level for GFT stakeholders. In 2025, a new three-year project will be launched with the support of the Ministry of Employment and Social Development of Canada that enables BFC and broader ILO technical units to deliver factory and sectoral support to promote freedom of association and collective bargaining in the GFT sector, with the distinction of being rolled out in all provinces.
- *Advancing gender equality and empowerment.* Better Factories Cambodia will implement its Gender Action Plan developed with MLVT and expand training on ILO

Convention No. 190 on violence and harassment at work across the labour inspection network. The programme will continue to leverage in new ways its successful leadership development programmes in 2025, using targeted interventions to address gender biases and build confidence among both men and women in factory leadership roles. One component of this strategy will be to implement the Gender Equality and Returns (GEAR) programme, a specialized training initiative incubated in Better Work that aims to promote women's career progression through technical and leadership skills training.

- *Pursuing innovative approaches and partnerships to address key thematic issues.* Better Factories Cambodia will continue to innovate with approaches and partners to address critical issues in the GFT sector. Promoting a safe and healthy working environment is key among these thematic issues, and the high levels of non-compliance with OSH conditions documented in this report emphasize this priority. Working with broader ILO units, BFC will continue to provide support to tripartite partners as the Royal Government of Cambodia is expected to release its OSH legislation in 2025. Using unique temperature data gathered in assessments and trusted relationships with factories, BFC will help advance conversations on addressing heat stress among workers in the GFT sector. The programme's data is enabling innovative research on the topic of heat stress and climate risks to the garment sector.¹² The programme will expand digital training offerings through a BFC chatbot, scaling resources available to workers — including those outside typical connection points like workplace committees — on topics including digital wages and preventing gender-based violence. And in the context of the UN80 reforms and expected resource constraints, BFC will focus on leveraging partnerships with other UN agencies to advance decent work in Cambodia. One such partnership includes collaboration with UNESCO to promote greater literacy among factory workers. The programme will also continue to engage with civil society actors, such as collaboration with the AIP foundation to address road and commuting safety among factory workers.

¹² Judd, J., Bauer, A., & Kuruvilla, S. (2023). Higher ground? Report 1: Fashion's climate breakdown and its effect for workers. Cornell University, ILR School, Global Labor Institute. <https://hdl.handle.net/1813/113627>

Annexes

a. Garment enterprises included in this report

8 Star Sportswear Ltd.	Callisto Apparel (Cambodia) Co., Ltd
A & M Clothing Co., Ltd.	CAM Forever Co., Ltd.
A.K.M Garment Co., Ltd (formerly K.A.M. Garment Co., Ltd.)	Cambo H.D.Y.L Garment Co., Ltd.
Aeta Apparel Co., Ltd.	Cambo Unisoll Ltd
Agile Sweater (Cambodia) Co., Ltd	Cambodian Pacific Home Fashion Co., Ltd
Allied Max International (Cambodia) Co., Ltd.	Cambodian Socks and Underwear Co., Ltd.
Apex International (Cambodia) Ltd.(formerly Peace Glory (Cambodia) Manufacturing Co., Ltd)	Cambodian Sunrise Garment Co., Ltd.
Apple Apparel (Cambodia) Co., Ltd	Cambodian Textiles Worldwide Phnom Penh Works Co., Ltd.
Aroma Success Garment Co., Ltd.	Cambodian Wuxi Jin Mao Garment Co., Ltd.
Asia Dong Run Import Export Co., Ltd	Camkaxin (Cambodia) Garment Co., Ltd.
Asia Pacific Dreamax Garment (Cambodia) Co., Ltd.	Capital Garments Co., Ltd.
Aster Sky Garment Co., Ltd.	Caswell Apparel Co., Ltd.
Aurora Apparel (Cambodia) Co.,Ltd.	Cathaya (Cambodia) Co., Ltd.
AW Cashmere (Cambodia) Co., Ltd. (formerly GW Rui Xing Co., Ltd.)	Cathaya Industry (Cambodia) Co., Ltd.
AWTEX Garment Co., Ltd.	CB Kingtop Fashion Garment Co., Ltd. (formerly Tianyan International (Cambodia) Fashion Co., Ltd)
AYC Garment Factory Co., Ltd. (formerly New Archid Garment Factory Ltd.)	Cerie (Cambodia) Garment Co., Ltd
Bayon Garment Factory Co., Ltd.	CG Glory (Cambodia) Manufacturing Company Limited. (formerly Ford Glory)
Beauty Silk Screen Limited	Champtex (Cambodia) Co., Ltd.
Beauty Silk Screen Limited (Branch 1)	Cheng Shi Xin Manufacturing (Cambodia) Company Limited
Berry Apparel (Cambodia) Co., Ltd.	Chenghaoshiye (Cambodia) Fashion Co., Ltd.
Best Beauty Company Limited.	Chia Ho (Cambodia) Garment Industrial Co., Ltd
Beswin Fashion (Cambodia) Co., Ltd.	China Ting (Cambodia) Fashion Co., Ltd.
Blossom Knitwear (Cambodia) Company Limited	Chun Xue (Cambodia) Cashmere Textile Co., Ltd
Bo Hua B (Cambodia) Fashion Co., Ltd.	Churi Garment Co., Ltd.
Bowker Garment Factory (Cambodia) Company Limited.	Cobest Second (Cambodia) Garment Co., Ltd. (formerly CS Goldway Textile (Cambodia) Co., Ltd)
Brightness (Cambodia) Garment Factory Co., Ltd.	Concept Creator Fashion (Cambodia) Co., Ltd.
Brilliant HK (Cambodia) Factory Co., Ltd.	
C.F.C Garment Pty Co., Ltd.	
Calacam Investment Co., Ltd.	

CPCG International Co., Ltd
 CPPC Outdoor Wear (Cambodia) Co., Ltd.
 Credstar Washing & Processing Co., Ltd
 CSQ S. Ok Garment (Cambodia) Co., Ltd.
 (formerly Jifa S. Ok Garment (Cambodia)
 Co., Ltd)
 CWKH Garment (Cambodia) Limited
 CWL AKT (Cambodia) Co., Ltd.
 D & Blue (Cambodia) Co., Ltd.
 Daeseung-Cambo Co., Ltd (formerly Mir
 Apparel World Co., Ltd)
 Dali Garment International (Cambodia)
 Limited
 Dali Garment International (Cambodia)
 Limited. (Branch 1)
 Dewhirst (Cambodia) Co., Ltd.
 Di Seta (Cambodia) Co., Ltd.
 Din Ling Garment Co., Ltd.
 Dongdu Textile (Cambodia) Co., Ltd.
 Ealytex (Cambodia) Garment Co., Ltd.
 Easetex (Cambodia) Co., Ltd
 Eastex Garment Co., Ltd.
 Eclat Textile (Cambodia) Co., Ltd
 Elite (Cambodia) Co., Ltd
 Eminent Garment (Cambodia) Limited
 Euclath International (Cambodia)
 Garment Co., Ltd.
 Ever Supra Garment (Cambodia) Co., Ltd.
 Evergreen Garment Co., Ltd.
 Everlush Co., Ltd. (formerly Logwood
 Apparel Co., Ltd.)
 Evermax Garment Accessories
 (Cambodia) Co., Ltd.
 Ever-Synergy (Cambodia) Garments Co.,
 Ltd.
 F.U.G Garment (Cambodia) Co., Ltd
 Fairdon (Cambodia) Limited
 Fast Making Co., Ltd.
 Fengfan (Cambodia) Co., Ltd.
 Fitly Apparel Co., Ltd.
 Flourish Garment (Cambodia) Co., Ltd.
 Foot Forward (Cambodia) Socks Co., Ltd
 Footmark (Cambodia) Corporation
 Foremart (Cambodia) Co., Ltd (formerly D
 & L Ultimate (Cambodia) Co., Ltd)
 Forever Colour Garment Co., Ltd.
 Forever FUG Garment Co., Ltd.
 Fortuna International (Cambodia)
 Industry Co., Ltd.
 Fu Hong Embroidery Co.,Ltd.
 Fukki Apparel and Laundry Technology
 Co., Ltd.
 Full Wealth Garment Co., Ltd.
 Funday Garment Co., Ltd.
 Fushun Cambo Fashion Co., Ltd.
 G.W Greenways Textile Co., Ltd.
 GDM Enterprise Co., Ltd.
 General Enterprises Garment (Cambodia)
 Co.,Ltd.
 Genmei Industrial (Cambodia) Co., Ltd.
 G-Evergreat (Cambodia) Knitting Co., Ltd.
 (formerly G-Evergreen (Cambodia)
 Knitting Co., Ltd)
 GG Fashion (Cambodia) Co., Ltd.
 Gin-Sovann Fashion (Cambodia) Limited
 Given Clothing Garment (Cambodia) Co.,
 Ltd.
 Global Asia Apparel (Cambodia) Co., Ltd.
 Glory Knitwear Ltd.
 Golden Star Corporate Development
 (Cambodia) Co., Ltd
 Goldfame Star Factory (Cambodia)
 Company Limited (formerly Goldfame
 Star Enterprises (Cambodia))
 Good People (Cambodia) Ltd.
 Good Plus (Cambodia) Manufacture Co.,
 Ltd.
 Grace Glory (Cambodia) Garment LTD
 Grand DW Co., Ltd. (formerly Deuck Woo
 (Cambodia) Co., Ltd.)
 Grand Textiles (Cambodia) Co., Ltd.
 (formerly Grandtex International Co.,
 Ltd.)
 Grand Twins International (Cambodia)
 Plc.
 Grandfield Industry Co., Ltd.

Great Bestway Manufacturing Co., Ltd.
 Great New Talent Factory (Cambodia) Co., Ltd.
 Great Zhenxin Garment Co., Ltd.
 Green Meadow Development (Cambodia) Co., Ltd
 Guo Tai Sheng Xing (Cambodia) Garment Co., Ltd.
 Guowoo (Cambodia) Co., Ltd.
 Hai Long Far East Development (Cambodia) Co., Ltd
 Haitan HB (Cambodia) Co., Ltd. (formerly Haitan Garment (Cambodia) Co., Ltd.)
 Hand 7 Garment Co., Ltd.
 Harmony Apparel Co., Ltd.(formerly Kie & Kie World Co., Ltd.)
 HC Global Textile Co., Ltd.
 He Li Tuo Knitting Co., Ltd
 Heart Enterprise (Cambodia) Co., Ltd.
 Helios Garment (Cambodia) Co., Ltd.
 Hen Yang (Cambodia) Apparel Manufacturing Co., Ltd.
 Hengnan International Trading (Cambodia) Co., Ltd.
 Hengwin (Cambodia) Garment Co., Ltd.
 Hermo (Cambodia) Co., Ltd.
 High Hope (Cambodia) Apparel Manufacturing Co., Ltd.
 Hing Lee (Cambodia) Co., Ltd.
 Hirota (Cambodia) Garment Co., Ltd
 Hi-Synergy International Garments Co., Ltd
 Hi-Tech Apparel (Cambodia) Co., Ltd
 Hongs One (Cambodia) Garment Co., Ltd.
 Horizon Outdoor (Cambodia) Co., Ltd
 Hua Wu Garment (Cambodia) Co.,Ltd.
 Huakuan (Cambodia) Garments Co., Ltd.
 Humble Apparel Manufacturing Co., Ltd.
 Hung Hsing Garment (Cambodia) Co., Ltd.
 Hung Hsing Garment (Cambodia) Co., Ltd. (Laundry)
 Hung Wah (Cambodia) Garment Manufacturing Ltd. (Branch 1)
 Hung Yueh Enterprise Co., Ltd.
 Hwashin Print Co., Ltd.
 Hyunwoocam Co., Ltd
 I Apparel Ltd.
 IK Apparel Co., Ltd
 In Jae Garment Co., Ltd.
 In Kyung Cambodia Co., Ltd.
 Independence Clothing (Cambodia) Co., Ltd.
 Indochine Apparel (Cambodia) Ltd. (formerly Indochine Gawon (Cambodia) Ltd)
 Inkyung Wondang Apparel Co., Ltd.
 J S D Textile (Cambodia) Co.,Ltd.
 J.A.K Garment Co., Ltd.
 J.I.A Garment Co., Ltd.
 Jade Sun Garment (Cambodia) Co., Ltd
 JD & Toyoshima Co., Ltd II
 JH Garment (Cambodia) Co., Ltd.
 Jia Jia He Garment (Cambodia) Co., Ltd.
 Jiangyao (Cambodia) Garments Co., Ltd.
 Jie Wei (Cambodia) Garment Factory Ltd.
 Jin Feng Da (Cambodia) Printing Co., Ltd
 Jin Yunjin (Cambodia) Garment Co., Ltd.
 Jinmyung Garment Development Corp.
 Joint Force Sporting Goods (Cambodia) Co., Ltd (formerly Tien Sung Garment (formerly Ming Jian))
 Joyance International (Cambodia) Apparel Co., Ltd.
 J-Star Garment (Cambodia) Co., Ltd.
 Jungkwang Evergreen Garment Co., Ltd.
 JYH Firstex (Cambodia) Co., Ltd. (formerly Shanghai Sunwin Firstex (Cambodia) Co., Ltd.)
 K Fine (Cambodia) Garment Company Limited
 Kang Da Garment Co., Ltd
 Kaotex Garment Co., Ltd
 Keme Garment (Cambodia) Co., Ltd.
 KH Win Star Garment Co., Ltd.

King Lian (Cambodia) Garment Factory Co., Ltd.
 King Success Co., Ltd. (formerly E Garment Co., Ltd.)
 KKN Apparel Co., Ltd.
 Kunbo Style Apparel Co., Ltd.
 L C Garment (Cambodia) Co., Ltd.
 Leading Star (Cambodia) Garment Co., Ltd.
 Li Kai (Cambodia) Apparel Manufacturing Co., Ltd.
 Li Qiang Corp
 Lianfa Hengyu (Cambodia) Garment Co., Ltd
 Lin's Textile Co., Ltd.
 Liu Tan International (Cambodia) Co.,Ltd
 Lonso (Cambodia) Garment Co., Ltd.
 Lucida (Cambodia) Enterprise Co., Ltd
 M & V International Manufacturing Ltd. (Kampong Chhnang)
 Macox Manufacturing Co., Ltd
 Makalot Garments (Cambodia) Co., Ltd.
 Makalot Garments (Cambodia) Co., Ltd. (Branch 1)
 Makalot Garments (Cambodia) Co., Ltd. (Branch 3)
 Makalot Garments (Cambodia) Co., Ltd. Branch 1 (MK2B)
 Malaga Garment Factory Co., Ltd.
 Man Ou Garment Co., Ltd
 Mao Xing Yuan (Cambodia) Garment Co., Ltd.
 Marvel Garment Co., Ltd.
 Master & Frank (Cambodia) Co., Ltd.
 Medtecs (Cambodia) Corp.Limited
 Meng Tong Garment Manufactory Ltd.
 Meng Yan Garment Manufacturing & Wet Processing Ltd.
 Meng Yee Garment Manufactory Co., Ltd.
 Min Rong Garment Factory Co., Ltd.
 Minmax Cambodia Co., Ltd
 Moha Garments Co., Ltd.
 Moon Apparel (Cambodia) Co., Ltd.

Moon Tai KJ (Cambodia) Co.,Ltd.
 Morica Industry Co., Ltd
 Morning Glory Garment Enterprise Co., Ltd (formerly South Bay Enterprise Co., Ltd.)
 Movefast (Cambodia) Co., Ltd.
 MT. Yeh's Garment (Cambodia) Co., Ltd
 Naga Peace Corporation Limited
 Nagapeace Corporation Limited. (Laundry)
 Nasmi Industry Co., Ltd
 NC Apparel (Cambodia) Co., Ltd. (formerly Neo Meridian Industries & Meridian Industries)
 New Era (Cambodia) Cashmere Textile Co., Ltd.
 New Fuma Costume (Cambodia) Co., Ltd.
 New Huamei Knitting & Clothing (Cambodia) Co., Ltd
 New Rainbow (Cambodia) Co., Ltd.
 New Wide (Cambodia) Garment Co., Ltd.
 New Wide Apparel Co., Ltd.
 New Wish Industrial Co., Ltd.
 Nex-T Apparel (Cambodia) Co., Ltd.
 Nine Sky Garments Co., Ltd.
 Nissin Lotus Garment Co., Ltd.
 NMD Embroidery (Cambodia) Co., Ltd. (formerly Ming Der Embroidery (Cambodia) Co., Ltd.)
 Nyan Kids (Cambodia) Ltd.
 Nyan Kids (Cambodia) Ltd. 1 (formerly Smart Pea Garment Ltd 1)
 Nyan Kids (Cambodia) Ltd.-2 (formerly Smart Pea Garment Ltd.)
 Ocean Apparel Manufacturing Co., Ltd.
 Orange Manufacturing (Khmer) Co., Ltd
 Orient Hongye (Cambodia) Knitting Co., Ltd.
 Orient International Enterprise (Cambodia) Garment Co., Ltd
 Outdoor Gear (Cambodia) Co., Ltd.
 P P S E C Company Limited
 Pacific Apparel Co., Ltd

Papillion Textile (Cambodia) Co., Ltd.
 Peninsula Apparel International Limited
 Perfect Vision Fashion (Cambodia) Co., Ltd.
 Pla Tina Co., Ltd. (formerly Hamon Grand International Co., Ltd.)
 Polaris Apparel Co., Ltd. (formerly Lu Thai (Cambodia) Co., Ltd)
 Powerful Riches Garment (Cambodia) Co., Ltd.
 Premier Tech Garment (Cambodia) Co., Ltd.
 Prestige Garment Co., Ltd.
 Pristine Textile (Cambodia) Co., Ltd.
 Qingdao Roy Ne (Cambodia) Garment Co., Ltd.
 Qingdao Zhongmian (Cambodia) Knitting Co., Ltd.
 Quality Textiles Co., Ltd.
 Quantum Apparel (Cambodia) Limited
 Quantum Clothing (Cambodia) Ltd. (formerly New Island Clothing, Ltd.)
 Quint Major Industrial Co., Ltd.
 R.K.T (Cambodia) Co., Ltd.
 Reliable Source Industrial (Cambodia) Co., Ltd
 Remonda (Cambodia) Apparel Co., Ltd.
 Ronchester Inc.
 Rong Win Garment Co., Ltd.
 Runsing Knitting International Co., Ltd.
 S W J (Cambodia) Garment Co., Ltd.
 S.Y Embroidery Co., Ltd
 Sabrina Garment Mfg Corp.
 Saier (Cambodia) Garment Co., Ltd.
 Samil Cambo Co., Ltd. (formerly Direct Int'l & ACE Apparel)
 Seduno Cambo Knitting Co., Ltd
 Seduno Investment Cambo Fashion Co., Ltd.
 Seeds Garment (Cambodia) Co., Ltd.
 Sees Global (Cambodia) Co., Ltd.
 Senyiyao International (Cambodia) Garments Co., Ltd.

Sew Good Garment Co., Ltd.
 Shanda (Cambodia) Textile Co., Ltd.
 Sheico (Cambodia) Co., Ltd.
 Sheico (Phnom Penh) Co., Ltd
 Shen Da Heng Yuan Garment Co., Ltd.
 Sheng Huang Industries Co., Ltd
 Shuang Li (Cambodia) Garment Co., Ltd
 Shuang Li One (Cambodia) Garment Co., Ltd.
 Silver Age Knitting Co., Ltd.
 Sincere Season (Cambodia) Garment Co., Ltd.
 Sinodex Garment (Cambodia) Co., Ltd.
 Sinokh Perfect Garment Co., Ltd.
 (formerly Ginwin Industry (Cambodia) Co., Ltd (Branch 2))
 Sinoproud Apparel (Cambodia) Co., Ltd.
 Six Plus Industry Co., Ltd.
 Sky Clothing (Cambodia) Co., Ltd.
 (formerly Sigil (Cambodia) Garment Manufacturing Co., Ltd)
 Skyline Apparel Co., Ltd
 Skytex Silk Screen Co., Ltd
 Skyworth Fashion (Cambodia) Co., Ltd.
 Soho Sheng He (Cambodia) Garment Co., Ltd (formerly Fong Yean (Cambodia) Garment Co., Ltd.)
 Solamoda (Cambodia) Garments Co., Ltd
 Son Keng Garment (Cambodia) Co.,Ltd.
 Sound 868 Co., Ltd.
 Southland (Cambodia) Co., Ltd. (Formerly Universal Apparel)
 Splendid Chance International Ltd.
 Splendor Industry Co., Ltd.
 Sportex Industry Co., Ltd.
 Starlight Apparel Manufacturing Co., Ltd.
 Starlight Apparel Manufacturing Co., Ltd. (Branch 1)
 Steps Footsocks Asia Co., Ltd
 Sun Hsu Garment Co., Ltd
 Sun World Garment Co., Ltd.
 Sunicon (Cambodia) Apparel Co., Ltd.
 Suo Feiya (Cambodia) Apparel Co., Ltd.

Super Link Fashions (Cambodia) Co., Ltd
 Surpassing Garment Factory Co., Ltd.
 Suzen (Cambodia) Industrial Co., Ltd.
 Swany (Cambodia) Corporation
 SYSG Garment Company Limited
 (formerly Bing Win Garment (Cambodia)
 Co., Ltd.)
 T & K Garment Industry Co., Ltd.
 T.F.G (Cambodia) Garment Co., Ltd.
 T.K. Garment Sisophon Co., Ltd
 T.S Sport (Cambodia) Co., Ltd.
 Tae Young (Cambodia) Co., Ltd.
 Taieasy International Co., Ltd
 Tainan Enterprises (Cambodia) Co., Ltd.
 Tao and Kiven Garment Co., Ltd.
 Taral International Co., Ltd.
 Texson (Cambodia) Knitting Washing
 Dyeing & Printing Co., Ltd.
 Textstar Garment (Cambodia) Co., Ltd.
 Tiens Textile (Cambodia) Co., Ltd.
 Tiner Fashion (Cambodia) Co., Ltd.
 Top Centre Manufacturing Ltd.
 Top Ningbo Fashion Co., Ltd. (formerly
 Top Yuhu (Cambodia) Co., Ltd.)
 Top Silver Limited (Head)
 Top Sports Textile Ltd.
 TOWA (Cambodia) Co., Ltd.
 Toyoki Apparel (Cambodia) Co., Ltd.
 (formerly Golden Apparel (Cambodia)
 Ltd.)
 Trax Apparel (Cambodia) Co., Ltd.
 Trimax Apparel (Cambodia) Co., Ltd.
 Tung Choi Fashion Technology
 TY Fashion (Cambodia) PLC. (formerly
 No.4 and No.5)
 U-Knits (Cambodia) Co., Ltd
 Unity Fashion Cambo Co., Ltd
 V.C.O.F.F Apparel Co., Ltd.
 Vanco Industrial Co., Ltd.
 Vicmark Fashions (Cambodia) Co., Ltd.
 Vonammy (Cambodia) Garment Co., Ltd
 W.Embellishment Ltd.
 W.L Wei Lian Garment Co., Ltd.

Walt Technology (Cambodia) Co., Ltd.
 Wan He Da Manufacturing Company
 Limited (Merged with Jit Textiles Limited)
 Wan Jia Hao Knitting Co., Ltd.
 Wedge Global Apparel Co., Ltd.
 Wellson Global Co., Ltd.
 Win Sheng Garment Process Finish Co.,
 Ltd.
 Winas Garment Co., Ltd
 Wincam Corporation
 Wing Ying (Cambodia) Garment Factory
 Ltd.
 Winsand Garment & Woolen Knitting
 Factory Co., Ltd.
 Wintai Sock Manufacture Ltd (formerly
 Blossom Century (Cambodia) Ltd.)
 WTX Leading Fashion Co., Ltd.
 WTX Leading Fortune Co., Ltd.
 X.Y.H. (Cambodia) Garment Co., Ltd.
 Xin Hai Tong Clothing (Cambodia) Co.,
 Ltd. (formerly Wanshen Clothing
 (Cambodia) Co., Ltd)
 Xin Hongrui (Cambodia) Garment Co.,
 Ltd.
 Xin Lan (Cambodia) Garment Company
 Limited
 Xin Li Fang (Cambodia) Garment Co., Ltd.
 Xin Yunfeng (Cambodia) Fashion Co., Ltd.
 Xinyao Union (Cambodia) Garment Co.,
 Ltd.
 Xinyongsheng Garment (Cambodia) Co.,
 Ltd.
 Xo Tex Industrial Co., Ltd.
 XSLJ (Cambodia) Garment Co., Ltd.
 Xue Da (Cambodia) Dongsheng Textile
 Garments Co., Ltd
 Yakjin (Cambodia) Inc.
 Yi Da Manufacturer Co., Ltd
 Ying Yi Industry Co., Ltd. (formerly
 Perfecta (Cambodia) Garment Co., Ltd)
 YLD Garment (Cambodia) Co., Ltd.
 (formerly Jifa Huahe (Cambodia) Knitting
 Co., Ltd.)

YNTEX Co., Ltd.
 Yong De Wei Garment PTY LTD
 Yorkmars (Cambodia) Garment MFG Co., Ltd.
 Yorks (Cambodia) Co., Ltd.
 You Li International (Cambodia) Garment Co., Ltd

You Qi Silkscreen Co., Ltd (formerly S.A.C. Co., Ltd.)
 Young Clothing (Cambodia) Co., Ltd.
 YTC Corporation.
 Yun Ter Garment Co., Ltd. (formerly Hui Yuan Garment Co., Ltd)
 Zhen Tai Garment (Cambodia) Co., Ltd.
 Zheng Yong Garment Factory (Branch 1)

b. Travel goods and bag enterprises included in this report

Kai Neng Leather Products (Cambodia) Co., Ltd.
 Shun Xin Luggage Industry (Cambodia) Co., Ltd.
 Changhui (Cambodia) Handbag MFR. Co., Ltd.
 Ming Fai Enterprise (Cambodia) Co., Ltd. (formerly Teng Xun Limited)
 Nanwang Travel Goods Co., Ltd.
 Sun Shui Shing Industrial (Cambodia) Co., Ltd.
 Zhuo Jia (Cambodia) Leather Co., Ltd.
 Ventura Leatherware MFY (CD) Co., Ltd.
 Yu Yue Handbag Co., Ltd.
 Siglo (Cambodia) Co., Ltd.
 Shui Yat A (Cambodia) Co., Ltd.
 Shining (Cambodia) Belt & Bag Co., Ltd.
 Superl (Cambodia) Co., Ltd.
 G.C.H International Trade Co., Ltd.
 PRINTX GP (Cambodia) Factory Co., Ltd.
 Winning Dragon Leatherware (Cambodia) Co., Ltd.
 Monopia (Cambodia) Co., Ltd.
 Trinity Handbags Co., Ltd.
 Wah Sun HK Factory (Cambodia) Co., Ltd.
 Park Handbag (Cambodia) Co., Ltd.
 Hip Keung (Cambodia) Manufacturing Co., Ltd.
 Charmgo (Cambodia) Co., Ltd.
 Yonghengxing Leather (Cambodia) Co., Ltd.
 CNDEGRE International (KH) Co., Ltd.

Airsun Leather Goods (Cambodia) Company Limited.
 Hanton Luggage (Cambodia) Co., Ltd.
 Soki Bag & Accessories (Cambodia) Co., Ltd.
 Gazelle International (Cambodia) Co., Ltd.
 Wam Fa Handbag (Cambodia) Co., Ltd.
 Green Bag (Cambodia) Co., Ltd.
 Wilson Leather (Cambodia) Co., Ltd. (Branch 3)
 Jun Yip International (Cambodia) Co., Ltd.
 Case Si Travel Products Co., Ltd.
 Milanna Leatherware M.F.Y (Cambodia) Co., Ltd.
 Sun Grace Sports (Cambodia) Co., Ltd.
 Elite Win (Cambodia) Co., Ltd.
 Wholly Well Handbags Manufacturing Company Limited.
 Jie Rui Feng (Cambodia) Leather Co., Ltd.
 Ireach Factory (Cambodia) Co., Ltd.
 Hoplok (Cambodia) Co., Ltd.
 JP Sunny Products Co., Ltd.
 Wam Fa Leather Co., Ltd.
 Starite (Cambodia) Co., Ltd.
 Paron International (Cambodia) Limited
 Hing Ngai Leatherware (Cambodia) Factory Ltd.
 Canpak (Cambodia) Co., Ltd.
 Hong Cen Max Leather Products Co., Ltd.
 Quan Ming Handbag (Cambodia) Industrial Co., Ltd.

Wilson Leather (Cambodia) Co., Ltd.
(Branch 2)
Sheng He Leisure Bag (Cambodia) Co.,
Ltd.
JS Leather Collection Phnom Penh Co.,
Ltd.
Yumark Pacific (Cambodia) Co., Ltd.
Simone ACC. Collection (Cambodia) Co.,
Ltd.
Goodmate (Cambodia) Headwears Co.,
Ltd.
D'Luxe International Co., Ltd.
Fidelity (Cambodia) Handbag Factory Co.,
Ltd.
T & L (Cambodia) Handbags Industrial
Co., Ltd.
HK Burltex Manufactory Co., Ltd.
Sparkbags (Cambodia) Co., Ltd.
JS Leather Collection Phnom Penh Co.,
Ltd. (Branch 1)

Niu Geng Di (Cambodia) Co., Ltd.
YS Manufacturing (Cambodia) Co., Ltd.
Clotho (Cambodia) Co., Ltd.
MCbag Co., Ltd.
Zhejiang Hengfeng Top Leisure
(Cambodia) Co., Ltd.
Encreative KF1 Co., Ltd.
Yinxing (Cambodia) Handbags &
Accessories Co., Ltd.
Cambodian Staywild Sports Co., Ltd.
New Glory Bags & Luggage (Cambodia)
Co., Ltd.
Integrity Crafts & Designs Co., Ltd.
Fasion Houseware (Cambodia) Co., Ltd.
Cambodian Longwan Light Industry Co.,
Ltd.
Hathor International (Cambodia) Co., Ltd.
Peevi Industry (Cambodia) Co., Ltd.
Liefeng Outdoors (Cambodia) Co., Ltd.

c. Methodology and limitations

Factory Assessments: Better Work conducts factory assessments to monitor compliance with fundamental international labour standards and national labour law. Assessment reports highlight non-compliance findings, which are then used to help factories identify areas in need of improvement. Collecting and reporting these data over time help factories demonstrate their commitment to improving working conditions.

Better Work organizes reporting into eight clusters. The first five clusters cover the ILO's fundamental labour standards – Child Labour, Discrimination, Forced Labour, and Freedom of Association and Collective Bargaining, and Occupational Safety and Health. These standards protect the fundamental rights at work under the ILO's ten fundamental conventions. The remaining clusters – Compensation, Contracts and Human Resources, and Working Time – fall under Working Conditions. The compliance points for these areas incorporate differences in national legislation depending on the country of operation. Better Work establishes a benchmark based on international standards and good practices in areas where national laws do not cover or sufficiently address an issue regarding working conditions. The eight clusters are then divided into compliance points, and each CP includes a number of questions, which may vary by country.

Calculating Non-Compliance: Better Work calculates non-compliance rates for each factory and reports them in individual factory reports. The non-compliance rate is reported for each compliance point (CP), and a CP is reported as non-compliant if one or more of its questions show evidence of non-compliance.

Limitations of Better Work Assessment: Detailed factory assessment reports are based solely on what is observed, investigated, and analysed during assessment visits. Before the reports become official, factories are given a period to provide feedback and clarifications, which in some cases impacts the language in the final report. Certain issues remain difficult to assess and verify independently. The low literacy level of a large percentage of workers can affect the integrity of documentation related to workers' consent for overtime work, storing personal documents, disciplinary procedures and employment rights. To overcome such limitations to some extent, information provided by workers and management are crosschecked through representative interview samples and various documents maintained at the factory.

Limitations of Calculating Non-Compliance: The binary 'yes or no' structure of the answers to compliance limits the ability of Better Work to numerically present the severity of non-compliance and is not conducive to capturing the 'levels of non-compliance'. For example, a factory may significantly improve in a particular area but may still not qualify as compliant. While an aggregate and strict indicator, the non-compliance rate is useful for Better Work to compare data across countries and have a general idea of areas of non-compliance in the industry. It is often beyond the capacity of such numbers to fully capture the specific issues observed during factory assessments. Accordingly, it is important to examine the Clusters and CPs in further details to create a more comprehensive understanding of the industry and the overall non-compliance rates, and to understand the specific reasons for violations (as presented).