

**STATEMENT FROM THE PROJECT ADVISORY COMMITTEE OF BETTER FACTORIES CAMBODIA
ON ITS 59th MEETING on 26 June 2026**

On 26 June 2026, the Project Advisory Committee (PAC) of the ILO Better Factories Cambodia (BFC) programme held its 59th meeting. The PAC comprises representatives of the Royal Government of Cambodia, including the Ministry of Labour and Vocational Training (MLVT) and the Ministry of Commerce (MoC), sectoral employers' associations (represented by three industry associations in Cambodia), and workers' organizations (represented by various trade union confederations and federations).

The Better Factories Cambodia programme links trade with labour standards in the garment, footwear and travel goods (GFT) sector in Cambodia to promote compliance with, and effective enforcement of, existing national labour law and internationally recognised core labour standards. The programme's approach ranges from fostering social dialogue through worker-management committees, to providing factories with tailored advisory services that support them in addressing compliance challenges, strengthening enterprise management systems, and leveraging public reporting to drive improvements in working conditions and workplace environments across the industry.

1. Better Factories Cambodia is currently in the fourth year of implementing the 2023–2027 phase of its Memorandum of Understanding (MOU) and its five-year strategy with partners. We, the members of the Project Advisory Committee (PAC) of the Better Factories Cambodia programme, reaffirm our commitment to jointly supporting the implementation of BFC's five-year strategy. We remain committed to strengthening collaboration and the joint implementation of activities over the remaining period of the current MOU, while laying a strong foundation for the programme's next phase, to sustain and build on the positive impact achieved in improving working conditions in Cambodia's garment, footwear and travel goods (GFT) sector.
2. The PAC noted that, despite a challenging global operating environment, Cambodia's garment, footwear and travel goods (GFT) sector has remained resilient. Members welcomed Better Factories Cambodia's progress over the past six months in strengthening industrial relations, advancing gender equality, occupational safety and health, digital wages and financial inclusion, while continuing to innovate its factory engagement approach and strengthen partnerships to support the sector's long-term sustainability.
3. The PAC discussed Better Work's proposed new Factory Engagement Model, designed to strengthen factory management systems, promote social dialogue, and foster greater factory ownership to ensure continuous and sustainable improvement. In light of evidence generated from Better Work data and in response to rising global expectations regarding human rights and environment due diligence (HREDD), the PAC supported the pilot implementation of the newly proposed model in Cambodia. Members noted that the pilot will be implemented with factories on voluntary basis over a period of 12 months,

through continuous engagement with factories, brands and PAC members to provide further information on progress, gather feedback and refine the model as needed.

4. The PAC reaffirmed its commitment to working together with other stakeholders in the GFT sector to address key industry challenges and support the sector's sustainability, accountability and reputation. Having considered the findings of the draft BFC's 2025 Annual Report, members welcomed the continued high levels of compliance in the areas of child labour, forced labour and discrimination. At the same time, PAC acknowledged that occupational safety and health (OSH) remains priority areas requiring continued attention. In this sense, the PAC strongly encourages the Ministry of Labour and Vocational Training to expedite the development of the OSH Law and strengthen the OSH inspection in the GFT sector and other supporting sectors, including the construction sector. The PAC emphasized the importance of practical and targeted measures to strengthen OSH, including through preventive measures, stronger management systems, enhanced worker participation, the exchange of good practices, cost-effective solutions, and continued collaboration among all stakeholders.
5. The PAC welcomed Cambodia's hosting of the OECD Forum on Due Diligence in the Garment and Footwear Sector during the week of 6 April 2027, marking the first time the Forum will be held outside Paris and the first time it will be hosted by a producing country. The Better Work Asia Regional Partners' Forum will be held back-to-back in the same week. Members recognised these events as an important opportunity to showcase Cambodia's GFT sector and reaffirm the country's commitment to responsible business conduct and sustainable supply chains. The PAC committed to working together in support of the Royal Government of Cambodia and the Ministry of Labour and Vocational Training to ensure the successful organisation of the Forum and to maximise the benefits of this important event for Cambodia and the sector.

Phnom Penh, June 2026