

Compliance Assessment Report

Inspiror Bag (Cambodia) Manufacturing Co., Ltd.

21/09/2025

(dd/mm/yyyy)

Assessment date: 04/09/2025 *(dd/mm/yyyy)*

Cycle: 1

Report ID: 64273

Country: Cambodia

ISIC: C (Manufacturing) - 15.12 (Manufacture of luggage, handbags and the like)

Supplier Name: Inspiror Bag (Cambodia) Manufacturing Co., Ltd.
Supplier Address: Prey Chamkar Village, Lumhach Commune, Angk Snuol District, Kandal
Province,
Kingdom of Cambodia

Previous assessment(s): (dd/mm/yyyy)

Total number of assessment reports available (including this one):

1

This compliance report includes information about this factory's compliance performance at the time of the Better Work assessment. The key compliance results are explained in more detail on the following pages.

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Additional Information

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Better Work Clusters and Compliance Points

Full list of clusters and compliance points assessed during a Better Work compliance assessment visit.

Factory Visit Information

The following section includes general information on the factory, on its key strengths, and on the assessment process itself.

Key Strengths and Process Integrity

Good Practices/Progress Made or Key strengths: *(Ref 1)*

Good practices:

- The employer provides regular workers with USD 210 basic wage (USD 2 better than the legal requirement).
- The employer provides workers with KHR 2,000 lunch allowance per day.

Was the assessor's access to the enterprise unreasonably restricted? *(Ref 2)*

No

Were documents provided in a timely manner? *(Ref 3)*

Yes

How many person days were spent on the assessment visit? *(Ref 4)*

2

Provide the titles of the management staff interviewed. *(Ref 5)*

A) Contact person:

- Human Resource Officer
- Accountant

B) Address:

- Location: Prey Chamkar Village, Lumhach Commune, Ang Snuol District, Kandal Province, Kingdom of Cambodia
- GPS coordinates: 11.482627059225239, 104.66691035229677

C) Note:

- We visited the factory on 04 September 2025
- The factory started operation on 11 September 2023
- The factory produces bag
- The factory operates in one building.

Briefly describe the interviews with workers/ union leaders/ shop stewards: *(Ref 6)*

1. Number of interviews

- Shop stewards: 2 (0 female)

- Union leaders: 0

- Workers: 30 (22 female)

2. Interview process

- Interview format: Group and individual interviews

- Interview location: Meeting rooms, canteen, production floor

- Worker selection: Workers from different sections, selected on the basis of their age, gender, new and senior workers, selection through documentation and observation, and pregnant workers.

The number of local line leaders, supervisors, and managers employed by the factory:

- Local line leader: 6 (2 female)

- Local supervisor: 0

- Local manager: 1 (0 female)

Describe any significant concerns about process integrity. (Ref 7)

None

Are there any issues of concern not addressed elsewhere in the report? (Ref 8)

N/A

Freedom of Association and Collective Bargaining

What percentage of workers are union members? (Ref 67)

0

How many active registered unions are there in the factory? (Ref 68)

0

For each active union, provide:

- The name of the union:
- Last registration date:
- The number of union leaders: # (# women)
- Total number of union members: # (# women)
- The name of the federation or confederation with which it is affiliated (if applicable): (Ref 69)

N/A

How many collective bargaining agreements are in effect in the factory? (Ref 70)

0

For each CBA, indicate:

- the parties
- the % of the workforce covered
- the duration of the agreement
- an overview of the issues covered (Ref 71)

N/A

How many strikes have there been since the last visit? (Ref 72)

0

For each strike, indicate:

- why workers went on strike
- whether the strike complied with legal requirements
- whether the strike resulted in violence
- the number of days workers were on strike
- the number of person days workers were on strike
- the outcome of the strike (Ref 73)

N/A

Contracts and Human Resources

How many total workers are employed by the factory? (Ref 128)

75

How many of the workers are men? (Ref 129)

27

How many regular workers are employed by the factory? (Ref 130)

68

How many of the regular workers are men? (Ref 131)

26

How many probationary workers are employed by the factory? (Ref 132)

7

How many of the probationary workers are men? (Ref 133)

5

How many casual workers are employed by the factory? (Ref 134)

0

How many of the casual workers are men? (Ref 135)

0

How many piece-rate workers are employed by the factory? *(Ref 136)*

0

How many of the piece-rate workers are men? *(Ref 137)*

0

How many of the total workers are migrant workers?
(Ref 138)

0

How many of the migrant workers are men? *(Ref 139)*

0

How many supervisors are employed by the factory? *(Ref 140)*

4

How many of the supervisors are men? *(Ref 141)*

2

How many of the supervisors are migrants? *(Ref 142)*

4

How many workers with disabilities are employed by the factory? *(Ref 145)*

0

How many of the workers with disabilities are men? *(Ref 146)*

0

Does the factory have a valid business license? *(Ref 149)*

Yes. The factory had a certificate of incorporation (1000316546) from the Ministry of Commerce, which was registered by automated system. The certificate had no expiration.

Documents checked: Certificate of incorporation.

Is there an adequate HR policy that is signed by top management with a clear commitment to meet all legal requirements?
(Ref 150)

No. The employer does not have an adequate HR policy. The employer has a policy on mandatory minimum age requirements, legal requirements in relation to termination and policy on working hours and compensation within the Internal Regulations.

BFC recommends that the employer should also develop a policy which is:

- in writing;
- signed by top management;
- includes:
 - (a) equal treatment and non-discrimination;
 - (b) preventing sexual harassment; and
 - (c) freedom of association.

Documents checked: Internal Regulations.

Does the employer have an adequate recruitment procedure? (Ref 151)

No. The employer does not have an adequate recruitment procedure. BFC recommends that the employer develop a recruitment procedure that covers:

- hiring criteria that are applied equally to all job applicants;
- verifying workers' ages prior to hiring;
- ensuring compliance with legal requirements for workers under age 18; and
- ensuring that workers retain ID documents.

Does the employer have adequate disciplinary and termination procedures? (Ref 152)

No. The employer does not have adequate disciplinary and termination procedures. BFC recommends that the employer develop disciplinary and termination procedures which include:

- a clear explanation of unacceptable behavior or performance;
- a step-by-step warning system;
- the right to defend oneself prior to termination, and to representation during disciplinary processes;
- legal notice periods and termination payments; and
- timeframes for warnings and payments.

Does the employer have adequate grievance handling and dispute resolution procedures?

(Ref 153)

No. The employer does not have adequate grievance handling and dispute resolution procedures. BFC recommends that the employer develop grievance handling and dispute resolution procedures which include:

- clear options for submitting grievances and disputes that ensure anonymity and non-retaliation;
- fair review and appeal processes; and
- communication of changes made and/or resolution of grievances/disputes, as appropriate.

Does the employer adequately assign accountability to management for following factory policies and procedures relating to Human Resource management and performance? (Ref 154)

No. The employer does not adequately assign accountability to management staff for following factory policies and procedures relating to Human Resource management and performance.

The employer does not assign accountability through:

- Job descriptions;
- Description of job duties and authority; and
- Accountability through evaluation of performance

However, the employer ensure accountability and responsibility for HR issues through organization chart.

Documents checked: Organization chart.

Does the employer adequately communicate and implement HR policies and procedures? (Ref 155)

No. The employer does not adequately communicate and implement HR policies and procedures. BFC recommends that the HR policies and procedures be consistently communicated and implemented through:

- recruitment postings;
- providing workers with copies of their signed contracts;
- induction training for workers and staff;
- trade union and other worker representatives and/or worker-management committees;
- policies and internal regulations posted or, at least, easily accessible in the workplace; and
- staff training on how to carry out policies and procedures.

Does the employer adequately investigate performance under HR policies and procedures to identify weaknesses and make necessary adjustments? (Ref 156)

No. The employer does not adequately investigate performance under HR policies and procedures to identify weaknesses and make necessary adjustments.

BFC recommends that the employer look at HR performance indicators (e.g., turnover rate, absenteeism rate, satisfaction levels, time to fill vacancies, staff training targets) and/or HR issues (e.g. cases of underage workers, allegations of discrimination, excessive overtime, cases of unfair termination).

Furthermore, where the employer's investigation uncovers shortcomings in HR performance, BFC recommends that the investigation be followed by an actual change in practice or procedure.

Occupational Safety and Health

Is there an adequate emergency preparedness procedure? (Ref 187)

No. The employer does not have an adequate emergency preparedness procedure. BFC recommends that the employer develop an emergency preparedness procedure that describes methods for:

- reporting fires and other emergencies;
- alerting all employees to evacuate;
- evacuating employees to designated assembly locations; and
- accounting for all employees after an evacuation.

Is there an adequate hazard/risk management and control procedure? (Ref 188)

No. The employer does not have an adequate hazard/risk management and control procedure. BFC recommends that the employer develop a procedure that includes:

- a systematic approach to identifying hazards;
- a structure to prioritize risks based on potential impact and likelihood (e.g., risk matrix);
- a hierarchy of controls that is used to select effective controls; and
- a risk register that drives the implementation of controls (list of risks, steps that must be taken to address the risks, dates and owners, etc.).

Is there an adequate accident investigation procedure? (Ref 189)

No. The employer does not have an adequate accident investigation procedure. BFC recommends that the employer develop a procedure that:

- include root cause analysis;
- focus on sustainable solutions; and
- lead to a change in order to avoid reoccurrence.

Does the employer adequately assign accountability to management for carrying out health and safety responsibilities? (Ref 190)

No. The employer does not adequately assign accountability to management staff for carrying out health and safety responsibilities. BFC recommends that the employer assign accountability through:

- defined accountability and/or responsibility for OSH issues in writing for the OSH officer as well as the members of top management to whom that person reports;
- an OSH officer with expertise and authority to perform relevant responsibilities; and
- an OSH committee or similar worker/management committee with a mandate to consider OSH issues in the workplace.

Does the employer adequately communicate and implement OSH policies, procedures and programmes? (Ref 191)

No. The employer does not adequately communicate and implement OSH policies and procedures.

BFC recommends that OSH policies and procedures be consistently communicated and implemented through:

- worker training relevant to assigned tasks;
- training of a joint OSH committee.

However, the employer implemented OSH policies and procedures through:

- posting names of the OSH committee members in the workplace; and
- posting evacuation plans in the workplace.
- posting policies and work instructions that are easily accessible in the workplace.

Does the employer adequately investigate, monitor and measure OSH issues to identify root causes and make necessary adjustments to prevent recurrence? (Ref 192)

No. The employer does not adequately investigate, monitor, and measure OSH issues to identify root causes and make necessary adjustments to prevent recurrence. BFC recommends that the employer ensure that:

- OSH violations are investigated, monitored, and measured through:

- (a) logging and analysis of violations of procedures; and

- (b) regular management review of the effectiveness of the management system, including performance on measurable objectives and targets; and

- Accident investigations are followed by an actual change in procedure/practice where required.

However, the employer did regular water analysis.

Documents checked: Water analysis.

How many work related accidents have been reported to Social Security? (Ref 193)

0

Overview of Non-Compliance

The following is an overview of the areas of non-compliance found in the factory during the assessment visit. It is based on the compliance assessment tool, which consists of 116 questions.

Working Conditions

Compensation

<i>Paid Leave</i>	Payment for annual leave
	Payment for sick leave
	Payment for maternity leave
<i>Social Security and Other Benefits</i>	Payment of employer contribution to the National Social Security Fund
	Payment of attendance bonus for newly-recruited workers and casual workers
	Payment of any other mandatory wage supplements (including transportation and housing allowances)

Contracts and Human Resources

<i>Dialogue, Discipline and Disputes</i>	Shop stewards
<i>Employment Contracts</i>	Specifying terms and conditions of employment in employment contracts.
	Employment contracts' compliance with Cambodian labour law and/or with the factory's internal regulations.
	Systems to ensure workers' understanding of the terms and conditions of employment.
<i>Termination</i>	Timely payment of compensation upon termination
	Payment for unused paid annual leave upon resignation or termination

Occupational Safety and Health

<i>Chemicals and Hazardous Substances</i>	Storage of chemicals and hazardous substances
	Preventing and/or limiting workers' exposure to hazardous substances
	Preparation for chemical spills
<i>Emergency Preparedness</i>	Marking or posting of emergency exits and/or escape routes in the workplace
	Periodic emergency drills [PRI #16]
<i>Health Services and First Aid</i>	Pre-employment medical examinations
	HIV/AIDS committee
	Infirmary
	First aid boxes/supplies in the workplace
<i>OSH Management Systems</i>	First-aid training for workers
	Mechanisms to ensure cooperation between workers and management on OSH matters
	Legally required construction/ building permits
<i>Welfare Facilities</i>	Conducting regular hazards and risk assessment
	Washing facilities and/or soap
	Providing cups or other sanitary means to workers for drinking water
	Day care centre at or near the workplace or pay child care cost

Worker Protection

Providing workers with dust masks

Providing workers with proper clothing and personal protective equipment

Providing workers with metal gloves

Dangerous machine parts-not needle guards [PDR Issue # 17]

Installing, grounding (for equipment), and/or maintaining electrical wires, cables, switches, plugs and equipment (e.g. transformer, generator, electrical panel, circuit breakers)--PDR#27.

Legally required license/ permit/ certification/ training for operators / technicians of

boiler, generator, compressor, and pressure vessels.

Legally required permits for the installation and operation of boiler, generator, compressor, and pressure vessels.

Working Time

Leave

Time off for special leave (PDR Issue#47)

Overtime

2 hour limit on overtime work (PDR Issue#39)

Overtime permission from Labour Inspector

Conditions for work on weekly rest days

Detailed Non-Compliance Findings

The following section presents the non-compliance findings recorded by the Enterprise Advisors during the assessment visit.

Working Conditions

Compensation

Paid Leave

Issue	Payment for annual leave
Question	Does the employer pay workers correctly for annual leave? (Ref 114)
Finding	The employer paid workers who used paid annual leave based on the basic wage. The payment of annual leave should be paid based on the average monthly earnings for each day of leave they are entitled to. Documents checked: Payrolls from January to July 2025.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Arts. 166, 168; Arbitration Council Award 27/04

Issue	Payment for sick leave
Question	Does the employer provide paid sick leave as required by the factory's Internal Regulations, or if there are no Internal Regulations, according to the Ministry's practice? (Ref 115)
Finding	The employer allowed workers to take sick leave and returned with medical certificates. However, the employer deducted workers' daily wage and maintained attendance bonus in full. The employer should maintain workers' daily wages and full attendance bonus when workers take sick leave. Documents checked: Leave records, attendance records, payrolls from January to July 2025.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Art. 166; Factory Internal Regulations

Issue	Payment for maternity leave
Question	Does the employer pay workers correctly for maternity leave? (Ref 117)
Finding	The employer provided 90 days' paid maternity leave to workers who had worked in the factory for 1 year. However, the employer paid workers with only half of their basic wage, and paid on a monthly basis. The employer should pay workers half of their average monthly earnings during the last 12 months, including overtime pay and bonuses; and pay these payments prior to taking maternity leave. Documents checked: Payment records for maternity leave.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Arts. 182, 183; Arbitration Council Award 27/12

Social Security and Other Benefits

Issue	Payment of employer contribution to the National Social Security Fund
Question	Does the employer pay the required employer contribution to the National Social Security Fund? (Ref 120)
Finding	The employer paid about 90% of the total workers to National Social Security Fund, but there were about 10% of the workers who could not use their benefits for work-related accidents or illness as the employer did not pay their NSSF yet. Documents checked: NSSF payment records.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Prakas 109/08, 133/09

Issue	Payment of attendance bonus for newly-recruited workers and casual workers
Question	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? (Ref 123)
Finding	EAs found that the employer provided workers with USD 10 of attendance bonus. However, the employer did not pay attendance bonus to the newly recruited workers, whose contract did not start on the first day of the month, and workers who took authorized unpaid leave. The employer should pay proportional attendance bonus to the newly recruited workers whose contract did not start at the beginning of the month. Documents checked: Payrolls from January to June 2025
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Art. 168; Notice 230/2012; Arbitration Council Award 30/04, 54/07, 08/07

Issue	Payment of any other mandatory wage supplements (including transportation and housing allowances)
Question	Does the employer pay all workers the correct mandatory wage supplements (including transportation and housing allowances)? (Ref 124)
Finding	EAs found that the employer paid workers with USD 7 transportation allowance when they worked 20 days or more in a month; and paid workers with proportional transportation allowance when they worked 19 days or less in a month. EAs suggested the employer to pay workers half of transportation fee (USD 3.5) when they worked 13 days or less during the first month of employment, and pay full of transportation allowance (USD 7) when they worked 14 days or more during the first month of employment. The law does not allow the employer to pay a proportional transportation allowance to any workers after their first month of employment. Documents checked: Payrolls from January to July 2025.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Prakas 317/13; Guideline 01/14

Contracts and Human Resources

Employment Contracts

Issue	Specifying terms and conditions of employment in employment contracts.
Question	Do the employment contracts specify the terms and conditions of employment? (Ref 162)
Finding	Eas found that the employer included (1) period of work, (2) working hours, (3) payment amount and benefits. However, the employer did not include resignation procedures in the employment contracts. Documents checked: Employment contracts.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Art. 67

Issue	Employment contracts' compliance with Cambodian labour law and/or with the factory's internal regulations.
Question	Do the employment contracts comply with Cambodian labour law and with the factory's internal regulations? (Ref 163)
Finding	EAs found that article 2 of the regular and probationary contracts stated that workers are considered as abandoning their jobs when they are absent for 4 consecutive days. Documents checked: Employment contracts.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Arts. 1, 13, 65

Issue	Systems to ensure workers' understanding of the terms and conditions of employment.
Question	Does management have a system to ensure that workers understand the terms and conditions of employment? (Ref 164)
Finding	The employer did not have a system to ensure that workers understood the terms and conditions of employment. The employer did not assign staff members to explain working conditions to workers which includes rights to different types of leave, wage calculations and policies. Workers were informed about the general rules by their supervisors and peers. Most of the workers in the factory knew very little on terms and conditions of employment.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Art. 67

Termination

Issue	Timely payment of compensation upon termination
Question	Does the employer pay all outstanding wages and indemnities within 48 hours of termination? (Ref 172)
Finding	The employer paid all outstanding wages to workers who resigned on the 10th of the following month. Documents checked: Payment of resigned workers
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Art. 116

Issue	Payment for unused paid annual leave upon resignation or termination
Question	Does the employer compensate workers for unused paid annual leave when they resign or are terminated? (Ref 177)
Finding	The employer used workers' daily wage to calculate unused paid annual leave when workers resigned and terminated. EAs suggested the employer that they should use average workers' wage of the last 12 months to calculate the unused annual leave. Documents checked: Payments for resigned workers.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Arts. 166, 167

Dialogue, Discipline and Disputes

Issue	Shop stewards
Question	Does the employer comply with requirements regarding shop stewards? (Ref 183)
Finding	The employer had a shop steward election document dated 15 February 2024. There were 2 shop stewards and 2 shop steward assistants. However, our interviews revealed that they were appointed. Documents checked: Minute of shop stewards election.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Arts. 285, 287, 288; Prakas 286/01

Occupational Safety and Health

OSH Management Systems

Issue	Mechanisms to ensure cooperation between workers and management on OSH matters
Question	Has the employer developed mechanisms to ensure cooperation between workers and management on OSH matters? (Ref 197)
Finding	The employer had formed an OSH committee, which had 8 members on 30 May 2025. However, EAs found that the committee was not functioning because: - The committee members were not aware of their roles and responsibilities. - They did not hold the monthly meetings regularly. The members said that there used to be a meeting, but without a written meeting minute. - There was no training on OSH and OSH policy for the committee members. Documents checked: OSH committee.
Source Consulted	Documentation, Management, Worker,
Legal Reference	ILO Convention 155, Art. 20; ILO Recommendation 164, Para. 12; Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001, Section 3.2; ILO Code of Practice on Safety and Health in Textiles, Clothing, Leather and Footwear, Section 5.4; Labour Law Arts. 229, 230, 250; Prakas

Issue	Legally required construction/ building permits
Question	Does the employer have legally required construction/building permits? (Ref 199)
Finding	EAs found that the employer did not hold any construction or building permits for the factory building, which is currently rented from the landlord. However, the employer provided a closing permit for the construction of a warehouse, dated 15 August 2025. It is recommended that the employer obtain a copy of the building permit from the landlord. Document Checked: Closing construction permit.
Source Consulted	Documentation, Management,
Legal Reference	ILO Convention 155, Art. 16(1); Construction Law Art. 26

Issue	Conducting regular hazards and risk assessment
Question	Has the employer performed an assessment of occupational safety and health risks in the factory? (Ref 200)
Finding	EAs found that the employer did not conduct an assessment of occupational safety and health risks in the factory. The employer should perform an assessment and consult with workers when doing the assessment, inform workers of the results, and include training provisions in the assessment.
Source Consulted	Management,
Legal Reference	ILO Convention 155, Art. 16(1, 2); ILO Recommendation 164; Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001, Sections 3.7.2(b), 3.10.1.1, 3.10.2.2; ILO Code of Practice on Safety and Health in Textiles, Clothing, Leather and Footwear, Section 3.4, Labour Law Arts. 229, 230, 250; Prakas No.:307/07; Prakas No.:176/13

Chemicals and Hazardous Substances

Issue	Storage of chemicals and hazardous substances
Question	Are chemicals and hazardous substances properly stored? (Ref 205)
Finding	During the assessment, EAs observed that the employer stored four containers (80 liters) of glue, two containers (60 liters) of sewing machine oil, and one container (30 liters) of machine oil inside a wire mesh enclosure located at the end of the production area. These substances were stored close to one another, creating a potential fire hazard, as glue and adhesives can react negatively with oil, leading to fire risks or chemical damage to the oil and containers. Proper storage requires hazardous substances to be kept in designated fire-resistant areas, separated from one another and from other hazardous materials. Storage areas should be equipped with adequate ventilation, maintained at a cool temperature, and located away from potential sources of ignition. In addition, an appropriate fire protection system and secondary containment should be in place.
Source Consulted	Observation, Management,
Legal Reference	ILO Convention 155, Art. 16(2); ILO Code of Practice on Safety and Health in Textiles, Clothing, Leather and Footwear, Section 9.4, Labour Law Art. 229, Prakas 307/07

Issue	Preventing and/or limiting workers' exposure to hazardous substances
Question	Has the employer taken action to prevent and limit workers' exposure to chemicals and hazardous substances? (Ref 207)
Finding	The employer set up a wire mesh enclosure for storing sewing machine oil and glue. In addition, another wire mesh enclosure was designated as a mechanical room where a rust remover was used. However, these arrangements did not adequately prevent or limit worker exposure and failed to meet the employer's responsibility to protect workers from chemical hazards.
Source Consulted	Observation, Management, Worker,
Legal Reference	ILO Convention 155, Art. 16(2); ILO Convention 170, Arts. 12, 13; ILO Recommendation 177, Labour Law Art. 229, Prakas 125/01, Prakas 307/07

Issue	Preparation for chemical spills
Question	Has the employer prepared for response, control and cleaning of chemical spills? (Ref 210)
Finding	EAs observed that sewing machine oil and glue were stored in a wire mesh enclosure without adequate absorbent materials, tools, or containers to manage potential chemical spills. In addition, workers had not been trained on appropriate spill response procedures.
Source Consulted	Observation, Management,
Legal Reference	Labour Law Arts. 229, 230

Worker Protection

Issue	Providing workers with dust masks
Question	Has the employer provided workers with dust masks when necessary? (Ref 213)
Finding	The employer did not regularly provide dust masks to workers when necessary, and they were only provided once in a while, which was not sufficient for use. The employer did not have a system in place for workers to exchange their masks when needed. BFC recommends that the employer provide workers with sufficient dust masks when necessary.
Source Consulted	Observation, Management, Worker,
Legal Reference	Labour Law Arts. 229; Prakas 125/01, 138/03

Issue	Providing workers with proper clothing and personal protective equipment
Question	Has the employer provided workers who work with chemical substances with proper clothing and personal protective equipment when necessary? (Ref 214)
Finding	EAs found that the employer did not provide personal protective equipment (PPE), such as gloves, masks, and protective clothing, to workers handling chemicals.
Source Consulted	Observation, Management, Worker,
Legal Reference	Labour Law Arts. 229; Prakas 125/01, 138/04

Issue	Providing workers with metal gloves
Question	Has the employer provided workers with metal gloves when necessary? (Ref 215)
Finding	EAs observed that the employer did not provide metal gloves to workers who worked in the cutting section.
Source Consulted	Observation, Management, Worker,
Legal Reference	Labour Law Art. 229

Issue	Dangerous machine parts-not needle guards [PDR Issue # 17]
Question	Are proper guards installed and maintained on all dangerous machines and equipment? (Ref 221)
Finding	EAs observed that two sewing machines had missing belt covers, exposing workers to the dangerous moving parts located right side of the machines.
Source Consulted	Observation, Management, Worker,
Legal Reference	ILO Convention 155, Art. 16(1); ILO Recommendation 164, Para. 10(a); ILO Recommendation 164, Para. 10(a); ILO Convention 119, Labour Law Art. 230

Issue	Installing, grounding (for equipment), and/or maintaining electrical wires, cables, switches, plugs and equipment (e.g. transformer, generator, electrical panel, circuit breakers)--PDR#27.
Question	Are electrical wires, cables, switches, plugs and equipment (e.g. transformer, generator, electrical panel, circuit breakers) properly installed, grounded (for equipment), and maintained? (Ref 222)
Finding	During the inspection, EAs found that electrical panels in the drying room and packing area did not have covers, leaving live parts exposed.
Source Consulted	Observation, Management,
Legal Reference	ILO Convention 155, Art. 16(1); ILO Recommendation 164, Para. 10(a); ILO Code of Practice on Safety and Health in Textiles, Clothing, Leather and Footwear, Sections 6.4.2.2(3, 4), 11.6, Labour Law Art. 230

Issue	Legally required license/ permit/ certification/ training for operators / technicians of boiler, generator, compressor, and pressure vessels.
Question	Do the operators / technicians for boiler, generator, compressor, and pressure vessels have legally required permit and training? (Ref 223)
Finding	Eas found that the operator had certificates, but they were actually not trained by the Ministry of Industry, Sciences, Technology, and Innovation (MISTI).
Source Consulted	Documentation, Management, Worker,
Legal Reference	Law on Administration of Factory and Handicraft Art. 30; Prakas 176/13, 307/07; Notice 2146/17, 059/17

Issue	Legally required permits for the installation and operation of boiler, generator, compressor, and pressure vessels.
Question	Does the employer have the legally required permits for the installation and operation of boiler, generator, compressor, and pressure vessels? (Ref 224)
Finding	EAs found one electrical machine and one air compressor in the factory. However, the employer did not have the legally required permits for their installation and operation.
Source Consulted	Management,
Legal Reference	Law on Administration of Factory and Handicraft Art. 30; Prakas 206/17, 176/13, 307/07; Notice 2146/17, 059/17

Welfare Facilities

Issue	Washing facilities and/or soap
Question	Does the workplace have adequate hand washing facilities and adequate soap? (Ref 234)
Finding	EAs observed that water and adequate hand washing facilities were available during all working hours. However, EAs found that the soap was not provided regularly.
Source Consulted	Observation, Management, Worker,
Legal Reference	ILO Code of Practice on Safety and Health in Textiles, Clothing, Leather and Footwear, Section 17.3, Labour Law Art. 229; Prakas 052/00

Issue	Providing cups or other sanitary means to workers for drinking water
Question	Does employer provide cups or other sanitary means for drinking water? (Ref 236)
Finding	EAs found that the employer had once provided bottles to workers but had not done so for a long time. The employer neither provided workers with bottles regularly nor had a system for replacing bottles.
Source Consulted	Management, Worker,
Legal Reference	Labour Law Arts. 186, 229; Prakas 054/00; Arbitration Council Awards 63/04, 68/04, 56/11 (1), 74/11 (4)

Issue	Day care centre at or near the workplace or pay child care cost
Question	Does the workplace have a functioning day care centre or pay childcare costs of women employees? (Ref 238)
Finding	EAs observed that the employer did not set up a functioning day care centre. However, the employer did not provide female workers, including newly recruited workers, with children from the age of one and a half to three years with a childcare allowance in lieu of establishing a daycare centre.
Source Consulted	Observation, Documentation, Management, Worker,
Legal Reference	Labour Law Art. 186; Arbitration Council Awards 63/04, 56/11(1), 04/12(6), 98/12(5), 45/07

Health Services and First Aid

Issue	Pre-employment medical examinations
Question	Do workers undergo a medical examination before being employed? (Ref 239)
Finding	EAs found that the employer did not require workers to undergo a medical examination before commencing employment in the factory. Management stated that they sent a list of newly recruited workers to a partner clinic, in collaboration with NSSF, once every half month to process the medical examination documents, without requiring workers to appear in person. In any case, the law requires that medical examinations be conducted before workers are employed.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Art. 247; Joint Prakas 09/94

Issue	HIV/AIDS committee
Question	Does the workplace have a functioning HIV/AIDS Committee? (Ref 241)
Finding	EAs found that the employer had formed an HIV/AIDS committee with eight members, including two office staff, established on 02 June 2025. However, committee members were not aware of their roles and responsibilities, had not conducted any meetings, and had not received any training. EAs suggested to the employer that the committee should conduct training on HIV/AIDs prevention to shop stewards, supervisors, line leaders, and workers. The committee should also help workers who are affected by HIV/AIDS to access treatment. Documents checked: HIV/AIDS committee.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Prakas 086/06

Issue	Infirmiry
Question	Does the workplace have an adequately equipped and staffed infirmiry? (Ref 242)
Finding	EAs found that the employer did not establish a properly equipped and staffed infirmiry, despite employing more than 70 workers in the factory.
Source Consulted	Observation, Management, Worker,
Legal Reference	Labour Law Arts. 242, 244, 247; Prakas 330/00; Arbitration Council Award 03/03

Issue	First aid boxes/supplies in the workplace
Question	Has the employer ensured that there is a sufficient number of readily accessible first aid boxes/supplies in the workplace? (Ref 243)
Finding	EAs found that there was an adequate number of first-aid boxes but that they were not all properly stocked.
Source Consulted	Observation,
Legal Reference	Labour Law Arts. 229, 230

Issue	First-aid training for workers
Question	Has the employer provided first-aid training for workers? (Ref 244)
Finding	The employer provided EAs with five first-aid training certificates issued since 2023; however, all five workers who received the training were no longer employed at the factory. Documents checked: First-aid training certificates.
Source Consulted	Documentation, Management, Worker,
Legal Reference	ILO Convention 155, Arts. 18, 19(d); ILO Code of Practice on Safety and Health in Textiles, Clothing, Leather and Footwear, Section 3.6.2 (2, 3), Labour Law Arts. 229, 230

Emergency Preparedness

Issue	Marking or posting of emergency exits and/or escape routes in the workplace
Question	Are emergency exits and escape routes clearly marked and posted in the workplace? (Ref 251)
Finding	EAs observed that the emergency exits were clearly posted, but the escape routes were not marked in the accessory warehouse.
Source Consulted	Observation, Management, Worker,
Legal Reference	ILO Convention 155, Art. 18; ILO Recommendation 164, Para. 3(m, q); ILO Code of Practice on Safety and Health in Textiles, Clothing, Leather and Footwear, Section 6.4.2.3, Labour Law Art. 230

Issue	Periodic emergency drills [PRI #16] [Public Reporting Issue No.34253]
Question	Does the employer conduct periodic emergency drills? (Ref 256)
Finding	EAs found that management only held an emergency drill once per year. Document reviews confirmed that the last drill was conducted on 15 June 2025. EAs recommended that the factory to conduct the drills once every six months, and workers should know how to react in case of an emergency. Documents checked: Certificate of training on prevention, firefighting, and rescue.
Source Consulted	Documentation, Management, Worker,
Legal Reference	ILO Convention 155, Art. 18; ILO Recommendation 164, Para. 3(m, q); ILO Code of Practice on Safety and Health in Textiles, Clothing, Leather and Footwear, Section 6.4.2.4(10, 11), Labour Law Art. 230; Prakas 307/07
Issue	Periodic emergency drills [PRI #16] [Public Reporting Issue No.34254]
Question	Does the employer conduct periodic emergency drills? (Ref 256)
Finding	EAs found that management only held an emergency drill once per year. Document reviews confirmed that the last drill was conducted on 15 June 2025. EAs recommended that the factory to conduct the drills once every six months, and workers should know how to react in case of an emergency. Documents checked: Certificate of training on prevention, firefighting, and rescue.
Source Consulted	Documentation, Management, Worker,
Legal Reference	ILO Convention 155, Art. 18; ILO Recommendation 164, Para. 3(m, q); ILO Code of Practice on Safety and Health in Textiles, Clothing, Leather and Footwear, Section 6.4.2.4(10, 11), Labour Law Art. 230; Prakas 307/07
Issue	Periodic emergency drills [PRI #16] [Public Reporting Issue No.34255]
Question	Does the employer conduct periodic emergency drills? (Ref 256)
Finding	EAs found that management only held an emergency drill once per year. Document reviews confirmed that the last drill was conducted on 15 June 2025. EAs recommended that the factory to conduct the drills once every six months, and workers should know how to react in case of an emergency. Documents checked: Certificate of training on prevention, firefighting, and rescue.
Source Consulted	Documentation, Management, Worker,
Legal Reference	ILO Convention 155, Art. 18; ILO Recommendation 164, Para. 3(m, q); ILO Code of Practice on Safety and Health in Textiles, Clothing, Leather and Footwear, Section 6.4.2.4(10, 11), Labour Law Art. 230; Prakas 307/07

Working Time

Overtime

Issue	2 hour limit on overtime work (PDR Issue#39)
Question	Is overtime work limited to two hours per day? (Ref 262)
Finding	EAs found that workers normally worked overtime for 10 hours per week, but there were some workers (40% of total workforce) who worked overtime until 20:00PM, especially in January, April and May 2025. They worked overtime until 20:00PM around three times per week. The maximum working time was around 61 hours per week. The total weekly working hours including rest day did not exceed 72 hours per week. The employer also asserted that they worked overtime in order to meet the shipping schedule. Documents checked: Workers' attendance records.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Arts. 139, 141(4); Prakas 80/99

Issue	Overtime permission from Labour Inspector
Question	Does the employer get permission from the Labour Inspector before workers work overtime? (Ref 264)
Finding	The employer did not obtain overtime permits when workers worked overtime from 16:00 to 18:00. Documents checked: Workers' attendance records.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Arts. 139, 160; Prakas 100/02

Issue	Conditions for work on weekly rest days
Question	Does the employer get permission from the Labor Inspector before suspending weekly rest days? (Ref 265)
Finding	The employer did not obtain overtime permits when workers worked on Sundays in January and May 2025. Documents checked: Workers' attendance records.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Art. 160; Prakas 100/02

Leave

Issue	Time off for special leave (PDR Issue#47)
Question	Does the employer give workers up to 7 days of time off for special leave per year? (Ref 267)
Finding	EAs found that the employer did not entitle workers with paid special leave. Workers had to use their unpaid leave. Documents checked: Payrolls from January to July 2025
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Art. 171; Prakas 76/98, 267/01; MOLVT Instruction 010/20; Arbitration Council Award 144/12(6)

Additional Information

This section of the report contains additional information provided by the Enterprise Advisors on areas NOT found to be in non-compliance, including on certain issues that require findings in all assessments regardless of their compliance status.

Child Labour

Child Labourers

Question	Have you found any workers under the age of 15? (Ref 10)
Finding	Based on random checks comprising of our visual observations, interviews with workers, and employment record reviews, EAs found no indication that management employed workers under the age of 15. Documents checked: Employment contracts, family books, ID cards, and birth certificates.
Source Consulted	Observation, Documentation, Management, Worker,
Legal Reference	ILO Convention 138; Labour Law Art. 177; Prakas 307/07

Documentation and Protection of Young Workers

Question	Does the employer reliably verify the age of workers prior to hiring? (Ref 14)
Finding	Management staff required workers to provide at least two original documents to verify their ages prior to hiring: national identification card, birth certificate, marriage certificate, family record book, school certificate and voter card. Documents checked: Employment contracts, family books, ID cards and birth certificates.
Source Consulted	Documentation, Management, Worker,
Legal Reference	ILO Convention 138; ILO Recommendation 146; Notice 11/03

Compensation

Minimum Wages/Piece Rate Wages

Question	Does the employer pay at least minimum wage for ordinary hours of work to regular full time workers? (Ref 101)
Finding	Management paid regular workers USD 210 per month as a basic wage (for ordinary hours of work). Documents checked: Payrolls from January to July 2025.
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Arts. 10, 104; Law on Minimum Wage Art. 9; Yearly ministerial regulations on minimum wage (Prakas)

Wage Information, Use and Deduction

Question	Does the employer keep only one accurate payroll record? (Ref 111)
Finding	The employer kept only one payroll ledger that records all hours worked and all wages paid. The payroll includes wages of normal working hours and overtime, attendance bonus, and transportation fee. Documents checked: Payrolls and time records from for January to July 2025, production records (one recent, one peak season, and one-off peak season).
Source Consulted	Documentation, Management, Worker,
Legal Reference	ILO Recommendation 85; Labour Law Arts. 39-41; Prakas 269/01

Contracts and Human Resources

Employment Contracts

Question	Do all persons who perform work for the factory, both on the premises and offsite, have a contract? (Ref 165)
Finding	Probationary workers were employed under 2-month fixed duration contracts. Regular workers were employed under 3-month repeating fixed duration contracts. All workers' employment contracts were written in Khmer. Management provided all workers with a copy of their employment contract. Documents checked: HR records for probationary and regular workers
Source Consulted	Documentation, Management, Worker,
Legal Reference	Labour Law Art. 65

Occupational Safety and Health

OSH Management Systems

Question **Is there an adequate OSH Policy that is signed by top management?** (Ref 196)

EAs found that management had developed an Occupational, Safety and Health (OSH) policy signed by the vice general manager on 01 February 2015. The OSH policy had a clear commitment to:

- continued improvement aimed at the elimination of work-related injury and illness;
- compliance with legal requirements about OSH;

Finding - establishing measurable objectives and improvement targets.

Based on interviews with management and workers, management had consulted with worker representatives when developing the OSH policy.

Workers and supervisors confirmed that they understood the OSH policy.

Documents checked: OSH policy.

Source Consulted Documentation, Management,

Legal Reference **ILO Recommendation 164, Para. 14; Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001, Sections 3.1, 3.3.2, Labour Law Arts. 229, 230, 250**

Working Time

Regular Hours

Question **Do regular daily or weekly working hours exceed the legal limit?** (Ref 259)

Finding Normal working hours did not exceed 8 hours per day, 6 days per week (48 hours). The regular working hours: 07:00 to 11:00 and 12:00 to 16:00, Monday to Saturday.

Documents checked: Internal regulations, working hours posted in the workplace.

Source Consulted Documentation, Management, Worker,

Legal Reference **Labour Law Arts. 139, 140**

Better Work Clusters and Compliance Points

Better Work carries out factory assessments to monitor compliance with international core labour standards and national labour law, and where national law either fails to address or lacks clarity around a relevant issue regarding conditions at work, according to benchmarks established by Better Work based on international labour standards and good practices. Better Work organizes reporting into eight areas of labour standards, also known as clusters. Four of the clusters are international core labour standards, based on fundamental rights at work and four are based on national labour law relating to working conditions. As such, factory assessments aim to monitor compliance with these areas.

Core labour standards: Adopted in 1998, the ILO Declaration on Fundamental Principles and Rights at Work commits Member States to respect and promote principles and rights in four categories, whether or not they have ratified the relevant Conventions. These categories are: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced labour, the abolition of child labour, and the elimination of discrimination in respect of employment and occupation. The relevant ILO Conventions from which the 1998 Declaration derives—29, 87, 98, 105, 100, 111, 138, and 182—provide the framework for assessing non-compliance in the core labour standards clusters across all Better Work country programmes.

National labour law: The four other clusters monitor compliance with standards primarily set by national law, so they vary from country to country. This set consists of compensation, contracts and human resources, occupational safety and health, and working time.

Each of the eight clusters is divided into its key components, known as “compliance points”. Each of these compliance points contains specific questions that may vary from country to country. The detailed list of compliance points can be found at the following link:

<http://links.betterwork.org/compliance>