

Samdech Akka Moha Sena Padey Techo Hun Sen
Prime Minister of the Kingdom of Cambodia
Cabinet of the Prime Minister, Council of Ministers
Phnom Penh, Kingdom of Cambodia

17 January 2014

Dear Samdech Akka Moha Sena Padey Techo Hun Sen, Prime Minister of Cambodia,

We, the undersigned global brands and global unions, write to communicate to you our grave concern at the killing and wounding of workers and bystanders by security forces on 2 and 3 January 2014.

The use of deadly force against protesting workers will not result in long-term industrial peace and jeopardizes Cambodia's position as a stable sourcing location for international brands. We strongly support the United Nation's request that the Royal Government of Cambodia launch a prompt and thorough investigation into the events of 2 and 3 January 2014. The investigation should ensure full accountability of any members of security forces found to have used disproportionate and excessive force and to take measures to prevent the repetition of such acts.

We urge the Government to immediately engage employers and unions to negotiate a resolution to this crisis and to lay the foundation for credible and regular dialogue between workers, employers and government.

A constructive path forward for the industry must address issues that have been the root cause of current and past conflicts as follows:

1. **Rights of detainees.** The government must respect the rights of the 23 detained trade union leaders and workers as detailed by the U.N.'s Office of the High Commissioner for Human Rights. Failure to take such actions constitutes serious interference with civil rights in general and trade union rights in particular.
2. **Respect for the right to freedom of association.** Legal action against organizations for their legitimate union activity violates ILO Convention 87, Protection of the Right to Organize, which Cambodia has ratified. It states that "no one should be deprived of their freedom or be subject to penal sanctions for the mere fact of organizing or participating in a peaceful strike." International law sets strict parameters for the respect of trade union rights and the Government must be in compliance with these. Violence and destruction of property are not legitimate tools of industrial action, and punitive measures should be taken against the individuals who commit those acts. However, legal action against unions participating in the wage strike violates this core labour rights standard, and is counterproductive to re-establishing social dialogue in the garment industry.
3. **Trade union law.** The introduction of a legal framework that is consistent with ILO Conventions 87 and 98 as the foundation for effective industrial relations is long overdue. We urge the

government to re-start an inclusive process that clarifies the legal responsibilities of both employers and workers to contribute to good industrial relations.

4. **New wage-setting process.** The government needs to honor previous commitments to institute a methodologically sound and inclusive process for determining the minimum wage. This new process should find prompt agreement on a new minimum wage and include a regular review mechanism to underpin more stable industrial relations.

The Government should accept technical assistance from the ILO to establish an effective wage-setting mechanism and to develop and implement a trade union law.

The global garment industry is changing rapidly, and industrial peace is required to rebuild our confidence in the Cambodian garment industry.

We respectfully request that Samdech meet with senior representatives of the undersigned in the week of 3 February 2014 to discuss how we can help you achieve the above-mentioned goals.

Please accept, Samdech, the assurance of our highest consideration.

Frank Henke
Global Director, Social and Environmental Affairs
Adidas Group



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Chief Merchandising Officer
Asda



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VP, External Engagement & Social Responsibility
American Eagle Outfitters, Inc.



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Sharan Burrow
General Secretary
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David Love
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Copies: H.E. Sun Chanthol, Senior Minister, Minister for Commerce
H.E. Ith Sam Heng, Minister for Labour and Vocational Training

H.E. Keat Chhon
Deputy Prime Minister
Royal Government of the Kingdom of Cambodia
Phnom Penh, Cambodia

14 March 2014

Dear Excellency,

Thank you on behalf of all those undersigned for hosting the meeting with a delegation of global brands and trade unions on 19 February 2014. The senior level representation from the concerned ministries was valuable and permitted a very frank and open conversation.

The meeting helped us understand the context in Cambodia at this time and also our common interest in supporting the development of the garment sector. We would like to reiterate our willingness to work towards this end.

We believe we were able to convey the concerns we have that currently affect the sector, how it is perceived internationally and how this potentially affects future planning. In summary these are:

- The continued detention of wage protesters after the demonstrations in January. We expect the government to respect the rights of the 21 detained leaders and workers, as detailed by the U.N.'s Office of the High Commissioner for Human Rights. This includes the right to be present during all court hearings for their cases, thus able to exercise their right to defend themselves.
- Passage of the Trade Union Law consistent with ILO Conventions 87 and 98 to establish effective industrial relations. We recognize that this is a priority for government and feel that it is important that this will be developed in an inclusive process with urgency.

In this context we are very concerned with recent reports that no new union registrations have been issued in 2014 and that there will be no new registrations before the advent of the new law. We find that this step is not in keeping with the process that we understood from the meeting and does not seem to us to move the process forward in a constructive manner. We would welcome any clarification that you are able to offer.

- We look forward to hearing more about the actions and timetable related to improving the minimum wage determination mechanism. We reiterate our expectation that this be an inclusive process and one that will proceed promptly.

News reports indicate that there may be legal action taken against trade unions by factory owners that suffered damage to property. We recognize the right of factory owners to seek redress from anyone proven to have committed criminal damage. However, we are concerned that this action against trade unions may escalate the current situation and make it more difficult to find constructive solutions. We would be grateful if you could advise us of your government's stance in this matter.

We look forward to our follow up meeting in May but in the meantime there will be continued contact at various levels in the spirit of supporting the positive outcomes that the sector most urgently needs.

Please accept, Excellency, the assurance of our highest consideration.

Frank Henke
Global Director, Social and Environmental Affairs
Adidas Group



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VP, External Engagement & Social Responsibility
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Hannah Jones
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Nike



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Dr. Roopa Nair
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Phillip Jennings
General Secretary
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Copies: Office of the Prime Minister
Senior Minister for Commerce Sun Chanthol
Minister for Labour and Vocational Training Ith Sam Heng

To:
HE Keat Chhon
Permanent Deputy Prime Minister
Royal Government of the Kingdom of Cambodia
Phnom Penh
Cambodia

November 10, 2014

Dear Excellency,

As apparel and footwear brands affiliated with the Fair Labor Association, we are committed to fairness for workers in all countries from which we source. We are writing to express our support for improved wages and sound industrial relations in Cambodia.

We fully support the letter signed by eight European brands sourcing from Cambodia (dated September 18, 2014), which affirmed workers' right to a fair wage and called for an "inclusive and consistently applied national collective bargaining process." Similarly, we strongly agree with the brand representatives with whom you met in February and April of 2014, who urged the Cambodian government to promote freedom of association and collective bargaining in your draft union law.

Specifically, we support objective, inclusive, and productive national wage-setting negotiations that result in a minimum wage that is fair for workers. To this end, we commit to purchasing practices that help build sustainable supply chains, by incorporating locally negotiated wage increases into our FOB prices, while emphasizing the importance of related productivity and efficiency improvements.

As more and more brands reach out to you on these issues, we hope you will seriously consider how confidence in the stability of Cambodia's labor market will influence our sourcing decisions. As sourcing volumes increase in Cambodia, so too must our assurance that conflicts will be resolved peacefully, that minimum wage will be set fairly, and that workers and unions will experience a meaningful right to freedom of association and collective bargaining.

Please be assured, Excellency, of our highest consideration, and we look forward to our interaction on these vital issues in the coming months.

Copies: H.E. Sun Chanthol, Senior Minister of Commerce
 H.E. Ith Sam Heng, Minister of Labour and Vocational Training
 Amb. William Todd, United States Embassy, Phnom Penh

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Head of Social & Environmental Affairs,
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