

**Collective Bargaining Agreement for participating manufacturers,
part of the Cambodian Garment, Textile, Footwear and Travel
Goods Industry signed by participating manufacturers and trade
unions in Cambodia**

[Date of Signature]

Preamble

This collective bargaining agreement is a written agreement establishing a formal relationship between and among parties to this agreement with the aim of building good industrial relations through collaboration between the employers and workers working in the, Garment, Textile, Footwear and Travel Goods industry in Cambodia. This agreement also aims at improving working conditions and terms of employment of workers, respecting the law and regulations and fostering the reputation of the industry.

Article 1: Parties to the Agreement

This CBA is based on a template CBA and will be signed by individual factories and trade unions. The parties to this agreement are the factory 'employer party' and the trade unions 'employee party'.

Employer party:

Employee party:

Article 2: Scope

This agreement shall be open to be signed by any and all manufacturers who have a business relationship with buyers who have signed the 'Agreement supporting collectively bargained wages in Cambodia'. Similar to this, the agreement shall be open to IndustriALL trade unions.

The Employer Party hereby agrees to apply the terms and conditions set out in this agreement to all workers in the enterprise.

Article 3: Recognition of Union Rights

All parties to this agreement, as mentioned in Article 1 above, agree to recognise each other for the purposes of negotiating this collective bargaining agreement.

The rights of workers to freely form and join trade unions and to carry out union activities free from interference according to national legislation and international labour standards are reinforced by this agreement.

The Employer party shall not engage in any form of union discrimination, against the members of the trade union committee in the factory including but not limited to:

- An unjustified change of job, duties and responsibilities
- Biased decision with regard to promotion or demotion of position, or discontinuation or termination and suspension of employment contract
- Acts of intimidating and threatening union members for joining or withdrawing from a union
- Refusal to acknowledge a receipt of the union notification about the formation of a union
- Refusal to meet, consult and resolve workplace issues including grievances/or disputes
- No union founders and elected members of the trade union committee (chair, vice-chair, secretary, and treasurer) shall be dismissed, threatened, or discriminated against by all forms, from the moment the employer has been notified about the formation of the union and while they hold their union office. Joint Monitoring Committee (JMC) (Article 13) shall be consulted for any dismissal of trade union leaders and founders before taking any legal action. Dismissal for serious misconduct shall be based on evidence and in line with the labour law.

The unions(s) shall have the rights to resolve all disputes that arise between the employer and the workers at the enterprise.

Subject to the above rights, elected Union Representatives and Union Committee shall perform their work as per the employment contract and comply with internal rules and regulations.

After notifying factories, trade union federations shall have access to the factories of the Employer Party to meet with workers in the course of pursuing their union work. Factory management shall not unduly prevent trade union federations from accessing the factory when pursuing their work.

Article 4: Management Prerogative

The employee party shall fully respect the employer's management prerogative, limited to the principle of good faith and respect for workers' rights in line with applicable labor law, trade union law, this CBA, and individual employment agreements. Within this framework, the employer shall have full right to regulate, according to their own discretion and judgement, all aspects of employment, including hiring, work assignment, working methods, the time, place, and manner of work, work supervision, transfer or lay-off of workers, application of disciplinary action, dismissal, and recall of workers.

Article 5: Wage

Any wage increases resulting from CBA negotiations will be applied on top of the existing base wage in the factory and in addition to the official minimum wage determined by a Prakas of the Ministry in charge of Labour and Vocational Training every year.

Workers are entitled to receive a base wage which includes an increase of 6 USD per month on the base wage until 31st December 2027. From 1st January 2028 workers are entitled to receive a base wage which includes an increase of 9 USD per month on the base wage in the factory. This revised base wage serves as the basis for calculating all other benefits and entitlements.

Article 6: Special Leave

In accordance with the Labour Law workers are entitled to take special leave of up to a maximum of seven (7) days during any event that directly affects the workers' immediate family.

This collective bargaining agreement entitles workers to three (3) days of special leave with full pay, out of the total seven (7) days, which shall not be deducted from the annual leave.

If more than three (3) days of special leave are taken per year, then the Employer Party can deduct the special leave portion exceeding the three (3) days from the workers' annual leaves in accordance with the Labor Law (concerning Special Leave).

Article 7: Women Rights and Gender Equity

a) Harassment

Establish and maintain a work environment free from any form of harassment. The resolution of harassment cases shall be facilitated through the Dispute Resolution Mechanism established by the parties as outlined in Article 11.

b) Non-discrimination

The Parties affirm that all workers shall have access to equal treatment and equal opportunities. The employer shall ensure that discrimination in hiring, compensation, access to training, promotion, termination of employment or retirement is prohibited on any ground, including but not limited to gender, sexual orientation, gender identity, race, colour, age, pregnancy, marital or family status, trade union affiliation, religion, political opinion, nationality, ethnic or social origin, caste, disease or disability.

c) Gender-Based Violence and Harassment (GBVH)

The Employer shall ensure a work environment free from all forms of violence and harassment, including gender-based violence and harassment (GBVH). The Employer shall adopt, in consultation with trade unions, a written policy on GBVH defining unacceptable conduct, and setting out risk assessment and prevention measures, multiple and confidential complaint channels, and procedures for the effective handling and investigation of cases. The employer and the trade union will

implement this policy. All cases shall be addressed through the Dispute Resolution Mechanism established by the Parties in accordance with Article 11. Workers have the right to report incidents anonymously and to remove themselves from situations posing a risk of violence or harassment, without retaliation. Prevention measures, including regular awareness-raising, training and risk assessment of GBVH, shall be implemented for all workers and management.

d) Gender responsive occupational health and safety:

The Employer shall provide training on a gender-responsive approach to occupational safety and health and ensure that risks affecting women's physical, psychological and economic safety are identified and addressed through risk assessments and the work of joint OSH committees. Risk assessments shall include gender-related risks, including those related to reproductive and sexual health, in particular for pregnant and breastfeeding workers. The Employer shall develop, implement and monitor preventive measures to address identified gender-related risks.

e) Maternity and Paternity Leave

Women workers are entitled to 15 days of maternity leave at 50% pay, including their prerequisites, in addition to the 90 days outlined in Article 183 of the Labour Law, and on the same conditions in accordance with the law.

Employer party to provide 5 days working day for paternity leave with full wage without deducting annual leave of the workers.

Article 8: Employment Contracts

FDC contract must be at least 6 months duration after probation period. The parties agree to review this in the next CBA.

Article 9: Skills development and recognition

Parties to the agreement agree to jointly promote training and skills development, recognising that increased skills benefit both the employer and the worker.

Parties agree that participation in training should not come at the detriment of the worker and therefore employers shall ensure that workers receive their usual wages plus all benefits and entitlements while attending training.

After-hours training shall always be organised in a manner to ensure safe and healthy working conditions.

Selection of workers for training shall be non-discriminatory against union members and shall promote, in particular, the participation of women workers.

Parties agree that a system of incentives can be developed which would allow workers and factories to benefit from skills development and recognition. The parties agree on the implementation of a factory review system for all workers who take part in training 3 months after completion of training. Increased skills will be compensated through additional skills bonuses.

Parties agree to continue the discussion on an industry standard on skills review and incentives throughout the period of the CBA, including through technical discussions with experts, industry stakeholders and in cooperation with buyers. Both parties share an understanding that this is a key area of cooperation under the CBA, but that it requires more development in cooperation with other partners in preparation for the next CBA.

Article 10: Maintaining existing standards

The provisions outlined in this agreement shall under no circumstances lead to a worsening of conditions or remuneration of workers. Any conditions or level of remuneration that are currently higher than any of the provisions outlined in this agreement shall remain at that level.

Similarly, any enterprise level agreement which sets conditions or remunerations above the level of this CBA shall remain in force.

Article 11: Settlement of Grievances/Dispute

Grievance/Dispute Resolution Procedures

Both parties agree to use the following internal grievance/dispute resolution procedures before resorting to the legal dispute resolution procedure and accept binding arbitration for right disputes.

The parties agree to adopt the following grievance/dispute resolution procedures in dealing with any grievance(s) or dispute(s) that may arise in the course of implementation of the agreement. The adopted procedures shall consist of the following steps as below:

Step 1: The dispute should, in the first instance, be addressed through a bipartite dispute resolution/grievance handling committee at the factory level. Workers shall be represented by their trade union at a factory level at the committee.

Step 2: If the parties fail to resolve the matter within a period of no longer than five working days from the date of raising of the complaint to the other party, they should seek assistance from the Joint Monitoring Committee (JMC) which shall be established in line with Art. 13.

The JMC will appoint a two-member panel, from and among its bipartite members, to come and attempt to resolve the grievance/dispute. This settlement proceeding should be limited to a maximum period of three working days, or longer if agreed by the JMC, starting from the date of the first meeting of the JMC. The settlement proceeding should take place within four working days from the date of failure of the factory/or company manager and workers/union to resolve the unsettled matter.

In line with Article 13, the JMC may find a party failed to comply with terms and conditions of the CBA or failed to implement in a timely manner a binding award for rights disputes in accordance with the provisions stipulated in Article 12, and may decide to issue a specific sanction.

Operational details of these dispute resolution procedures, including the terms of reference of the JMC are included in the Annex to this agreement.

Parties agree that in the event of an FoA dispute, trade union federations can represent their members from the moment the 'union election' has been sent to the factory.

Workers who file grievances will not suffer any prejudice whatsoever (discipline, transfer, demotion, etc.) for having brought forward a complaint. Workers shall receive all usual wages plus all benefits and entitlements while participating in any step of the dispute resolution procedure. The term 'workers' includes workers directly affected by the dispute, their representatives and any other worker from the enterprise whose participation is considered relevant to the resolution of the dispute.

Article 12: Decision of the Arbitration Council

The Parties agree that, where disputes arising from or in connection with this CBA are submitted to the Arbitration Council for resolution, the decisions of the Arbitration Council shall be legally binding and final on the Parties. In that case, the Parties shall abide by the decisions issued by the Arbitration Council.

Article 13: Implementation, Monitoring and Enforcement of the Agreement

Joint Implementation Mechanism

The Employer and Employee Parties agree to undertake the following steps to implement this Agreement in good faith:

- a. Provide outreach and awareness-raising activities on the content and substance of this agreement among the management staff. These activities may include posting a copy of this signed agreement on the notice board or in a public space within the factory, and or disseminating the promotional materials to management and workers within a factory.
- b. Submit a copy of this signed Agreement to the Ministry of Labour and Vocational Training for registration, and extension of its scope and application to the entire garment industry, and to the Arbitration Council for information and to provide assistance to the parties when receiving their dispute cases in the future.
- c. Hold a regular quarterly review meeting to review progress and discuss any issue/or obstacles in implementing this agreement.

Joint Monitoring Committee

The parties, through their representative organisations, agree to set up a Joint Monitoring Committee (JMC) (TU, TAFTAC), which comprises equal members from both parties for the

purpose of meeting, resolving and making a prompt and effective decision on any reported violation of this agreement.

Joint Enforcement Mechanism

- In the event that the Employer Party fails to comply with any terms and conditions of the agreement, or fails to implement in a timely manner a binding award for right disputes in accordance with the provisions stipulated in Article 12 of this Agreement, the JMC will meet and decide on specific sanction(s), which among others, can be:
 - a. Send a warning letter to an enterprise in question to take corrective measures.
 - b. In the event that the factory still continues not to implement it, make a request to the Ministry of Labor and Vocational Training to intervene in accordance with the legal procedures.
 - c. In the event that the MOLVT cannot deal with this problem, the JMC will send a letter to the Ministry of Commerce to suspend its export licence.

- In the event that any enterprise-level union(s) fails to comply with any terms and conditions of the agreement, or fails to implement in a timely manner a binding award for right disputes in accordance with the provisions stipulated in Article 12 of the Agreement, the JMC will meet and decide on specific sanction(s), which among others, can be:
 - a. Issuing a warning letter to the enterprise-level union in question to take corrective measures.
 - b. In case of continued violation, the JMC should send a letter to the Ministry of Labour and Vocational Training to intervene in accordance with the legal procedures.
 - c. In the event of an illegal strike, there can be sanctions against the union in the form of fines in accordance with Article 92, revocation of registration in accordance with Article 19, or dissolution in accordance with Article 29 of the Trade Union Law.

Article 14: Industrial Action

Conduct of Industrial Harmony

Further, all parties to this Agreement agree to adhere to the following guidelines in order to promote industrial harmony:

- a) Promote constructive and positive cooperation at all levels in industry and abide faithfully by spirit of agreement mutually inter into,
- b) Resolve all differences, grievances and disputes by negotiations and arbitration in accordance with the above adopted grievance and dispute resolution procedures,
- c) Establish or adopt, where non exist, a factory-level grievance handling committee which will ensure a complete and speedy investigation of grievances leading to an acceptable settlement,
- d) Refrain from resorting to coercion and intimidation,

- e) Educate management and workers of their roles and responsibilities including their mutual obligations to each other,
- f) In the event that a binding decision of the Arbitration Council is not enforced or employers do not comply with the decision, the union's right to initiate procedures and action in line with the 1997 Labour Law and 2016 Trade Union Law shall not be infringed by this Agreement.

Strikes and Lockouts

Both parties agree to adhere to applicable national laws and to support the implementation of this CBA in order to achieve certainty and predictability, and to protect rights and terms and conditions of work for both parties.

All parties to this agreement agree to refrain from taking unilateral action with regards to any industrial dispute related to this agreement. No strike or lock out should be permitted by either party during the term of the CBA with regards to any industrial dispute related to this agreement except for the point f) above.

The parties shall make no further claims for the duration of the CBA.

Article 15: Climate Change Adaptation, Heat Stress and Emergency Response at Working Environment

Workplace Impacts

Climate change refers to long-term shifts in climate patterns that affect working conditions, including rising temperatures, increased humidity, extreme rainfall, floods, storms, and other climate-related hazards. Workplace climate change impacts include excessive heat (heat stress), high humidity, floods, storms, and other extreme weather events that may threaten workers' health, safety, and productivity.

Heat and Humidity Control

In accordance with the Labour Law and occupational safety and health regulations, the employer shall ensure that working conditions are safe and hygienic and do not endanger workers' health, including appropriate control of workplace temperature and ventilation. The employer shall monitor environmental conditions in the workplace.

The parties agree that workplace temperature should ideally be maintained at levels that minimise heat stress and protect workers' health. The parties adopt an upper threshold for normal working conditions based on the Ministry of Labour and Vocational Training's determination.

Where workplace temperatures exceed the upper threshold, the employer shall implement enhanced protective measures in consultation with the Trade Unions. Enhanced protective measures, as agreed with the Trade Unions, may include:

- i. additional rest and cooling breaks without wage reduction.
- ii. provision of sufficient clean drinking water in all work areas.
- iii. temporary modification of production targets or working hours.
- iv. provision of cooling systems (air conditioning, industrial fans, or enhanced natural ventilation).
- v. adjustment of work schedules to avoid peak heat hours where feasible.

- vi. provision of appropriate facilities and PPE.

Protection of Vulnerable Workers Control Measure

In accordance with occupational safety and health principles and non-discrimination standards, special protective measures shall be applied for women workers, pregnant workers, workers with disabilities, and workers with health vulnerabilities.

Emergency Response for Extreme Weather

The employer shall take necessary measures to protect workers' safety during emergencies, including evacuation, first aid, and access to emergency assistance.

The employer shall establish and maintain an Emergency Response Plan for floods, storms, heatwaves, fires, or other extreme events that may endanger workers.

Right to Refuse Dangerous Work

Where there is a serious and imminent danger to workers' health or safety arising from extreme heat or climate-related hazards, workers have the right to remove themselves from the dangerous situation and report the risk, without retaliation, until the risk has been adequately addressed.

Article 16: Duration of the Agreement

The agreement shall come into force on the date of signing or, where the union or unions have not attained Most Representative Status at the time of signing, the date that they have been issued a Certificate of Most Representative Status by the competent authority. The agreement shall remain in force until 31st July 2029.

Negotiations for a new agreement shall commence 9 months before the expiry date of this agreement.