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CERTIFICATE OF REGISTRATION

THIS IS TO CERTIFY THAT

GREEN SUMMIT (CAMBODIA) LIMITED

SIHANOUKVILLE S E Z (PHUM POU THOEUNG,
BET TRANG COMMUNE & PHUM SMACH DENG, REAM COMMUNE,
PREY NOB DISTRICT, SIHANOUKVILLE PROVINCE), CAMBODIA
HAS REGISTERED FOR THE PURPOSE OF PARTICIPATING IN THE
ILO-BETTER FACTORIES CAMBODIA PROJECT

Date of issue: **23rd August 2022**

No. 01177



Sara Park
Programme Manager
ILO-Better Factories Cambodia

Memorandum of Understanding



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**MEMORANDUM OF UNDERSTANDING BETWEEN
GREEN SUMMIT(CAMBODIA)LIMITED ('The Enterprise') and
THE INTERNATIONAL LABOUR ORGANIZATION ('THE ILO') -
BETTER FACTORIES CAMBODIA PROGRAMME**

BETTER FACTORIES CAMBODIA SERVICES

1. *Better Factories Cambodia* was established in 2001 to help Cambodia's garment and apparel sectors achieve and maintain improvements in working conditions. The project expanded its coverage into footwear in 2012. BFC seeks to improve competitiveness of the industry by enhancing economic performance and improving compliance with national labour law, the principles of the ILO Declaration on Fundamental Principles and Rights at Work, certain international standards and good practices. It offers independent assessments and advisory and training services to support practical improvements through workplace cooperation.
2. This memorandum of understanding and its appendices provide the framework for cooperation between *Better Factories Cambodia*, representing the ILO, and the individual enterprises that wish to participate in *Better Factories Cambodia* assessment and advisory services.
3. In order to measure and ensure gains in working conditions, Better Factories Cambodia, in cooperation with participating enterprises, will assess and report on the suppliers' working conditions, according to national law, international core labour standards and, (in consultation with the Ministry of Labour) benchmarks/good industry practices in those cases where national law does not address or lacks clarity around a relevant issue regarding conditions at work, (hereinafter referred to as "Relevant Standards"). The areas subject to assessment (referred to as "Compliance Points"), are set out in the Appendix and may be modified in consultation with the Ministry of Labour from time to time to reflect relevant changes.
4. Compliance data indicating suppliers by name will be publicly disclosed for those suppliers that Better Factories Cambodia has assessed two or more times, in accordance with the Memorandum of Understanding signed between Better Factories Cambodia, the Royal Government of Cambodia and the Garment Manufacturers in Cambodia on 18 December 2013.
5. Better Factories Cambodia may also provide advisory services related to improving social dialogue and enterprise compliance with Relevant Standards. Assessment Services are mandatory for Cambodian garment factories with export permits, while Advisory Services are optional. Assessment and Advisory Services are required for footwear factories that voluntarily register for the program.
6. All assessment and advisory materials and reports produced by Better Factories Cambodia are the intellectual property of Better Factories Cambodia. Assessment and advisory materials will be shared with the Enterprise, but the Enterprise may not disclose them to any third party, including any current or potential international buyer or vendor, unless expressly agreed to in writing by Better Factories Cambodia. Assessment and advisory materials and reports on the supplier(s) concerned will be



provided to third parties registered with Better Factories Cambodia subject to receipt by Better Factories Cambodia of a third party access forms signed by the enterprise.

7. Better Factories Cambodia will notify governmental authorities as well as international buyers to which the Enterprise has provided third party access to its compliance data in case Better Factories Cambodia discovers or reasonably suspects non-compliance by the supplier in respect of issues identified in the Zero Tolerance Protocol between Better Factories Cambodia and national governmental authorities, such as serious human rights violations, child labour, forced labour, imminent and significant threats to worker health and safety, and particularly egregious violations of freedom of association. Suspected and confirmed cases of underage workers are addressed in accordance with Better Factories Cambodia's protocol on child labour investigation and remediation, as set forth in Appendices B and C.
8. By signing this memorandum of understanding, the Enterprise agrees to:
 - a. undertake to improve working conditions, acting in full collaboration and partnership with Better Factories Cambodia;
 - b. provide *Better Factories Cambodia* enterprise advisors full access to the enterprise and its premises, including surrounding areas and premises located off-site (such as dormitories), as well as to all relevant documentation required by enterprise advisors in order to perform their tasks;
 - c. allow *Better Factories Cambodia* enterprise advisors to freely interact with shop stewards, union representatives, worker representatives, workers and other relevant persons, both inside and outside the enterprise and its premises, and without any repercussions for their interaction with the program;
 - d. provide access as specified under paragraphs b and c above during both announced and unannounced visits; refrain from any acts or omissions that may hamper the ability of *Better Factories Cambodia* enterprise advisors to perform their tasks;
 - e. execute the child labour remediation protocol in accordance with Appendix B (Child Labour Protocol), cooperating with BFC or its approved agents on the process for investigating, confirming and remediating child labour cases;
 - f. when the Enterprise has registered for Advisory Services, form a Performance Improvement Consultative Committee (PICC) of approximately 8 to 10 persons consisting of equal numbers of management and union representatives to lead improvement initiatives; if there is no union in the enterprise, the PICC should consist of an equal number of representatives appointed by management and of worker representatives freely chosen by workers, through an election or other comparable means;
 - g. the publication of its supplier compliance data with mention of its name and the supplier's name, as provided in paragraph 4 above;
 - h. in the factory's first instance of public disclosure, the sharing of public disclosure reports with the Ministry of Commerce, Ministry of Labour and Vocational Training, and Garment Manufacturers' Association in Cambodia;
 - i. provide full wages to all enterprise employees for the time they are supporting Better Factories Cambodia activities, including participating in assessments, advisory services work, PICC activities, and/or training;
 - j. provide payment to *Better Factories Cambodia* as stipulated in invoices services provided by Better Factories Cambodia;
 - k. allow periodic access to collect data for monitoring and evaluation and for statistical analysis using worker and management surveys following prior

notification by Better Factories Cambodia and agreement by the Enterprise;
and

- I. participate in baseline data collection and periodic impact review to analyse causal links between project interventions and outcomes.

9. By signing this memorandum of understanding, *Better Factories Cambodia* agrees to:
 - a. undertake to assist enterprises in improving working conditions and overall business competitiveness;
 - b. carry out assessment visits in a fair and objective manner;
 - c. attempt to minimize any disruption to operations during assessment visits;
 - d. keep confidential any commercial information regarding business operation that is not related to enterprise compliance with Relevant Standards;
 - e. when applicable, provide advisory services related to improving social dialogue and enterprise compliance with Relevant Standards; and
 - f. consider, in good faith, any allegation of misconduct by a *Better Factories Cambodia* enterprise advisor in the execution of his/her duties.
 - g. In case of any disagreement over the interpretation of the present memorandum of understanding, the parties shall make an effort, in good faith, to reach a common understanding. In the absence of such a common understanding, the matter shall be referred to a mutually agreed upon arbitrator.

10. Enterprises are required to inform Better Factories Cambodia of any changes in supplier information.

11. Enterprises are only required to register one time with Better Factories Cambodia. Yearly bundled assessment and advisory service will continue until this agreement is terminated by either party by giving two months written notice before the end of the yearly cycle to the other party.

12. Better Factories Cambodia will issue an invoice every 12 months for the next yearly bundled assessment and advisory service.

13. This memorandum of understanding supersedes all prior memoranda of understanding regarding assessment and advisory services between the Enterprise, and the ILO and the IFC's Better Factories Cambodia Programme, which are deemed null and void.

14. Nothing in this memorandum of understanding or relating thereto shall be construed as constituting a waiver of the privileges and immunities of the ILO.



Enterprise representative
Signature & Stamp

Name: SU ZUWANG
Date: 15/MARCH 2022



Better Factories Cambodia
representative

Name: Sara Park
Date: 23 August 2022