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Leading Apparel and Footwear Brands Meet with Cambodian Government to Express Concerns About Worker Rights

(WASHINGTON, D.C.) – October 23, 2018 – Representatives from major apparel and footwear brands, led by the <u>American Apparel & Footwear Association</u> (AAFA) and the <u>Fair Labor Association</u> (FLA), met on October 19 with senior Cambodian government officials to discuss the current state of worker rights, and opportunities for enhanced collaboration in upholding worker rights throughout the Cambodian garment, footwear, and travel goods sector.

The representatives called on the government to drop criminal charges in the cases of several labor leaders, charges that have been pending for years and are widely viewed as politically-motivated. They also urged amendments of the 2016 Law on Trade Unions (TUL) and implementing regulations that limit the ability of Cambodian workers to form and engage freely in trade unions. Finally, the delegation noted the important role that the Arbitration Council has played in resolving labor disputes and expressed support for independent funding and transparent referral procedures to ensure the Council continues to function effectively.

In a collective effort to raise labor issues by leading global companies, the delegation included Michael Posner, chair of the FLA board; Steve Lamar, executive vice president of AAFA; and representatives from adidas, New Balance, Nike, Puma, Under Armour, and VF Corporation. The representatives met with H.E ITH Samheng, the Cambodian Minister of Labor and Vocational Training; H.E PAN Sorasak, the Minister of Commerce; and H.E PHAN Phalla, Undersecretary of State at the Ministry of Economy & Finance.

The sector employs more than 700,000 Cambodians – most of whom are women – making it one of the largest sources of employment in the country. In 2017 the revenues from apparel, footwear, and travel goods manufacturing totaled more than \$5 billion, which constitutes the majority of Cambodia's export income.

The industry delegation emphasized Cambodia's important role as an emerging venue for manufacturing of global apparel, footwear, and travel goods, but also stressed the need for the government to improve its labor rights performance so that Cambodia can sustain, and grow, its share of the sourcing market. They stressed that the protection of fundamental human rights will be critical if Cambodia is to maintain and enhance the confidence of international brands sourcing in Cambodia.

"Cambodia has been a good partner to our brands through the years, and we have seen dynamic growth in the domestic apparel, footwear, and travel goods industry in this country," said Rick Helfenbein, president and CEO of the American Apparel & Footwear Association. "That said, we are increasingly concerned about specific

policies and actions the government has taken in the past year. We hope the government will embrace the reform measures we raised today. The nature and scope of future engagement by global brands in Cambodia will likely depend on improvements with labor rights issues that were discussed today."

Michael Posner, board chair of the Fair Labor Association and the director of the Center for Business and Human Rights at New York University, noted the direct link between the labor and human rights environment and the ability of businesses to work effectively in Cambodia. "We are deeply concerned about the shrinking space for labor leaders to operate freely in Cambodia, which is part of a broader pattern of restrictions civil society. The Fair Labor Association stands ready to work with the government and all other stakeholders in Cambodia to ensure that the rights of workers are protected and that companies can confidently do business in this country."

The meetings on Friday followed a joint letter signed by six international apparel, footwear, and labor organizations, sent in March raising these concerns.

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The Fair Labor Association (FLA) has helped improve the lives of millions of workers around the world since its founding in 1999. As a collaborative effort of socially responsible companies, colleges and universities, and civil society organizations, FLA creates lasting solutions to abusive labor practices by offering tools and resources to companies, delivering training to factory workers and management, conducting due diligence through independent assessments, and advocating for greater accountability and transparency from companies, manufacturers, factories and others involved in global supply chains.

The American Apparel & Footwear Association (AAFA) is the national trade association representing apparel, footwear and other sewn products companies, and their suppliers, which compete in the global market. Representing more than 1,000 world famous name brands, retailers, and manufacturers — AAFA is the trusted public policy and political voice of the apparel and footwear industry, its management and shareholders, its nearly four million U.S. workers, and its contribution of \$384 billion in annual U.S. retail sales. AAFA provides exclusive expertise in supply chain management, trade policy, and brand protection, to help our members navigate the complex regulatory environment and lower costs. Members gain unparalleled access to information and exclusive insights on regulation and policy, and premier opportunities for networking and collaboration.