

A dark blue textured background image showing a wall of vertical metal panels, possibly a fence or a wall of a factory.

WRC Factory Investigation

# Violet Apparel Co. Ltd.

**Factory:** Violet Apparel Co. Ltd.

**Key Buyers:** Matalan, Nike

**Last Updated:** 2021

## Case Summary

The July 1, 2020, closure of Violet Apparel Co. Ltd. in Phnom Penh, Cambodia—a supplier to Matalan and Nike—left 1,284 workers unemployed. The factory deprived these workers of \$1,800,829 in terminal compensation.

Under Cambodian law, workers on permanent contracts, like those employed at Violet Apparel, must be given advance notice between one week and three months before a layoff, depending on their seniority, and, if this does not happen, they are entitled to pay for that period of time. Based on the average seniority of the Violet Apparel workers, management should have given them, on average, two months' advance notice. However, the factory notified workers only one day before the factory closure and failed to provide any notice pay.

In addition, Cambodian law states that workers are owed damages if they are dismissed without valid reason. While Violet Apparel has claimed it lost orders due to the Covid-19 pandemic, its parent company, Singapore-based Ramatex Group, never provided evidence indicating the necessity to close this

particular unit, amongst its 15 production facilities.

"When I heard that Violet closed, I felt like I lost everything I ever thought possible," Ung Chanthoeun, a garment worker who worked in the factory for 17 years, told ABC News (Australia). Ung has been participating in protests as a union leader since the closure. "It's hard to get money for my child's schooling or to pay the bank, or for medical treatment when my family is sick," she added.

Nike informed the WRC that it has not produced clothes at Violet Apparel since 2006 and that Violet Apparel is not authorized to produce Nike goods. However, workers consistently and credibly testified that they regularly manufactured Nike products in recent years, until shortly before the factory's closure. Workers provided production records documenting that Nike production was taking place at Violet Apparel in late 2018. The work was being done for Olive Apparel, a Nike supplier that appears on Nike's public supplier list. Additionally, photos taken by Violet Apparel workers in November and December of 2019 show Nike goods on Violet Apparel's production lines. Evidence thus demonstrates that Violet Apparel workers sewed clothing for Nike for many years, at least through the end of 2019.

While the WRC recognizes that Olive Apparel may have sent Nike orders to Violet Apparel without the brand's knowledge, these workers sewed Nike clothes, and they are entitled to the protections of Nike's labor code. Nike has a responsibility to ensure that these workers are paid for their labor, as does the other identified buyer, Matalan.

#### **Read More:**

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