

WRC Factory Investigation

Eco Base Ltd.

Factory: Eco Base Ltd.

Key Buyers: Arcadia, Debenhams, John Lewis, Lidl, Mango, Marks & Spencer, Next, Urban Outfitters

Last Updated: 2021

Case Summary

Dignity Knitter Ltd. and Eco Base Ltd. are sister factories in Takhmao City in Kandal Province, Cambodia. They supplied Arcadia, Debenhams, John Lewis, Lidl, Mango, Marks & Spencer, Next, and Urban Outfitters, before closing in April 2020, firing more than 1,100 workers, and failing to pay them \$2.2 million in legally mandated compensation.

Workers at these factories report that their wages were repeatedly delayed in the factory's last months of operation; the late payments began in December 2019. After workers observed company management removing machinery from Dignity Knitter in January 2020, a group of 100 workers began standing guard in shifts in front of the factory, around the clock, to stave off further attempts by management to abscond with equipment (which could be sold to generate money for back wages and severance in the event of a closure). Both factories formally terminated operations in April.

Dignity Knitter and Eco Base are subsidiaries of GTI Holdings, which is also

involved in oil and financial services. A publicly traded company on the Hong Kong Stock Exchange, GTI Holdings presumably has the wherewithal to pay workers what they are owed; if it does not, its customers certainly do.

In February 2021, the Kandal Provincial Court oversaw the sale of equipment from the shuttered factories. The money from the sale will be split among the 1,129 workers who have gone unpaid since the closure. After these funds are distributed, the workers will still be owed \$980,000.

“It’s not much but we have no choice,” 51-year-old Sao Na told local press, of the partial payment she is set to receive. She added, “I feel nothing. I’ve waited too long.” Chhoeut Rany, 37, who worked for 10 years at Eco Base, says she has struggled to fulfill her family’s basic needs since the factory closed, “including paying for food every day and sending my children to school.” She continued, “We waited more than a year.”

John Lewis and Debenhams confirmed to the Business & Human Rights Resource Centre (BHRRC) their relationships with Eco Base and Dignity Knitter, respectively. Next told the WRC that it ceased business with Dignity Knitter in 2019, but the company put Dignity Knitter on its publicly available supplier list in January 2020. Mango, Marks & Spencer, and Lidl also included the factory in their supplier lists in 2020. Labels from the factories collected by workers also identified Urban Outfitters as a recent buyer.

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1990 K Street, NW, Suite 410
Washington, DC 20006

Phone: (202) 387-4884

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