

PACTICS CAMBODIA CO., LTD

# Impact Report 2023



# ABOUT

## *this report*

From the start, ethical practice has been at the core of our business. This report represents a transparent review of our social and environmental practices and impact. We proudly show you our sustainability achievements over 2023 and share our challenges and future plans for optimizing our impact.

Understanding the complexity of sustainability choices while avoiding greenwashing, we aim to guide our customers in making informed decisions. Whether choosing between cotton or synthetics, organic or recycled materials, printed or dyed fabrics, or circular or biodegradable options, we provide thoughtful guidance at every step and aim to help our customers navigate the sustainability landscape, making choices aligned with their priorities and values.

At PACTICS, we take great pride in our positive social and environmental impacts while recognizing ongoing opportunities for improvement. By fostering a sustainable workplace,

empowering our employees, and providing guidance to our customers, we are committed to creating a better future for all.

This report is divided into three main sections: Governance, Social, and Environmental. In the first section, you will read about our principles, operations, products, capabilities, and expansion plans. In the second chapter, you will discover our policies for building an inclusive workforce, our focus on growth and development, and opinions from our employees. In the last section, we take you through our awareness raising, waste management, emission calculations, and water reduction. The report ends with a word from our CEO and sharing fun team experiences from 2023. All data presented in this report is from PACTICS Cambodia, home to the vast majority of the company manufacturing activities.

We invite you to read this report to learn more about our sustainability journey.

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# KEY FACTS & FIGURES

## GOVERNANCE

Headquartered in Siem Reap, Cambodia

25 customers in 16 countries

27 million items manufactured in 2023

589 employees *(data from Dec. 2023)*

ISO9001: 2015 certified - Quality

Gold Certificate of Tax Compliance

Better Factories Cambodia certified

## SOCIAL

6 different nationalities

98% of the total workforce is Cambodian

77% of the total workforce is female

SA8000 certified – Social Compliance

Gold Certificate Disabled Employees

CSR Social Award 2023

## ENVIRONMENTAL

186.13 tCO<sub>2</sub>e in scope 1 and scope 2

7 recycling stations around the facility

37% of total items made from recycled material

Saved 7.6 million liters of water

Golden Green Industry Award 2023



**MESSAGE FROM OUR FOUNDER**  
***Piet Holten***



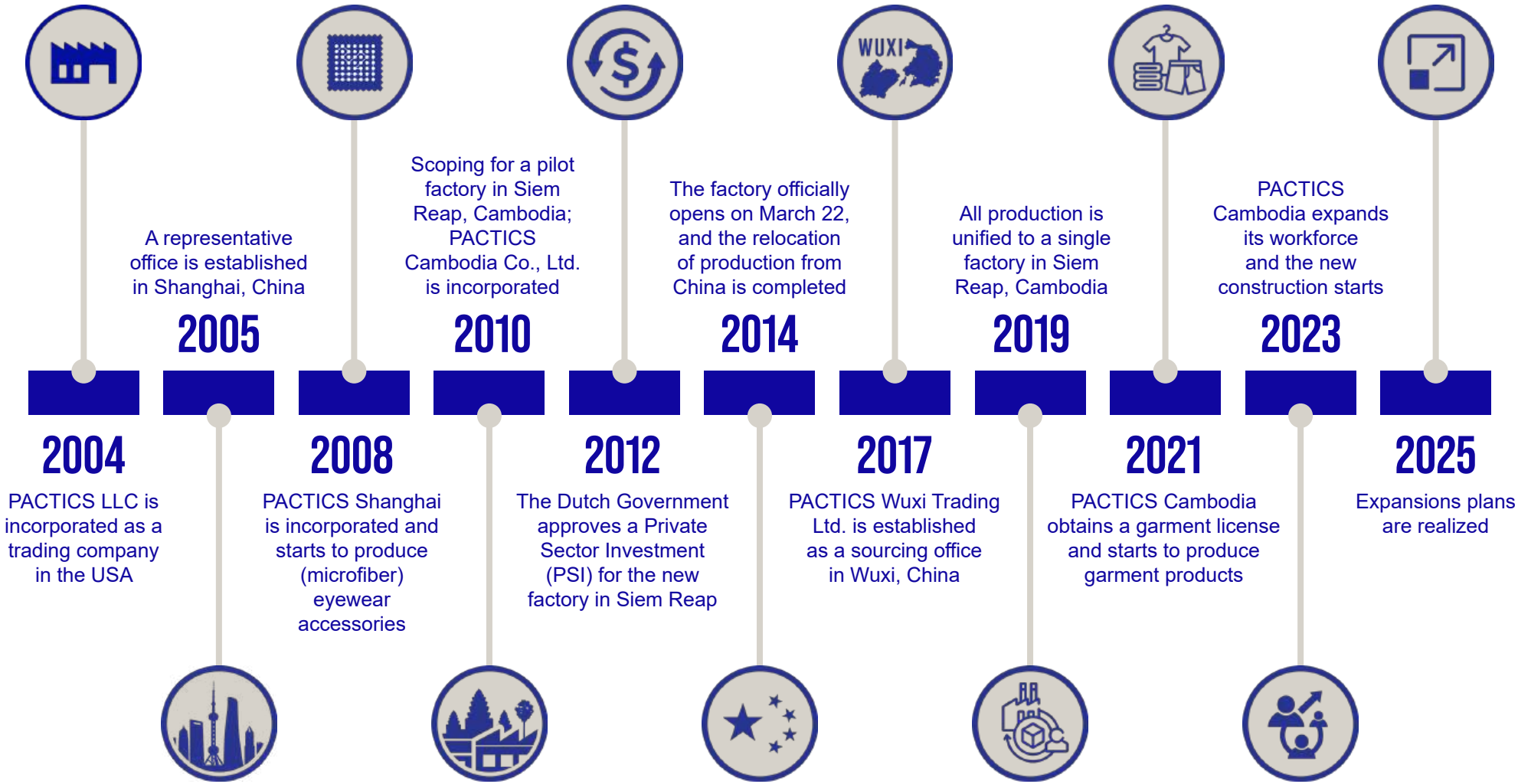
While living in Africa in the early 1990s, I had my first true realization about our responsibility towards our planet. Witnessing the delicate balance of nature in various wild parks, I became acutely aware of humanity's rapid destruction of these last truly natural areas and the consequences this could have in the future. Over the past 25 years, climate change has escalated, raising concerns about the possibility of the next mass extinction.

During the 2000s, I witnessed the harsh working conditions in garment factories, which fueled my commitment to affecting change. When I founded PACTICS in 2004, my mission was to take a different approach, prioritizing both people and the planet. PACTICS Cambodia, established in 2010, similarly deviated from the norm by situating the factory in Siem Reap, a tranquil tourist town, instead of the conventional industrial hubs. Here, close to the famous Angkor Wat temples, we sought to bring the factory to where people lived, minimizing the need for migrant workers to endure grueling conditions away from their families. Our employees return to their homes daily, benefit from a healthy and safe work environment, subsidized nutritious lunches, and enjoy on-site daycare.

Our commitment extends beyond social impact; we are also investing in environmental sustainability. Embracing innovation and collaboration, we continuously adopt eco-friendly materials and water-saving practices in fabric coloring. Recognizing that sustainability requires a collective effort, responsibility therefore lies across the entire value chain. Brands and consumers must prioritize sustainable products and foster good working conditions and environmentally friendly production.

In essence, how products are made matters, and this shapes our future on this planet.

# OUR HISTORY



# STRATEGY & FOCUS

The way forward is by doing the right thing. We became manufacturers because we wanted to do right by the people making our products. Our priority has always been our staff. But we want to improve our environmental impact too.

Integrating sustainability creates business opportunities and fosters our company's longevity. That is why we are taking a more active stand and acting upon sustainability internally and within our value chain. We strive for a socially and environmentally friendly production and value chain because how products are made matters.

PACTICS is the manufacturing partner for mission-driven lifestyle brands. For us, manufacturing is about a lot more than a bill of materials and some production steps.

We believe in the power of co-creation and in providing a full-service partnership at every stage of the process. We try to minimize our environmental impact by offering tailor-made supply chain solutions and using the latest techniques.

We focus on sharing our expertise with mission-driven brands whose values align with ours. Honesty is the foundation of our partnerships. We take pride in providing honest and solution-oriented perspectives that help our clients make thoughtful and informed decisions.

We proudly talk about our values and milestones while also consistently looking at how we can do better.

## MISSION

To provide end-to-end manufacturing solutions to mission-driven lifestyle brands seeking high-performing travel & lifestyle products, respecting people and the planet.

## VISION

PACTICS aspires to change the way people think about manufacturing.

Through our widely respected practices of corporate social responsibility built over 20 years, we partner with visionary companies to put product performance, ethical treatment of team members, and environmentally responsible systems at the forefront of all we do.

We intend to be a driving force in creating a fairer and greener industry where harm is minimized and benefits to all stakeholders are maximized.

We believe great products are made by putting people and the planet first.







# CORPORATE GOVERNANCE

We became manufacturers because we wanted to do right by the people making our products. Our company's values of Partnership, Integrity, and Sustainability are intertwined. We maintain an open-door policy, where employees are encouraged to discuss work-related concerns or ideas with their supervisor or CEO. We strive for a safe and healthy environment for everyone.

We comply with Cambodian rules and regulations and have several standards and policies for responsible business. We have an environmental policy, zero-tolerance for discrimination, and an anti-corruption policy. PACTICS can proudly state that we never participated in any bribery activities. In 2023, PACTICS received a Gold

Certificate of Tax Compliance for clean accounting. Following Cambodian law, PACTICS Cambodia has a workers union to secure employee rights.

PACTICS is a member of and certified by Better Factories Cambodia, a foundation that improves working conditions in the garment sector in Cambodia. We are also part of the Cambodian Federation of Employers & Business Associations (CAMFEBA) and the Textile, Apparel, Footwear & Travel Goods Association in Cambodia (TAFTAC). These are organizations providing a unified voice to promote and safeguard the interests of employers. Lastly, we are part of EuroCham, a business community for European companies in Cambodia.

**PACTICS CAMBODIA**

# THE TEAM

PACTICS employs approximately 600 people globally, with the vast majority (98%) based at our manufacturing plant in Siem Reap, Cambodia. Our organization is structured into 13 specialized departments, including among others production, supply chain, finance, and marketing & sales.



**Piet Holten**  
**FOUNDER**



**Arjen Laan**  
**CEO**



**Dorian van der Mullen**  
BUSINESS DEVELOPMENT  
DIRECTOR



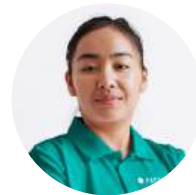
**Rogier Brouwers**  
OPERATIONS DIRECTOR



**Erik Harmsen**  
MANUFACTURING DIRECTOR



**Chanpisey Chhum**  
ACCOUNT MANAGER



**Thim Chanreksmey**  
DEPUTY HR MANAGER



**Antoine Perrier**  
MAINTENANCE  
MANAGER



**Voleak Baty**  
MASTER PLANNER AND  
ORDER FULFILLMENT LEAD



**Sopanhchakpor Phet**  
DMP-DSPC MANAGER



**Naing Vannooun**  
FACTORY MANAGER



**Linde van Wichen**  
SUSTAINABILITY  
COORDINATOR



**Thada Suc**  
WAREHOUSE  
MANAGER



**Vuth Lam**  
GROUP FINANCIAL  
CONTROLLER



**Noel Rollo**  
IT MANAGER



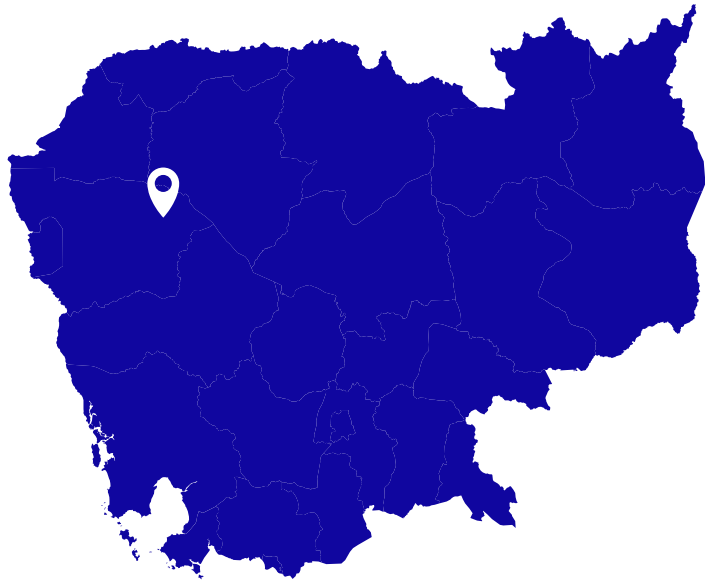
**Bunna Hun**  
MANUFACTURING  
EXCELLENCE MANAGER

# PRODUCTION & SOURCING

**PACTICS** operates out of a single production facility in **Siem Reap, Cambodia** and a sourcing and procurement office in **Wuxi, China**.

## **PACTICS Cambodia Co., Ltd.**

Our production facility in Siem Reap, Cambodia is designed with natural cooling and lighting to maximize production in a healthy, environmentally friendly space that offers a wide range of services for our employees.



## **PACTICS Wuxi Trading Ltd.**

Our sourcing office in Wuxi, China offers us direct access to and knowledge of many different materials and provides a support function to sales.



# *Approach to* **MANUFACTURING**

We take a ONE-STOP SHOP approach to manufacturing, from *design and sourcing to logistics*.

## **DESIGN & SOURCING**

Whether customers have a product-ready sample or just an idea, our product development team can help bring products to life. Our China-based sourcing team works with trusted suppliers across Asia and specializes in finding innovative and environmentally friendly materials.

## **PRINTING & CUSTOMIZATION**

We offer several printing techniques customized to customers' requirements. When lots of colors and limited production runs are preferred, our digital dye sublimation and direct-to-film team has them covered. For larger volumes or simpler images, we also offer screen printing, embossing, debossing, embroidery and beyond.

## **ASSEMBLY & QUALITY**

Besides designing and printing, our cutting, sewing, and packing teams assemble all the products. After assembly, the products are checked for quality. PACTICS Cambodia is ISO9001 certified and we are proud of upholding the toughest quality standards.

## **LOGISTICS**

We can ship finished goods by sea or air, in full or partial container loads. We are able to offer consolidated containers where multiple customers share one container. The goods are cleared at the destination port by PACTICS, segregated in the PACTICS warehouse and shipped to the final destinations.

## **LEAD TIME & MOQ**

We are more interested in long term partnerships and continuity than we are in large order quantities. We work with our customers to find the optimal order quantities, optimizing customer service and costs of production, shipping, and inventory holding. We are able to produce orders of 500 pieces and orders of 500,000 pieces.

# CAPABILITIES



## Sourcing

PACTICS has access to and knowledge of numerous (sustainable) fabrics that we can source.



## Development

PACTICS offers support for the design and development of final products.



## Production

PACTICS has several dyeing and printing techniques that ensure high-quality final goods.



## Packing & Packaging

PACTICS designs and produces packaging that is retail-ready.



## Supply Chain Solutions

PACTICS guarantees customers have easy access to their products where and when they need them.

# PRODUCTION CAPACITY

307

sewing machines

20

sewing/assembly lines

6

regular heat transfer machines

5

embossing machines

1

automatic cutting machine

12

Bartack machines

3

automatic heat transfer machines

3

packaging lines

1

multi-layer die cutting machine

12

automatic patterns sewing machines

2

Monti sublimation machines

4

high precision laser cutters

1

automatic rotary screen printing machine

8

digital dye sublimation printers

1

DTF printing and powder machine

5

weft cutting machine

90

meters of silk-screen printing lines

# IN-HOUSE EMBELLISHMENT TECHNIQUES



## DIGITAL DYE SUBLIMATION

We produced 1.4 million items with our in-house digital dye sublimation in 2023. We have 15 years of experience with this technique.



## DIRECT-TO-FILM & HEAT PRESS PRINTING

We introduced a new in-house printing process in 2023: Direct-to-Film and Heat Press Printing. We already produced 5% of our total production with this new technology.



## SCREEN PRINTING

We have 14 years of experience with screen printing.





# DIGITAL DYE SUBLIMATION ● DIRECT-TO-FILM PRINTING ● SCREEN PRINTING

## What is it?

Digital Dye Sublimation is a digital printing technology that uses heat transfer to apply an image to the intended substrate. Also referred to as digital sublimation, the process is commonly used for decorating apparel, signs and banners.

## How does it work?

After a digital design is created, it is printed onto paper. A combination of heat, pressure, and time evaporates the sublimation ink to transfer the design from the paper into the fabric. Ink that is absorbed by the fabric results in prints in—not on top of—the fabric as with other printing techniques. See the illustration below.

## What are the advantages?

- High durability as a result of printing into the fabric instead of onto it—no cracking, peeling, or fading.
- It offers endless design possibilities since it works with digital designs and unlimited color choices.
- Small order quantities in combination with short lead times are possible.
- Relatively low overall environmental impact due to less overproduction, no toxic chemicals, and minimal waste.



## What is it?

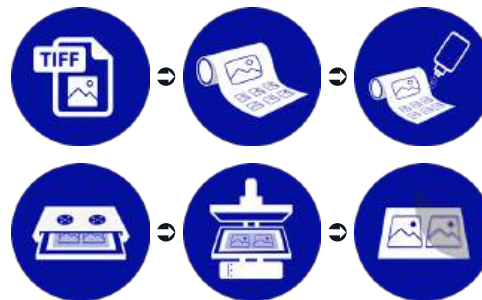
Direct-to-film is a technique that uses digital printing to produce an image on a clear film with unlimited color possibilities.

## How does it work?

After the artwork is designed and printed onto a PET film with ink, the film is sprinkled with adhesive powder that sticks to the ink. Using a heat press, the image is transferred and fixed onto the fabric. To complete the process, the film is peeled off. See the illustration below.

## What are the advantages?

- It works on many fabrics: cotton, polyester, synthetic, silk, and leather.
- Very detailed designs are possible—photos, complex graphics, fine art, and small text.
- Unlimited color options and excellent color accuracy, which results in long durability.
- Both small and large orders are cost-effective.
- It minimizes ink usage, saves water, and is energy-efficient.



## What is it?

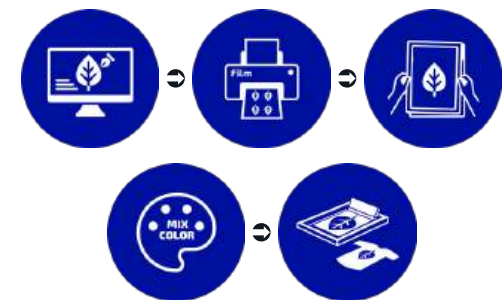
Screen printing is a common printing method that presses ink through a screen in order to create a design.

## How does it work?

After the artwork is designed and ready for use, the design frame covers the product. With a simple motion of pushing the handle backwards and forwards, the paint prints the desired design on the item. See the illustration below.

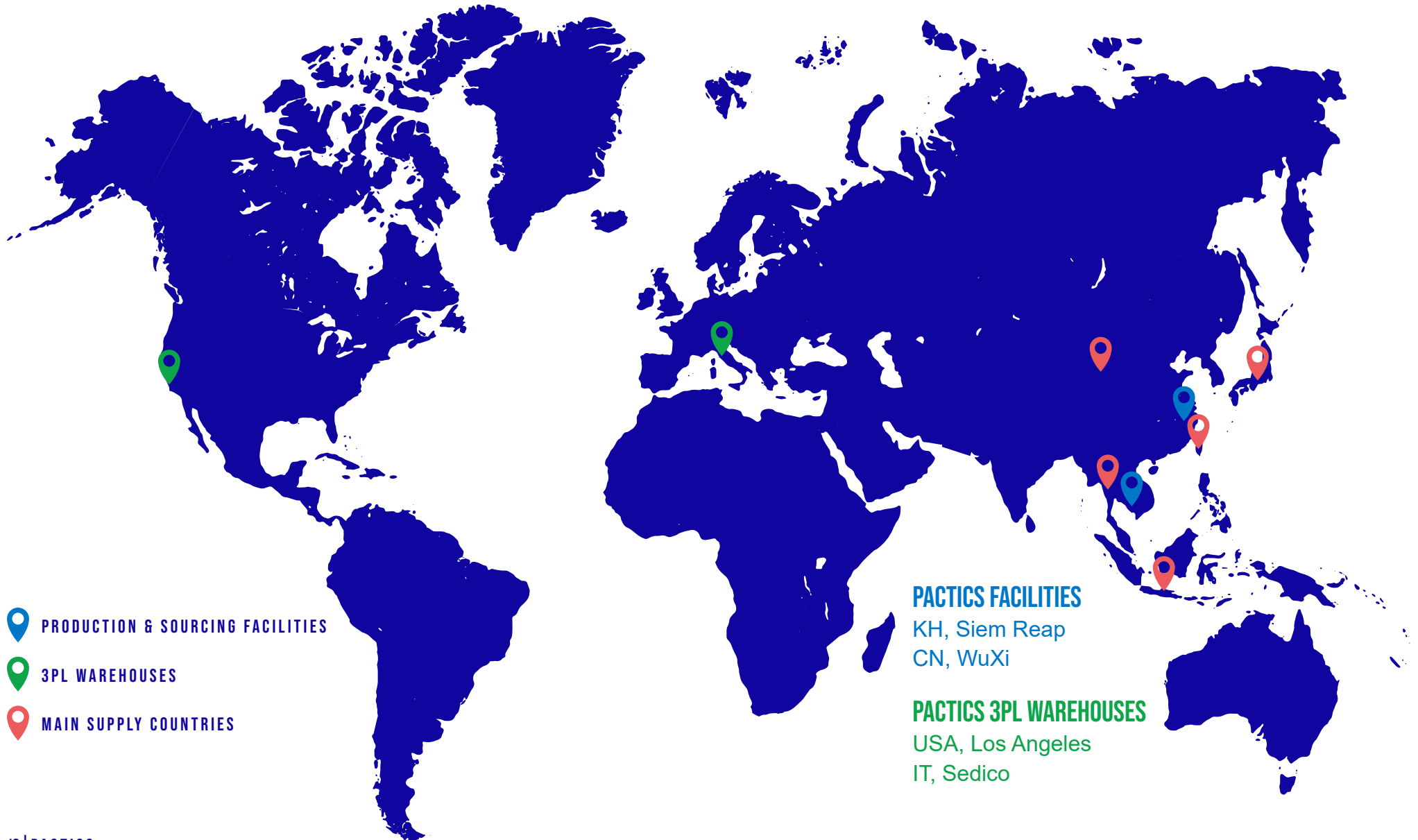
## What are the advantages?

- It works on many fabrics: cotton, polyester, silk, nylon, microfiber, and leather.
- Perfect for simple designs and logos.
- Print artwork is very durable.



# SUPPLY CHAIN

*Worldmap showing PACTICS 3PL Warehouse locations, main supplier countries and the production and sourcing facility.*



 PRODUCTION & SOURCING FACILITIES

 3PL WAREHOUSES

 MAIN SUPPLY COUNTRIES

## PACTICS FACILITIES

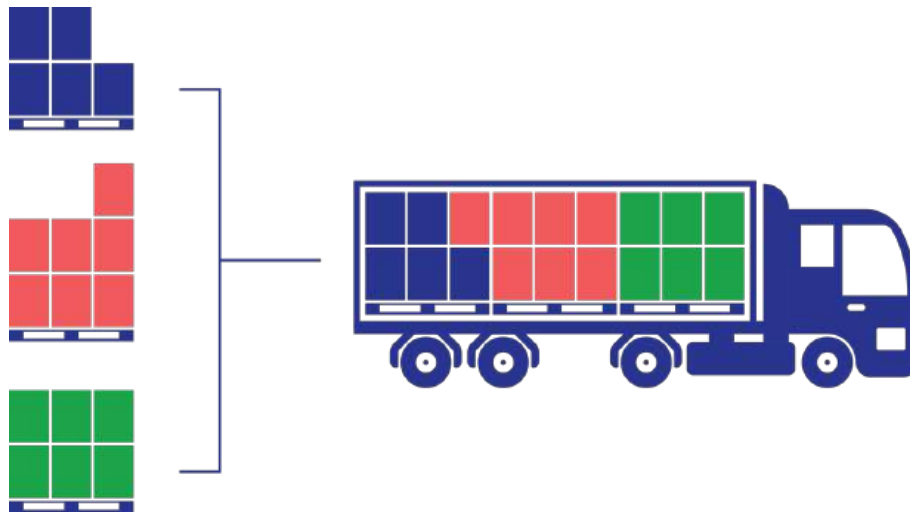
KH, Siem Reap  
CN, WuXi

## PACTICS 3PL WAREHOUSES

USA, Los Angeles  
IT, Sedico

## CONSOLIDATING SHIPMENTS

We prioritize efficiency and sustainability throughout our supply chain operations. One of the key initiatives we undertake is the consolidation of shipments. By consolidating multiple orders from different customers into single shipments, we optimize container space utilization, reducing the need for additional containers and minimizing carbon emissions associated with transportation. This approach not only lowers shipping costs but also aligns with our commitment to environmental stewardship. Through this strategy, we ensure that our products reach our clients in the US and Europe in the most resource-efficient manner possible, contributing to our overall sustainability goals.



## MINIMUM ORDER QUANTITIES (MOQs)

Our emphasis on shipment consolidation enables us to ship more frequently to our warehouses in Sedico, Italy and Los Angeles, United States even at lower volumes. This benefits our customers by improving their cash flow, reducing warehousing expenses, minimizing stock levels, and enhancing order accuracy.

# PORTFOLIO

Our journey began with the production of eyewear accessories, a category in which we've accumulated over 16 years of expertise.

Since 2017, we've actively pursued a diversification strategy, expanding into Travel & Luggage and Sportswear. While the onset of COVID-19 presented challenges in executing this strategy, significant progress has been made as of 2022.

We've dedicated considerable effort to broaden our capabilities, catering to mission-driven brands in the Travel & Luggage and Sportswear sectors.



In 2023,  
we partnered with  
**10**  
*new customers*



**Eyewear  
Accessories**



**Travel &  
Luggage**



**Sportswear**

# MATERIALS

## WHAT DO WE USE?

When it comes to sustainability there is no silver bullet, and that includes materials. Selecting sustainable options requires careful consideration, balancing material characteristics with customer preferences. At PACTICS, we mainly use microfiber and polyester, preferably recycled. These fabrics can be dyed in the traditional way but we rather use fabric that is dyed with less water. Other fabrics that we can source are Virgin Nylon, Recycled Nylon, and Alternative Leather. We are not limited to these fabrics. With our sourcing team in Wuxi, we are open to sourcing newly developed materials for our customers.

## WHERE DOES IT COME FROM?

Fabrics are sourced from China, Taiwan, Thailand, and Indonesia. The non-toxic ink for our digital sublimation printing comes from Japan.

## WHY (RECYCLED) POLYESTER?

We use polyester because it is a light but strong material that lasts a long time and dries very quickly, making it ideal for outerwear such as sportswear and backpacks. Complementing the characteristics of polyester, our in-house Digital Dye Sublimation technology achieves optimal results with polyester fabrics.

We prioritize recycled polyester derived from post-consumer PET bottles. Plastic pollution is a critical global challenge. The impacts of plastic waste on the environment, wildlife, and human health cannot be overstated. Where possible, we want to contribute to this challenge. We strive to be part of the solution by using recycled PET, reducing our reliance on virgin plastic.



# RECYCLED POLYESTER

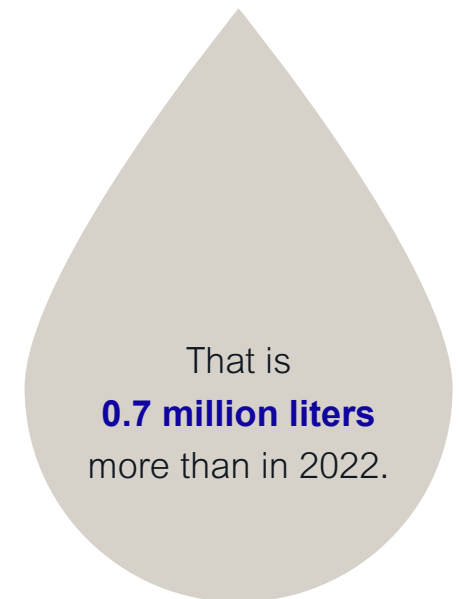
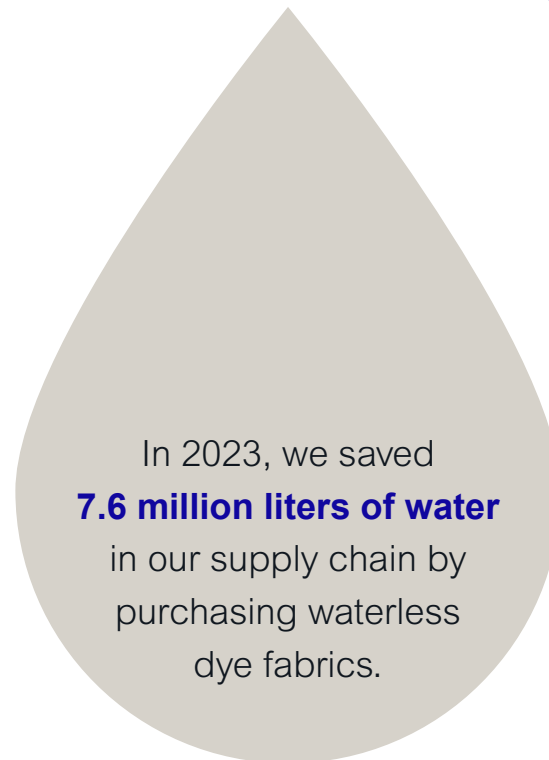
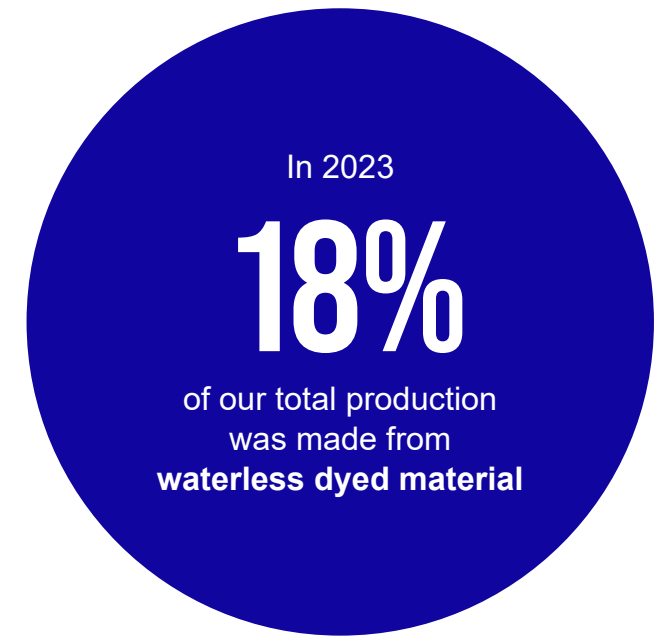


# WATERLESS DYED FABRIC



## WHAT IS WATERLESS DYED MATERIAL? AND WHY DO WE USE IT?

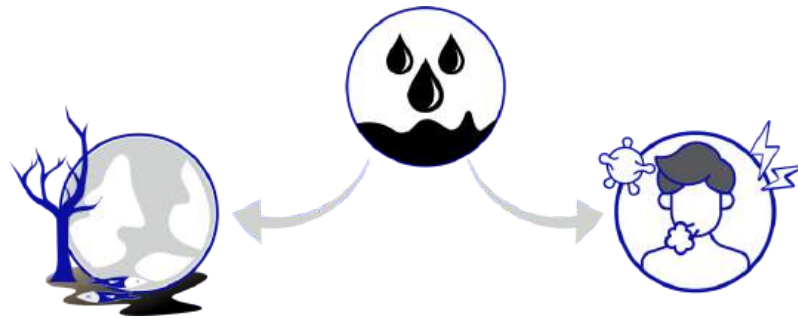
Where plastic pollution is a major global challenge, water pollution is a serious problem in the textile industry. Water pollution in the textile industry arises mainly during the dyeing of fabrics. Waterless-dyed material is a fabric that is dyed with far less water than traditional dyeing. For each kilogram of fabric produced, it saves 134 liters of water compared to traditional dyeing. By purchasing waterless dyed materials instead of traditional dyed materials, we play our part in reducing water consumption and pollution in our supply chain.



# TRADITIONAL DYEING VS. WATERLESS DYEING

## WHAT IS IT?

Traditional Dyeing has a huge negative impact on the environment, it uses vast amounts of water and chemicals during the process and a large amount of energy (CO<sub>2</sub>) is required to clean the wastewater. Dyeing of fabrics is the second-largest polluter of water globally.



## HOW DOES IT WORK?

Fabric is woven or knitted using colorless yarns (greige goods). To give the fabric the desired color, it is put in a tank containing water, dye stuff (in the required color), and chemicals. The chemicals treat the water to dissolve the dye stuff and attach it to the fabric. The process takes several hours and requires heat.



## WHAT IS IT?

Waterless dye is an eco-friendly coloring alternative that uses a fraction of the water than does traditional dyeing.

## HOW DOES IT WORK?

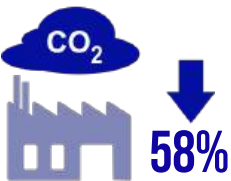
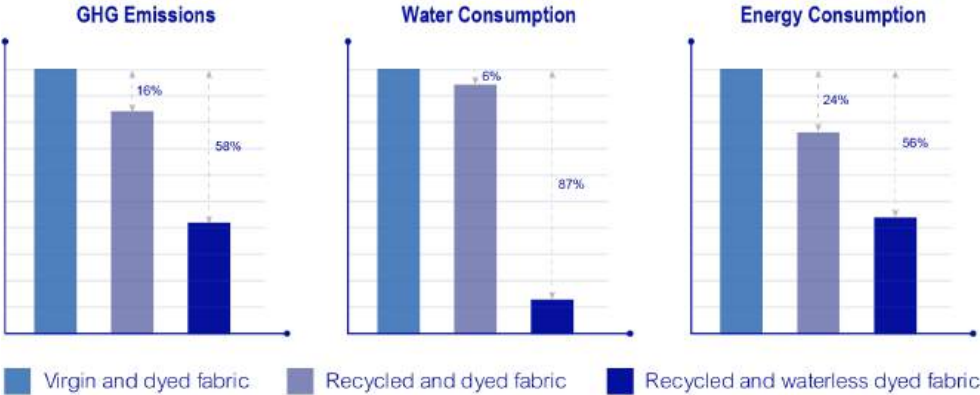
Polyester fabric yarn is produced by melting pellets (virgin or recycled) into a semi-liquid substance. This substance is then extruded through tiny holes called spinnerets to form long threads. The long fiber threads (filaments) are then spun together to produce the yarn. By coloring the substance before the filaments are drawn, a colored yarn can be produced. This yarn can be woven or knitted into fabric and no further coloring is required.

## WHAT ARE THE ADVANTAGES?

- Each kilogram of fabric produced with Waterless Dye **saves 134 liters of water**
- Chemical usage is **reduced by more than 80%**. **No chemicals** are used in the coloring process
- Very high color fastness, deep color, and no fading
- Efficient process
- Lower dye usage
- Energy reduction
- Less pollution

# A SUSTAINABLE PAIRING: WATERLESS DYE & RECYCLED POLYESTER

Recycling is an excellent step towards reducing our environmental impact, but an even better solution is to combine recycled materials with waterless dye techniques. This powerful duo is a game-changer that offers a host of benefits, including significant reductions in greenhouse gas emissions, water consumption, and primary energy consumption.



In 2023  
PACTICS produced over

**3.7**  
million items  
using this  
impactful combination

This is equal to

**14%**  
of our total production

As shown in the graphs, the combination of waterless dye and recycled fabrics outshines both virgin-dyed and recycled-dyed fabric, making it stand out as the most eco-friendly option.



# CUSTOMER STORY



Every year PACTICS conducts a stakeholder analysis. This means we invite neighbors, the catering company, training organizations, and other third parties to share their experience of collaborating with PACTICS. This moment can be used to share good practices, concerns, and points of improvement. As a manufacturing partner for missions-driven lifestyle brands, we also work closely with our customers. Read about our valued cooperation with our customer ChicoBag.

“ChicoBag’s partnership with PACTICS epitomizes our dedication to sustainability, social responsibility, and quality. As a leader in reusable solutions, ChicoBag prioritizes sustainability at every step of our product lifecycle from design to end-of-life. We have worked with many partners over the years and PACTICS stands out; they have built a team that goes above and beyond to help you achieve your goals and protect your brand.

Through their commitment to innovative manufacturing and eco-friendly practices, PACTICS helps us realize our vision of creating high-quality reusable products, mainly bags, packs, and totes with minimal environmental impact. The success of this partnership lies in the shared commitment to doing the right thing and integrating social and environmental responsibility into every aspect of the supply chain. This alignment builds trust, allows for collaboration, and ultimately results in designing and manufacturing best-in-class reusable products that resonate with conscientious consumers worldwide.

Our collaboration is a testament to the power of aligning values and expertise, and together, we set the standard for responsible business practices, proving that profitability and sustainability can coexist harmoniously.”

# EXPANSION PLANS

We are delighted to announce that **our expansion project commenced successfully in 2023.**  
The **Digital Printing Department has been expanded this year**, and a **new warehouse and office** are being constructed.



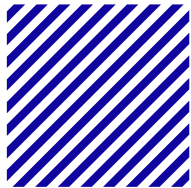
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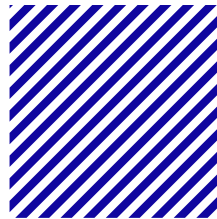
**589 FTE**



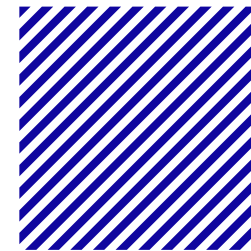
**589 FTE**



**3640 SQM**



**4469 SQM**



**5881 SQM**

2022

2023

2024

# BUSINESS CLIMATE

## GOVERNANCE – POLITICS & ECONOMY

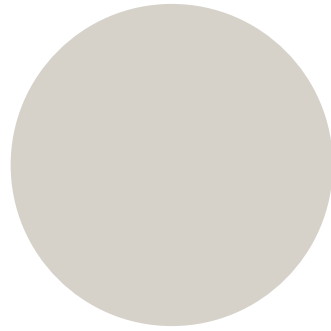
PACTICS is based in Siem Reap, Cambodia. Cambodia has a stable government with Cambodian People's Party (CPP) ruling the country for almost 45 years. Between 1998 and 2019, the economy grew at an average annual rate of 7.7%, mainly due to the tourism and garment industries. This makes Cambodia one of the fastest-growing economies in the world. After difficulties during COVID, the Cambodian economy has been recovering since 2022. PACTICS operates in the Cambodian garment, footwear, and travel goods (GFT) sector. Cambodia is in 6th place among the top 15 producers of GFT worldwide, a figure that continues to rise. The GFT sector is the country's largest employer and its biggest exporter.

Whereas 2022 was a record-breaking year for Cambodia with \$12.8 billion of GFT exports in 2023, the GFT exports decreased globally due to high inventory build ups in the global supply chain during the COVID years. Cambodia was also affected by this global slump. PACTICS' main customers are based in the U.S. and the EU. Importing into the U.S. and the EU from Cambodia can provide numerous advantages. In the U.S., importing from Cambodia can save more than 25% on import duties relative to China. Depending on the product, European customers can have duty advantages as well.

The Cambodian Anti-Corruption Law was established in 2014 in line with international standards. PACTICS was one of the first companies in Cambodia to sign a Memorandum of Understanding (MOU) with the Anti-Corruption Unit (ACU) where the company pledged to refrain from paying any illegal fees and in return would receive protection from the ACU. PACTICS is very proud of its zero-tolerance policies regarding any form of corruption. The company never participated in any bribery activities from the day it was established in Cambodia in 2010 and will continue this policy.

The Council for the Development of Cambodia (CDC) granted PACTICS Cambodia the status of Qualified Investment Project in 2011. Qualified Investment Projects (QIPs) are projects approved and registered by the Council for Development of Cambodia (CDC) and are eligible for tax incentives, import duty exemptions and other benefits. For PACTICS this means that we don't pay import duty and VAT on production materials and equipment under the condition that all goods produced are exported.

# BUSINESS CLIMATE



## ENVIRONMENT – WASTE & ENERGY

Cambodia is a developing country. One of the challenges is the lack of infrastructure and regulations related to waste management. We have seen better control over the definition and the collection of industrial waste over the past several years. Regulations on how to deal with and dispose of industrial waste were put in place. For example, fabric cut-offs are classified as industrial waste and can only be collected and disposed of by government approved companies. The processing of the collected waste could be improved but the first steps are set. PACTICS has in the past and will continue in the future to explore new and innovative approaches to minimize fabric waste and re-use fabric waste to make products.

It is disappointing that investing in renewable energy (wind or solar) is not encouraged by the government in Cambodia. The current economic model for solar energy is less attractive than consuming traditional grid based energy. While grid energy offers a fixed cost structure, the rules regarding the use of solar panels are often changed and are therefore uncertain.

## SOCIAL – POPULATION & WORKING CONDITIONS

Cambodia has a young population; 26.5% of the population is between 10 and 25 years old. Yearly, more young people enter the labor market. PACTICS has therefore no issue recruiting people. We compete on the labor market in Siem Reap with the hospitality industry, but PACTICS provides year-round employment compared to seasonal employment in the other sector.

Unfortunately, the education standards in the country are not very high. PACTICS therefore offers several education and training opportunities for its employees. These include Khmer literacy, English, personal finance, computer skills, HIV awareness, and expectant mothers classes. PACTICS employs a full-time nurse, has a doctor on-site 3 times a week and has a fully equipped first aid room. The company operates an advanced water filtration system providing everybody with clean and healthy drinking water. It is PACTICS' firm belief that every employee of the company has the fundamental right of a safe and healthy work environment. Our employees are the company's most valuable asset. Health and safety are therefore extremely important. PACTICS complies with all labor laws in Cambodia but on top offers additional benefits. These include: subsidized healthy lunches, daycare for babies from 3-months-old, subsidized motorbike helmets. PACTICS operates a single 8-hour shift with limited overtime requirements.

# TRENDS & DEVELOPMENTS

## CHINA PLUS ONE

Brands and retailers have used low-cost country sourcing strategies for decades with a strong focus on China. The supply chain disruptions caused by the pandemic sent shock-waves to global companies, urging businesses to rethink their procurement strategies. The increasing import duties due to the ongoing trade war between the U.S. and China has also aggravated the struggles of businesses that are manufacturing in China. Southeast Asia simultaneously rose fast and gained attention as an alternative market to China. Some companies have decided to move their production to other countries completely, while many adopt so-called “China plus one” strategies.

## HIGH-QUALITY PRODUCTS

Consumers interested in sustainability focus less on cheap products (fast fashion), and start to spend more on better quality. PACTICS has 16 years of experience in manufacturing high-quality products and has invested in sustainable techniques, such as waterless dyeing and sublimation printing.

## AUTOMATION & TECHNOLOGY

The cost of labor has increased considerably from 2014 to 2019 in Cambodia, although still low compared to near-shore countries in Europe and Central America. PACTICS has heavily invested in labor saving technologies and automation to boost its productivity and stay competitive. These investments include: an automated cutting & spreading machine, automated sewing machines, a rotary screen-printing machine, laser cutters and high speed sublimation printers.

## SUPPLY CHAIN TRANSPARENCY

There is growing consumer, investor, media and government interest in where products come from, who creates them and how. With complex global supply chains, sharing this information can be difficult, but will be increasingly required. Supply chain transparency is when a company knows its supply chain and communicates about it internally and externally; it covers each stage of a supply chain, from raw materials to finalized products. Customers, stakeholders and government want companies to be more transparent about sustainability standards in their supply chains. This means companies need to understand all social and environmental practices. Through the activities needed to reach supply chain transparency, companies learn more about working conditions, the people creating their goods and the possible environmental impacts across their supply networks.

## SUSTAINABILITY REPORTING

Brands worldwide are actively committed to sustainability goals and are setting targets. Sustainability reporting provides insight into the environmental, social and governance (ESG) impacts of companies' activities. Many new legislative documents on ESG that require companies to disclose sustainability information have already become effective or are currently being prepared.

The following data needs to be collected:

- a. Environmental data: Environmental data focuses on a company's impact on the planet.
- b. Social data: Social data pertains to a company's relationships with its employees, communities, and stakeholders.
- c. Governance data: Governance data assesses the internal structures, practices, and policies of a company.

PACTICS is actively researching the software systems required to collect the data and report its impact. We are getting ready to provide the data to our customers as we are part of their supply chain.



# IMPACT VISION

*Sustainability is — next to partnership and integrity — one of our core values.*

The way forward is by doing the right thing. We became manufacturers because we wanted to do right by the people and the planet. A safe and healthy work environment is a fundamental right of each employee. We owe it to future generations that we minimize the impact of our activities on the planet. That is why we have always focused on sustainability in our facilities and within our value chain. We strive for socially and environmentally friendly production and supply chain.

Because how your products are made matters.

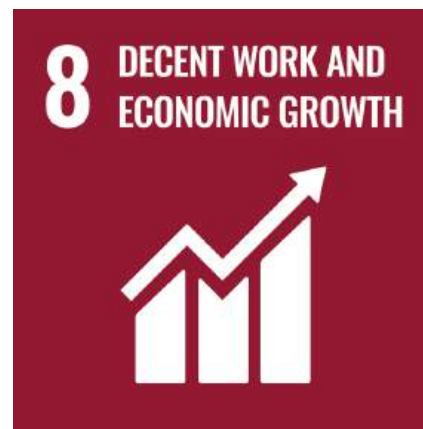
# SUSTAINABLE DEVELOPMENT GOALS

PACTICS translates its social and environmental practices into three Sustainable Development Goals (SDGs). SDGs were adopted by the United Nations in 2015 as a universal approach for a safer place for people and the planet. These formulated goals, to be reached by 2030, lead to a common language that helps us understand each other's impact.

**PACTICS is committed to the following United Nations Sustainable Development Goals:**



77% of PACTICS' workforce are women. We encourage women to continue working while starting a family. In this way they keep developing personally and contributing financially to the family. Our facility has on-site free daycare to support that.



PACTICS employs 589 Cambodian people contributing to the local economy by providing decent salaries. PACTICS is a responsible employer committed to promoting diversity, equity, and inclusion, up-skilling our people, and nurturing talent. We work 8 hours a day with limited overtime.



PACTICS has implemented several impact policies on corporate sustainability. We promote and make use of recycled materials and water-saving coloring techniques, implementing more sustainable ways of working while measuring, reducing, and reporting the environmental footprint.







# SOCIAL IMPACT

PACTICS was founded on the principle of doing good for the people making our products.

That's one of the reasons PACTICS brought its factory to the people. When choosing the location for our factory, we made a conscious decision to establish it in Siem Reap rather than the bustling city of Phnom Penh. We aimed to eliminate the need for our employees to uproot themselves from their communities and relocate to cramped dormitories. By building the factory where

our staff already lived, we ensure that they can maintain strong connections with their families and friends, fostering a sense of belonging and stability. At the end of the day, every member goes back to their family and community. This has an immeasurable impact.

The surrounding environment is filled with greenery and blends Cambodian cultural influences, creating a welcoming and supportive atmosphere for our workforce.

# BENEFITS



## 24 babies stayed in our on-site daycare in 2023

Since PACTICS Cambodia was founded in 2010, we have supported parents to continue working during and after starting a family. For PACTICS, this means that all families are able to have two wage earners and continue their professional development.



## 1,133 books are borrowed from our on-site library

PACTICS encourages employees to borrow books from our in-house library. This year, 56 employees took this opportunity to read books. This is an average of 20 books per person in 2023.



## 39,700 nutritious lunches are subsidized

Since 2010, PACTICS has provided lunches for employees. Today, every employee pays only \$0.75 for a meal containing 200 grams of fresh vegetables and 80 grams of protein.



## All salaries exceed the national living wage

Since 2018, we have calculated the living wage every year.

# WORKFORCE

## Women

In 2023, we started with a workforce of 394 production and 62 office employees. During the year, we grew to 517 production and 72 office employees. With a consistent 77% female workforce throughout the year, we demonstrate our dedication to fostering an inclusive work environment.

The female percentage in management is 19%.



## Disabled people

The average percentage of disabled people in the garment industry is 1%. At PACTICS, around 2% of our employees live with a disability. Our facility is adjusted to their needs; everything is ground floor, the paths are broad, there are wheelchair ramps, and parking for disabled people is closest to the facility, next to parking for pregnant women.



## High employee retention rate

Our policies and benefits result in an extremely low employee turnover rate, especially as a manufacturer in the GFT sector in Cambodia. The average turnover rate amongst large companies is around 19%. Ideally, an employee turnover rate is below 10%. Our employee turnover rate has been below 5% since the opening of our facility in Siem Reap.



# TRAINING COURSES

# & HEALTH SAFETY

We offer different training and development programs; these can be on or off premise, individual or in groups. In total, 41 training courses were conducted in 2023, besides personal training. Below are a few examples:



## Main Training provided by PACTICS:

- SA8000 Training for 460 employees
- Waste Management and Energy Training for 308 employees
- Line Balancing Training for 193 employees

## Main Training provided by a third party:

- Nutrition, Hygiene, and HIV/AIDS Training for 160 employees provided by CWPD
- Fire Drill Training for 25 employees provided by the Fire Prevention Police Office
- First Aid Training for 20 employees provided by the Red Cross

We are doing everything in our power to keep our employees safe, both at our facility and beyond.

In addition to standard safety measures such as gloves and safety signs on machinery, we provide health and safety training every year.

Our safety programs are not limited to the 4 walls of the facility.



Accidents, while commuting between home and work, are double our internal accidents. The total number of internal accidents in 2023 is 11, against a total of 25 external accidents. Fortunately, no serious accidents occurred, neither internally nor externally.

Every employee is obligated to wear a helmet. PACTICS pays 50% of the cost of a decent helmet for the employees.

## DAYCARE

24 babies  
were cared for



## SUBSIDIZED LUNCH

39,700 meals  
were prepared



## LIBRARY

1,133 books  
were borrowed



## HEALTH INSURANCE & ON-SITE NURSE

0 serious accidents  
had occurred



## VEGETABLE GARDEN



## TRAININGS & COURSES

41 trainings & courses  
were followed



# EMPLOYEES' STORIES

## Meet PHANN Phort – an employee who has been with PACTICS from the start.

*“Every day, I enjoy my job as a Supervisor at PACTICS. I started working for PACTICS in 2013 as a regular stitcher. Before I started working here, I did not know how to sew, so my first training at PACTICS was about how to work with a sewing machine. The company gave me that chance and eventually, due to training and development, I became the Supervisor I am now.*”

*In the ten years I have worked for PACTICS, I have participated in other training courses too, including SA8000 training, English class, Computer class, and First-Aid training. I also followed an Energy training provided by a third party at our facility in Siem Reap. At PACTICS, you have the opportunity to develop and challenge yourself.*

*I am happy to work for PACTICS because the company creates job stability. Even during COVID-19, we did not have to worry about losing our job and received a decent salary. Additionally, there is no discrimination, everyone is equal here. Lastly, I am happy the facility is close to my hometown, so after a working day I can go home to my family.”*



## Meet HONN Sean – one of our much-appreciated operational employees for ten years.

*“I started working for PACTICS in 2013, so I have been here for ten years now. PACTICS is a company that respects labor laws and pays salaries on time. There is no forced work and we are free on national holidays. The company provides me with stability. Even during COVID-19, there were jobs to fulfill. Therefore, I kept my income. Moreover, I attended many training courses, such as SA8000 training, Khmer literacy class, English class, and Health and Safety. I learned how to save money and what to do and not to do during pregnancy. Last year, I learned more about energy and waste management. I want other people to know more about this place because PACTICS is a company that helps local people get a job and a decent salary to support their families. Besides a job, the company provides training for all employees to develop their knowledge and skills, so you can become better in what you do.”*

# GROWTH & DEVELOPMENT



Our Deputy HR Manager, THIM Chanreamsmei, also known as Reamsmei, is a shining example of PACTICS' growth and development program. Luckily for us, she has already worked for PACTICS for ten years.

Reamsmei's first job after high school was as a hotel receptionist. She continued to work in the hospitality industry, the most popular sector in Siem Reap, for several years. She briefly moved to Phnom Penh but returned to Siem Reap when she was pregnant. Reamsmei found it challenging to find a job after having a baby. When her friend informed her that PACTICS was hiring, she didn't care about the position; she just needed a job.

Her first job at PACTICS was as a Packing Cloths Operator. After just one year with PACTICS, Reamsmei felt she could improve significantly with the various pieces of training she received. She applied for the role of Compliance Officer, where she dedicated seven years of her career. She did not stop there, though. She took additional opportunities for personal growth and was promoted to HR Coordinator. While she fulfilled the role of HR Coordinator, she completed the study of the Art of Law at a university in Siem Reap. Today, she successfully works as Deputy HR Manager and continues to expand her knowledge and expertise. Reamsmei views PACTICS as a safe place to learn and develop professionally.

*"The thing I like the most about my job is collaborating with people. Each person brings unique perspectives, allowing me to learn and grow from the diversity of experiences they offer."*

# STANDARDS & CERTIFICATES

## SA8000



We firmly believe that happy employees make quality products.

To ensure the well-being of our workforce, we have pursued the SA8000 certification, one of the most stringent social compliance accreditations. This certification not only ensures adherence to basic health and safety requirements but also guarantees fair wages for our employees. By prioritizing their welfare, we empower them to thrive both personally and professionally.



# SOCIAL TARGETS

## COMMUNITY

**Participate in community services twice a year, starting from 2025.**

We are committed to extending our contribution to the local community. Besides financial contributions and providing jobs, our team will physically participate in activities, such as teaching and planting trees. Our goal is to do so twice a year starting from 2025.



## WORKFORCE

**50% of management is female in 2030.**

To align our general female rate with managerial female rate, we are committed to increasing our rate of women in management to 50% in 2030. We are going to do this by continuing to provide training courses that will allow our employees to move up the management chain.



## LITERACY

**90% of employees have literacy level grade 6 in 2030.**

We are committed to leveling up our employees' Cambodian literacy level. We have provided Cambodian literacy classes since 2017, and now almost 80% of our Cambodian employees have literacy level grade 6 or higher. We encourage employees to improve their current literacy level. We strive to a workforce of 90% with a literacy level grade 6 or higher.





PACTICS





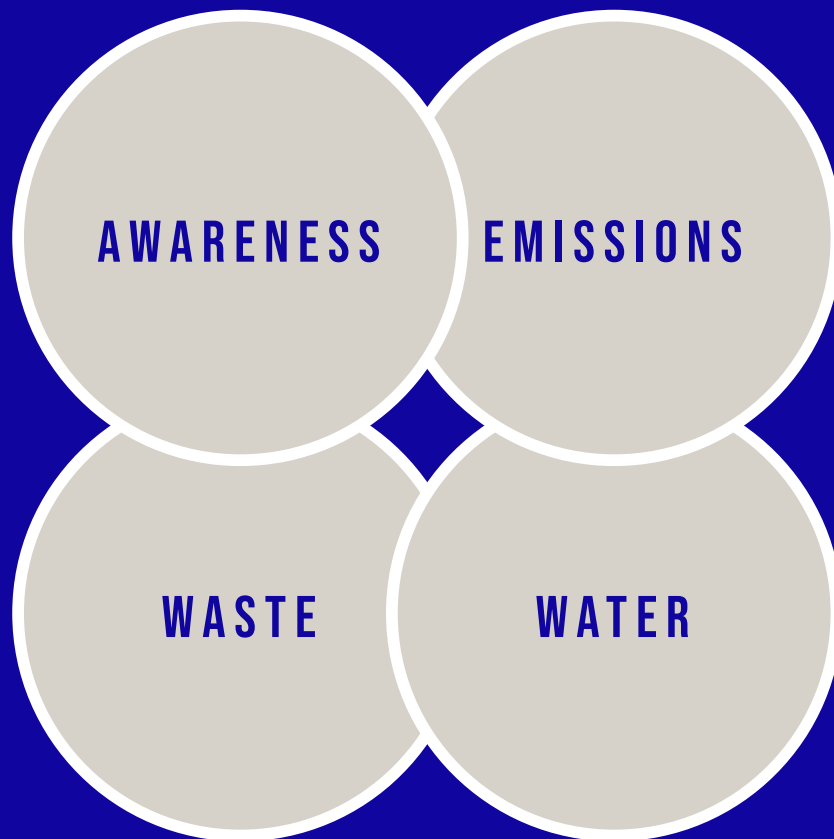
# ENVIRONMENTAL IMPACT

Our journey towards sustainability begins within our own facility, which has a library, an on-site nurse, a daycare, a canteen (serving healthy lunches), and, of course, plenty of greenery to cool the buildings. All the roofs are insulated, tilting towards the south, while

the north side is glass—providing lots of natural light throughout the day to minimize our reliance on artificial lighting. Additionally, we use water-curtain cooling which results in massive power savings compared to cooling by air-conditioning.

# ENVIRONMENTAL FOCUS AREAS

PACTICS focuses on four environmental areas:



## AWARENESS TRAINING & COMMUNICATION

Acknowledging the consequences of our activities, our environmental impact, and the broader context of climate change is the first step toward meaningful action. Fostering awareness is the basis for addressing sustainability challenges.

Sustainability awareness is increasing globally, among all cultures. Cambodia, like many developing countries, struggles with issues like poverty and limited access to education and resources. Collaboration between the government, civil society, and the private sector is key to driving further progress. The government has implemented policies promoting renewable energy, forest conservation, and responsible waste management. Additionally, numerous NGOs and local communities are actively involved in raising awareness and implementing sustainable practices.

We take responsibility, too. We provide workshops about (plastic) waste and energy reduction at home and the factory. Additionally, we held an internal sustainability campaign focused on the same subjects. We also go beyond our direct influence; we post sustainability information on our various social media channels.

# TRAINING COURSES



## 308 EMPLOYEES

We developed and conducted a Waste & Energy Training, given to 308 employees.

Besides internal training, several employees followed sustainability training provided by third parties such as Cambodian Women for Peace and Development.

We are going to continue these internal and external training courses so 100% of our workforce will be educated about these important topics in 2024.



## 51 POSTERS

We spread 51 posters around our facility and made 2 sustainability videos to raise awareness.

Besides our internal campaign, we joined the Cambodian government in their campaign to reduce plastic waste, with a special focus on plastic bags. We made a video to raise awareness and provided our employees with reusable bags.

We are going to continue our plans to avoid single-use plastics in our facility.



## 12 POSTS

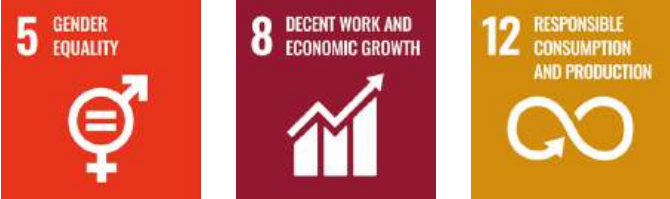
We posted 12 sustainability posts on different social media channels.

Once every month we post about sustainable facts, developments, and celebrations to remind employees, customers, partners, and other stakeholders of our roles in protecting the planet.

In 2024, we are going to extend our sustainability communication by providing industry-specific information, including legislation and trends.

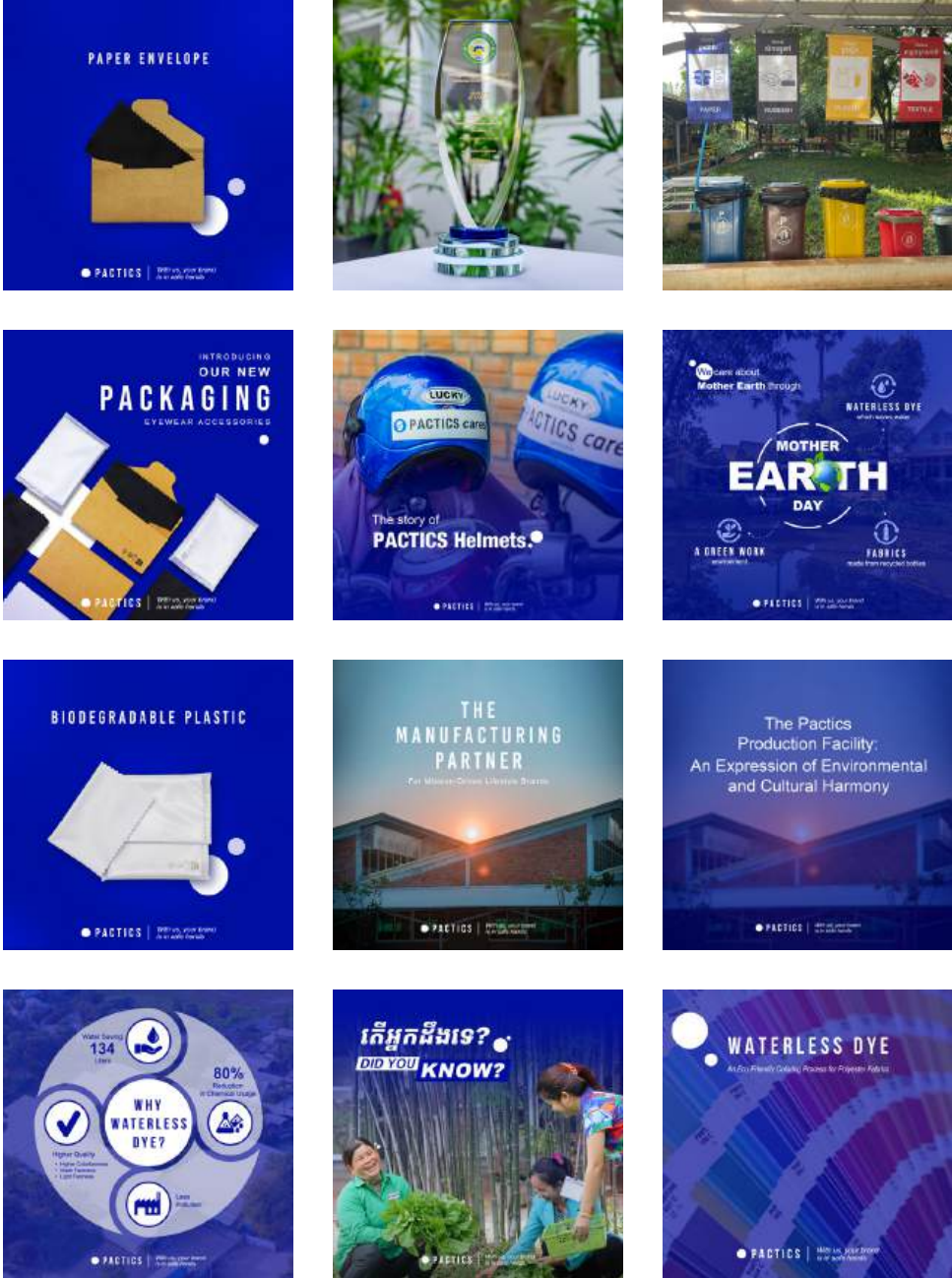
# SHARING OUR IMPACT

In 2023, we created a sustainability post each month on social media channels contributing to our SDGs.



Want to follow our sustainability journey in 2024?

Follow us:



# WASTE & ENERGY CAMPAIGN

● PACTICS

**សន្សំថាមពល,  
សង្គ្រោះផែនដី**

---

**SAVE ENERGY,  
SAVE EARTH**



● PACTICS

**សន្សំថាមពល,  
សំចៃប្រាក់កាក់**

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**SAVE ENERGY,  
SAVE MONEY**



● PACTICS

**សន្សំថាមពល,  
ជួយសង្គ្រោះយើង  
ទាំងអស់គ្នា**

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**SAVE ENERGY,  
SAVE US**



● PACTICS

**សន្សំថាមពល,  
គឺចាប់ផ្តើមពីខ្លួនអ្នក**

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**SAVE ENERGY,  
IT STARTS WITH YOU**



# EMISSIONS CALCULATIONS & REDUCTION



We provided  
Energy Training to  
**308**  
employees

Greenhouse gases (GHGs) are a major contributor to climate change, and understanding how our processes contribute by measuring and lowering emissions is vital. We directly experience the consequences here in Cambodia through yearly temperature records and drought. Moreover, in the last two decades, Cambodia lost nearly 2.5 million hectares of forest due to deforestation. This is one of the highest deforestation rates worldwide, while Cambodia's CO<sub>2</sub> emissions are six times what they were in 2001.

Purchasing materials, printing designs, producing goods, and shipping products all produce emissions. As such, emissions are an inherent part of manufacturing finished goods.

Reducing emissions starts with calculating emissions in scope 1, scope 2, and scope 3. The three scopes are a way of categorizing the different kinds of emissions a company creates in its own operations and in its wider 'value chain' (its suppliers and customers).

Scope 1 covers emissions from sources that an organization owns or controls directly. Scope 2 are emissions that a company causes indirectly, coming from the energy it purchases and uses. Scope 3 encompasses emissions that are not produced by the company nor from activities from assets they own or control, but by those that it's indirectly responsible for up and down its value chain.

Greenhouse gases emitted at our facility are minimal. The most significant environmental impact comes from several forms of transportation: commuting employees, materials shipped from our suppliers and finished goods transported to our customers.

We are also subject to the consequences of global warming. Because of more extreme weather and high-temperature records, our facility uses more energy every year for cooling.

Our total scope 1 and 2 emissions in 2023 were 186.13 tCO<sub>2</sub>e. The calculations of the emissions can be found in the appendices.

# WASTE



## SEPARATING & REPORTING

Proper waste treatment supports the circular economy and reduces land pollution. Waste treatment in Cambodia has improved considerably in the last ten years but there is still room for improvement.

At PACTICS the largest waste is produced during the cutting process where fabrics are cut in the desired shapes. This results in fabric “cut-offs,” small pieces of fabric that can’t be used for other products. These cut-offs are classified as industrial waste by the government and twice a year collected by a government-appointed company certified to collect industrial waste which incinerates the waste for energy production.

## RECYCLING STATIONS

In 2023, we implemented a recycling program in and around our production and office buildings. All waste is now segregated in 7 categories. Separating waste is a first step in analyzing the different types of waste that are produced.

Separating also contributes to awareness raising. Employees can benefit from separating at home by selling paper and plastic bottles to recycling companies.

Our waste separation started in 2023. In 2024, we are going to continue this activity with the goal of awareness leading to reduction.

Our waste signage is made from a fabric that is no longer suitable for production. We printed it using our sublimation technique.

## WASTE CAMPAIGNS

We installed **7 recycling stations** around our facility in the production site and our office.

We gave **1,180 reusable bags** to our employees and **61 reusable bags** to the Cambodian Catering Company (CCC) so they do not have to bring the groceries in plastic bags.

The CCC also uses it for other business relations. By working together with partners like the Cambodian Catering Company, we expand our sustainable practices beyond our own facility.

We provided Waste Management Training to **308 employees** and participated in the national campaign ‘Today we do not use plastic bags’ to reduce single-use plastic.

# WATER



## TECHNIQUES

Traditional dyeing of fabrics is the most polluting activity in our industry. Water is used to color fabric with chemicals. At the end of the coloring process, the polluted water needs to be cleaned with the use of a lot of energy. Moreover, climate change causes longer periods of drought. This increases water demand even more.

PACTICS provides free clean drinking water to all employees from its own water treatment facility. Access to free and clean drinking water is not common around the globe. It is not even common in the countryside in Siem Reap, just a few kilometers from our facility. PACTICS allows employees to take drinking water to their homes at the end of the working day.

Water consumption at our facility is minimal. The largest water usage happens in the supply chain when fabrics are colored using traditional dye techniques.

The biggest impact regarding water consumption can be made by avoiding traditional dyeing. PACTICS is actively working to convince customers to switch to waterless dyed fabrics.

## CONSUMPTION

Our water filtration system cleans the water that we pump from our own well.

Every month, a third party conducts a certified laboratory check for the quality of the water treatment station, the taps, and the water machine.

Since April 2023, we measure our water consumption from six different meters. Our total water consumption in 2023, including watering our garden, flushing toilets, and the use of filtered water is estimated on **25,000 to 30,000 m<sup>3</sup>**.

## SAVINGS

Water consumption at our facility is minimal.

As mentioned, the largest savings can be achieved by convincing our customers to switch to recycled waterless dye fabrics.

In 2023, we saved 7.6 million liters of water in the supply chain by purchasing waterless dye materials.



# STANDARDS & CERTIFICATES

# ENVIRONMENTAL TARGETS

The **Cambodian Green Industry Award** is an award issued by the Cambodian Ministry of Industry, Science, Technology, and Innovation for manufacturers.



In 2022, we managed to receive the Silver award and **in 2023 we were rewarded with Gold**. In 2024, we will make sure we keep the Gold award.



## ZERO SINGLE-USE PLASTIC POLICY IN 2025

In 2024, we participated in Plastic Free July which is an initiative to avoid single-use plastic for one entire month. We are going to introduce a zero single-use plastic policy for our facility in Siem Reap in 2025. Besides providing healthy and nutritious meals, we are going to offer our employees drinks in plastic-free packaging.

## IN 2035, 80% OF TOTAL FABRIC IS WATER-LESS DYED

We set our goal for 2024 to use waterless dyeing for 40% of our total fabric. Optimizing value chain cooperation is the biggest challenge to reduce water consumption. We try to convince customers to choose the sustainable option. As stakeholders across the value chain become more aware of water pollution in the industry, success becomes increasingly attainable.

## CARBON NEUTRAL IN 2035

In 2024, we are going to reduce our emissions by reducing the use of refrigerants and investigate off-setting projects. The lack of financial incentives to invest in renewable energy at the facility is the biggest challenge to become carbon neutral for a factory like ours. Governmental investments in renewable energy in Cambodia and the national aim for 70% renewable energy in 2030 creates a solid base to achieve this goal.



**AFTERWORD FROM OUR CEO**  
*Arjen Laan*

With 2023 being the first year of growth again after many challenging years with disruptions in the supply chain and COVID-related hiccups, I have confidence that this upward trend will continue for the years to come. The fact that we managed to get through these difficult times without compromising on our core values gives me enough indication that we're on the right track.

This Impact Report underscores our commitment to operating in a socially and environmentally responsible manner, but it also shows enough areas where we have to 'walk the extra miles' to make things happen. The biggest challenges are reducing emissions while growing and waste management in a developing country.

With the investments we made, we do plan to grow in terms of revenue and number of employees. Creating growth and in the meantime reducing your carbon footprint is a challenge in itself. The aim is therefore to reduce our emissions per product.

Reducing your carbon footprint and environmental impact as a going concern is already difficult enough. Because we cannot do this alone. Doing this solely as PACTICS will be a 'contradiction in terminus.' It is known that 70-80% of the carbon emissions in the fashion industry is in the supply chain, not in the retail.

More and more regulations and Science Based Targets to be applied are set in the Western world. We will have to collect a lot of data to be

prepared for the future. Data on water, energy, waste, etc. Data has to be put in software systems that will help us and others to analyze and report. Alternative techniques and approaches will be needed to get to where we want to go.

Decarbonizing the supply chain will be a major task and will potentially require significant amounts of capital to realize. Therefore, we see it as our duty to look along with our clients for the best possible solution, although difficult choices must sometimes be made. It will be hard to produce 'cheaper and with less environmental impact,' but maybe not impossible if we choose different approaches to the way we work.

Planning and spreading the financial risk in equal and fair ways is one of these methods that needs to be explored further. The general overproduction of 30% in the fashion industry is a serious concern, most of the time because big volumes are required for cheap prices. But what if we deploy that money in a more sensible way to organize stock, planning, and production so that it minimizes the cash impact? Maybe the individual item becomes a bit more expensive, but in the end everybody wins.

We'll have to look at new technological solutions for sure that reduce waste, energy consumption, and therefore our negative environmental impact. The Cambodian government is aiming for 60-70% of the energy portfolio being renewable on the mid-term (2035) and it

looks like this is feasible. More investments in solar panel farms will be made attractive but, unfortunately, the use of our own solar panel system is punished financially.

There is also a lot to gain on waste management and the re-use of postindustrial cut-offs. The local infrastructure in Cambodia is at the moment insufficient for recycling and repurposing. Possibilities in surrounding countries like Vietnam are better but import and export restrictions create challenges. This also shows the clear need for regional and local synchronization of policies and procedures if we want to make positive steps. At PACTICS, we're fully committed to helping to make this happen.

For 2024, we hope to grow our business further, by expanding the sportswear in our portfolio. Relatively low MOQ, high quality, recycled waterless dyed or sublimated products. We will continue to look for those brands with whom we can share our values. Because it makes doing business in an already complicated world much easier.

2024 is also the 20th anniversary of PACTICS and the beginning of our expansion to facilitate growth; our new warehouse and offices, expansion of daycare, and new classrooms for our continuous education programs.

We're here for the long term and we hope you will come along with us.





# FUN EXPERIENCES

PACTICS celebrates big achievements and special occasions, such as Khmer New Year and award wins. We also take the time to celebrate birthdays and to further motivate our team, we reward the most efficient

production line each month. At PACTICS, we believe that focus on the positive and rewarding top performances foster a healthy and motivational work environment for employees.



*Dorian, our Business Development Director, feeling motivated after he suited up in this plastic costume, ready to convince more customers to use recycled polyester.*

Big thanks to our customer



*Piet, our Founder, feeling overwhelmed after he suited up in this coffee cup costume, realizing we still have a long way to go together.*

*Our Deputy HR Manager, Reasmey, and Sustainability Coordinator, Linde, posing cheerfully after a successful event where they received the Social Excellence Award in the SME Social Champion category and got shortlisted for the Environmental Excellence Award in the SME Environmental Champion category.*



*Our Operations Director, Rogier, surprised **employees** who borrowed the most books from the library with a gift rewarding and motivating them to continue reading.*



*Everyone feeling happy during our annual celebration of **Khmer New Year** together.*



# APPENDICES

## Calculations

### Scope 1 Emissions (kgCO<sub>2</sub>e)

In scope 1, we have three types of emissions: LPG, diesel, and refrigerant. There are three types of refrigerant: R22, R32, and R410.

#### LPG

We used 1,920 kg of gas for cooking lunch to serve in the canteen. The emission factor for the type of gas we use is 2.94.  
 $1,920 \times 2.94 = 5,643.44 \text{ kgCO}_2\text{e}$

#### Diesel

We used 1,801 liters of diesel for PACTICS' vehicle and running the generator. The emission factor for our type of diesel is 2.7.  
 $1,801 \times 2.7 = 4,860.54 \text{ kgCO}_2\text{e}$

#### Refrigerant

We used 2.5 kg of **R22**, and the emissions factor is 1,810.  
 $2.5 \times 1,810 = 4,525 \text{ kgCO}_2\text{e}$

We used 16.5 kg of **R32**, and the emissions factor is 675.  
 $16.5 \times 675 = 11,137.50 \text{ kgCO}_2\text{e}$

We used 14 kg of **R410**, and the emissions factor is 2,088.  
 $14 \times 2,088 = 29,232.00 \text{ kgCO}_2\text{e}$

### Scope 2 Emissions (kgCO<sub>2</sub>e)

Electricity is the only emission in scope 2. We used 558,911 kWh of electricity in 2023.  
 $558,911 \times 0.2339 = 130,729.28 \text{ kgCO}_2\text{e}$

### Water Saved with Waterless Dye (Liters)

We used 57,271.2 kg of Waterless Dyed fabric. Each kilogram of fabric produced with Waterless Dye saves 134 liters of water.  
 $57,271.2 \times 134 = 7,674,340.8 \text{ liters}$

## Sources

### Reports

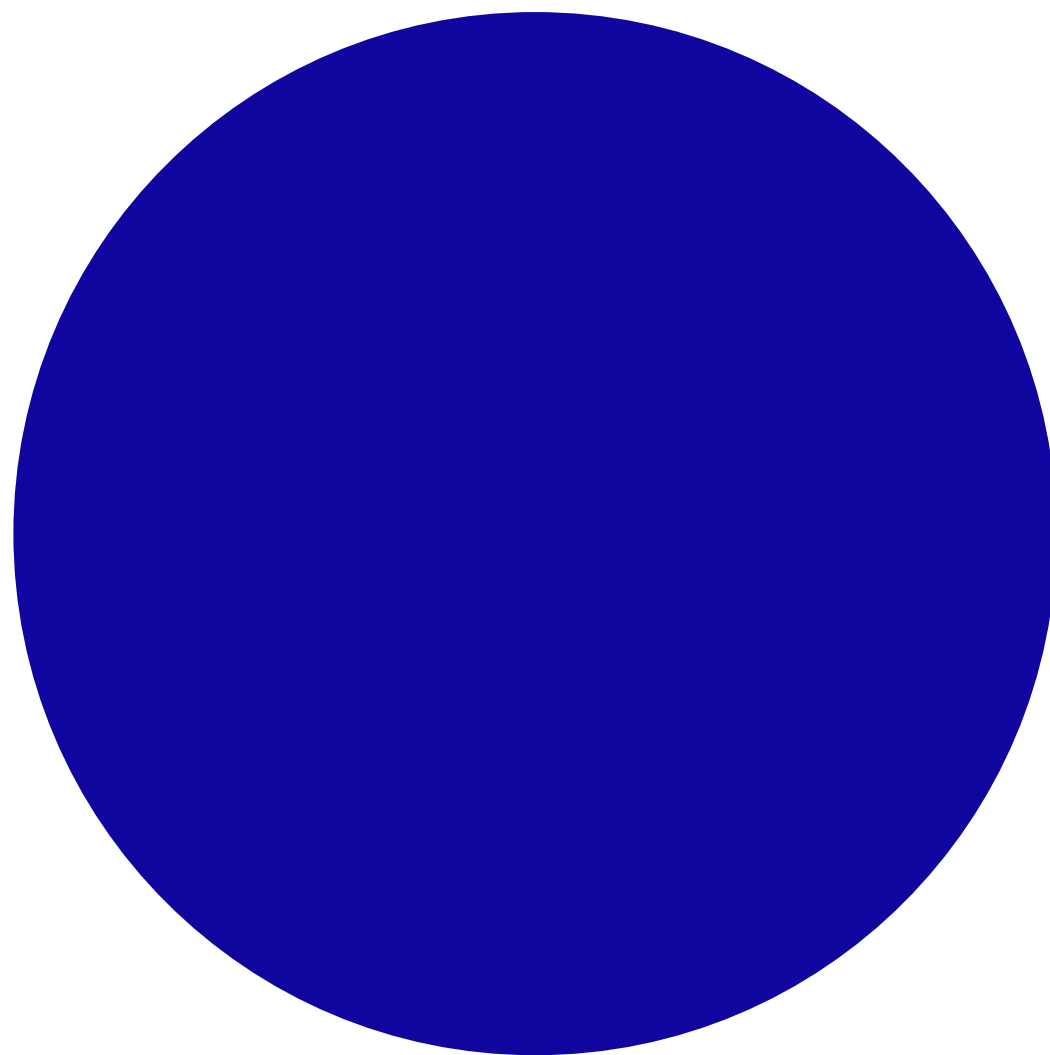
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**WITH US, YOUR BRAND IS IN SAFE HANDS**



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