



**BetterFactories**  
Cambodia

# Transparency Database Report 13<sup>th</sup> Cycle

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REPORTING PERIOD  
**1 January - 31 December 2019**



International  
Labour  
Organization



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Transparency Database Report, 13th Cycle (Reporting Period: 1 January – 31 December 2019)

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Transparency Database Report, 13th Cycle 2019

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Better Factories Cambodia’s public reporting initiative discloses factory compliance on key legal requirements. This report summarises the following: Critical Issues, Low Compliance Factories and Strike information. BFC has been reporting on these issues and releasing the information publicly since 2014.

**1. Critical Issues:** BFC measures all factories with two or more assessments against 21 critical issues

- **Fundamental Rights**
- **Occupational Safety and Health**
- **Wages**
- **Contracts**



**2. Low Compliance Factories:** Factories with three or more BFC assessments are measured against 52 legal requirements. Factories with the lowest compliance levels - those falling two standard deviations<sup>1</sup> below the mean for compliance - are subject to this second level of public disclosure.

**3. Union Compliance:** BFC findings regarding union compliance with strike requirements are published

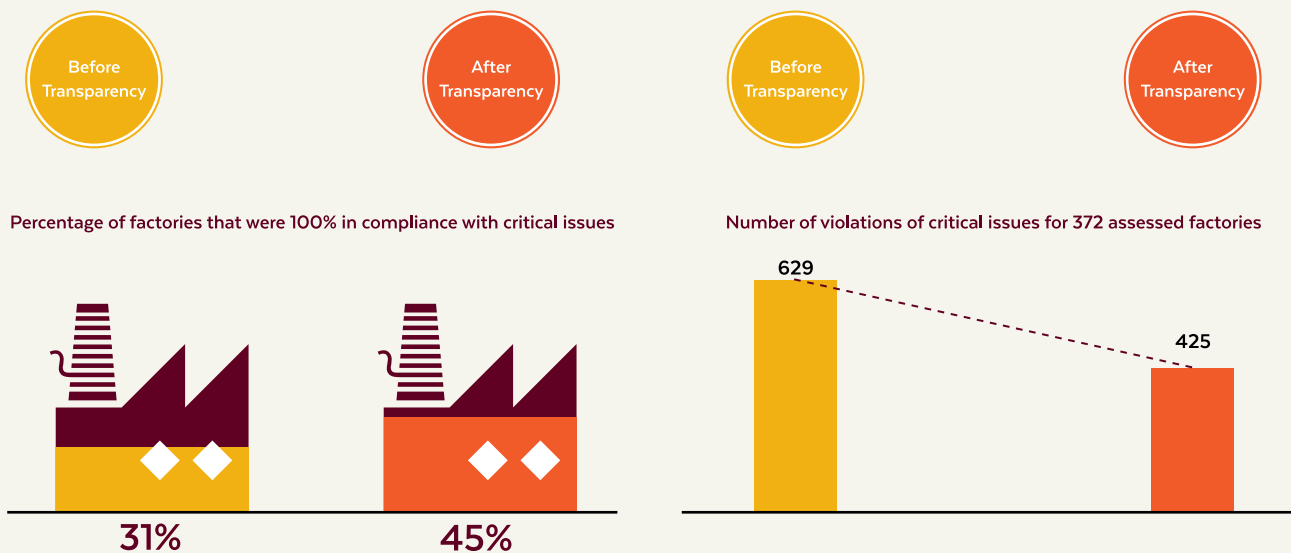
<sup>1</sup> Standard Deviation is a calculation/formula to determine how spread out a data set is. It measures the spread of the data relative to its mean

There is a prerequisite to be in the transparency portal. If a factory has had two assessments (conducted annually), they will be subject to the database. As such, 57 factories are not in the transparency database yet.

### Aggregated Factory Data

In this reporting period (1 January – 31 December 2019), new assessment information on critical issues of 372 factories, assessed between 1 January 2019 and 31 December 2019, have been added to the database. Thirty five (35) of these factories are publicly reported on the database for the first time as they have passed the two assessments minimum criteria for the first time.

### Graph 1: Before and after transparency



As can be seen from the graph above, before a factory is counted as part of the database, the total number of factories that were 100% compliant with critical issues, was 31%. But when those factories join the database, this percentage increases to 45%, showing the effectiveness of why publicly reporting issues is so important in the factory setting.

Similarly, in this reporting period, in those 372 factories assessed, there were a total of 629 violations of critical issues overall, prior to these factories being counted as of the database. After joining the database the overall number of violations on critical issues recorded in the database decreased to 425. 33% of the factories in the database recorded one or more critical issue violations.

**Disclaimer:** When comparing data from one cycle to the next, it is important to note that the data sets are different for each cycle. Over time, BFC measures the same 21 critical issues, acknowledging that the pool of assessed factories in each cycle can be different. Some factories close after the assessment date, but before the release of the public report and are included. As for the BFC assessment methodology, in some occasions, no (or insufficient) evidence is found of non-compliance on specific labour issues that we profile; these might be that these issues are difficult to both identify and confirm (such as freedom of association and sexual harassment topics); therefore, non-compliance in these issues could be under-reported.

**Table 1: Non-Compliance on 21 individual Critical Issues points in cycle 13**

<b>Critical Issues</b>	<b>Number of non-compliant factories</b>	<b>% of non-compliant factories</b>
No unremediated child labour	2	0.54%
No forced labour	0	0.00%
No discrimination against workers	28	7.53%
No dismissal of pregnant workers	6	1.61%
No dismissal of workers during maternity leave	0	0.00%
No sexual harassment	1	0.27%
Equal pay for men and women	0	0.00%
No discrimination against workers based on union membership	1	0.27%
Workers can freely join and form unions	12	3.23%
No control of union by employer	32	8.60%
Job is not dependent on union membership	0	0.00%
No management interference with union	10	2.69%
Workers are free not to join a union	9	2.42%
Regular emergency evacuation drills (every 6 months)	82	22.04%
Emergency exit doors are unlocked during working hours	39	10.48%
Emergency exit doors are sufficient	5	1.34%
Dangerous machine parts have safety guards (not needle guards)	54	14.52%
Water for drinking is clean and sufficient	54	14.52%
Correctly paid minimum wages	25	6.72%
Correctly paid overtime wages	23	6.18%
Bonuses, allowances, leaves count entire employment period	42	11.29%

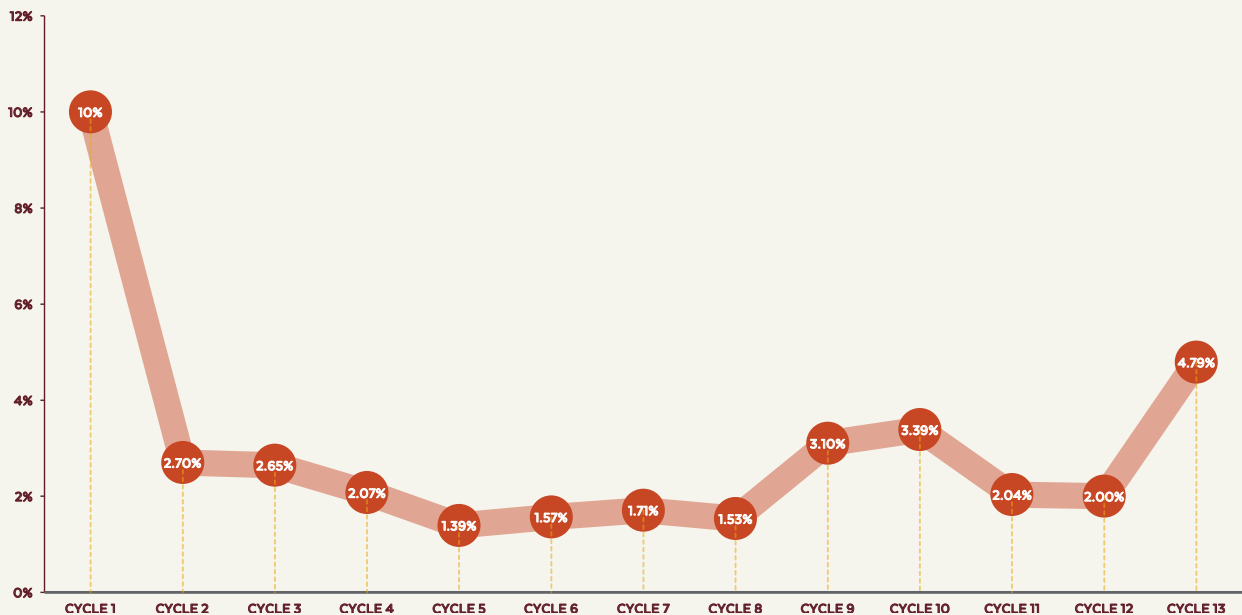
## Low Compliance Factories

Factories with three or more BFC assessments are measured against [52 legal requirements](#). Factories with the lowest compliance levels fall in the Low Compliance category. Those falling two standard deviations below the mean for compliance are eligible for this second level of public disclosure.

In this cycle, there are nineteen (19) factories\* classed as [Low Compliance](#).

The graph below shows active low compliance factories as a percentage of all the active factories included in the assessable list (522 factories). The latest data shows this percentage increased to 4.79%.

**Graph 2: Percentage of low compliance factories from cycle 1 -13**



## Union Compliance - Strike Information

Union and worker representatives' compliance with legal requirements for strikes is also disclosed under the public reporting initiative. Cumulatively, a total of 275 strikes have been reported on the database since 2013.

In this reporting cycle there have been 35 strikes reported in assessment reports and added to the database. Although 69% of the strikes were called for reasons permitted by law, no strikes were compliant with all legal requirements (see below)

- There were attempts by relevant parties to settle the dispute using other peaceful methods first;
- The strike was for reasons permitted by law;
- The strike was approved by secret ballot;
- Seven days prior notice was provided to management, and;
- Seven days prior notice to the Ministry of Labour and Vocational Training (MoLVT) was provided.

For detailed information about the requirements for a legal strike click [here](#).

## End Note

\* In 2019, there were 19 low compliance factories. These were to be verified early 2020; however, due to the COVID-19 Pandemic and restricted access to factories, Better Factories Cambodia was not able to proceed with the regular follow-up verification visits to confirm whether these 19 low compliance factories improved, or remained within the low compliance category. The actual percentage of low compliance factories will be verified only in the third Quarter of 2020.



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