



**BetterFactories**  
Cambodia

# Transparency Database Report 12<sup>th</sup> Cycle

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REPORTING PERIOD  
**1 May - 31 December 2018**



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Transparency Database Report, 12th Cycle (Reporting Period: 1 May – 31 December 2018)

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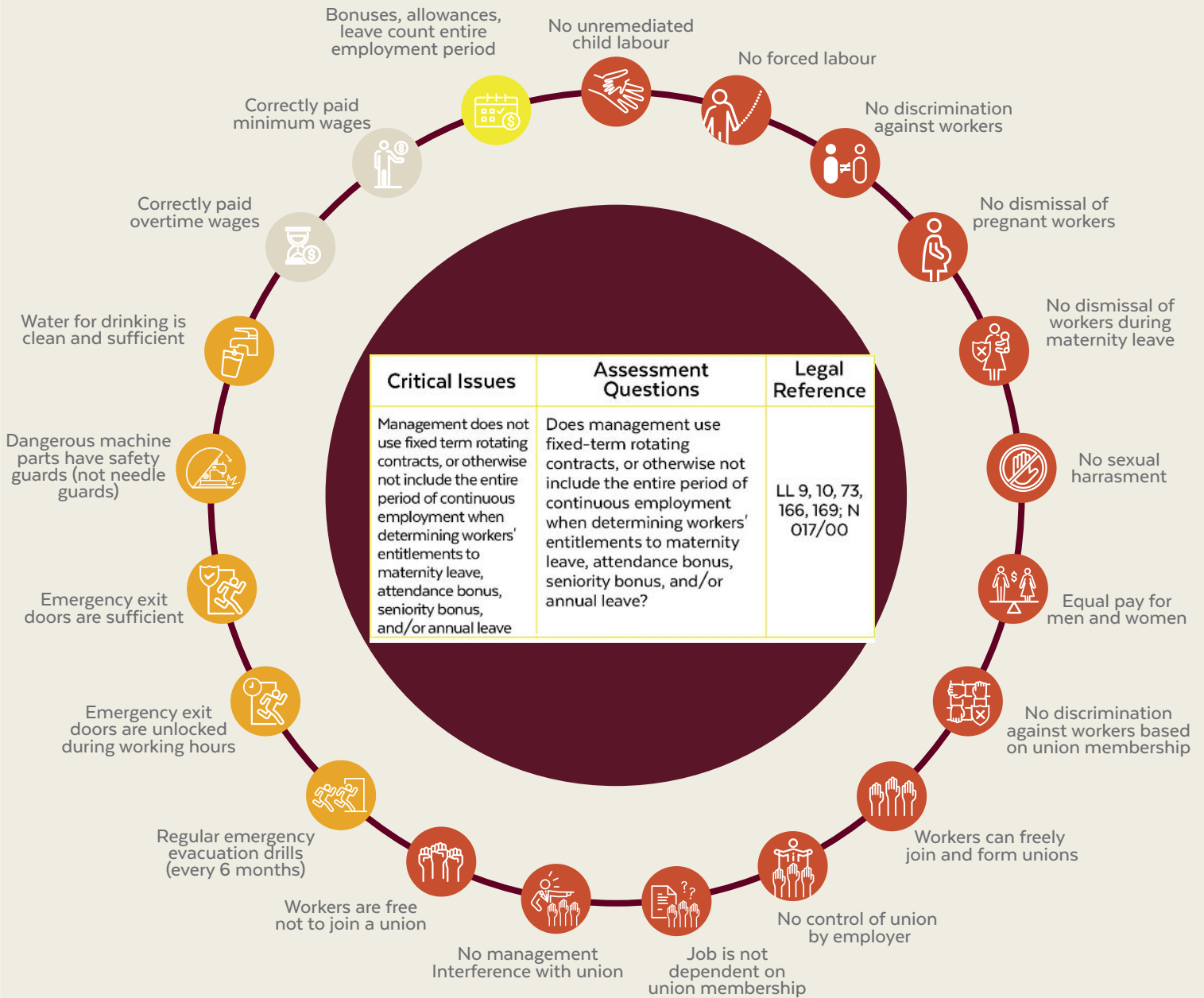
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Better Factories Cambodia’s public reporting initiative discloses factory compliance on key legal requirements. This report summarises the following: Critical Issues, Low Compliance Factories and Strike information. BFC has been reporting on these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

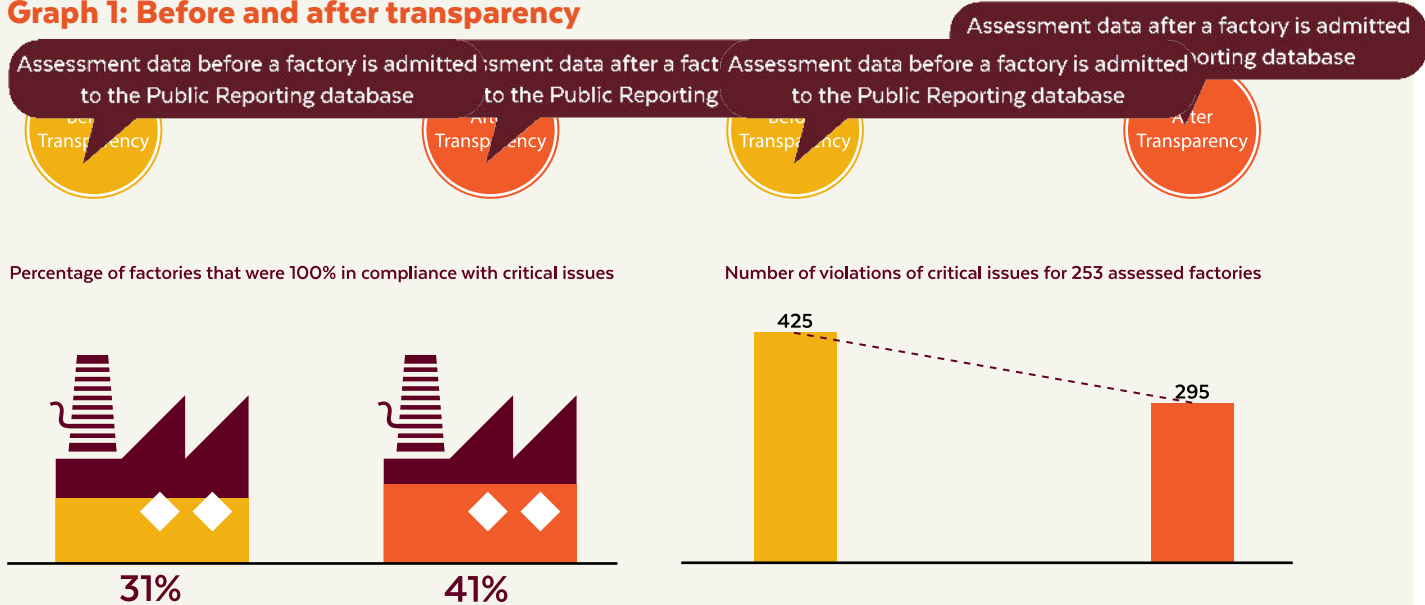
<sup>1</sup> Standard Deviation is a calculation/formula to determine how spread out a data set is. It measures the spread of the data relative to its mean

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 May 2018 – 31 December 2018)\*, new assessment information on critical issues of 253 factories, assessed between 1 May 2018 and 31 December 2018, have been added to the database. Twenty (20) of these factories are publicly reported on the database for the first time as they have passed the two assessments minimum criteria. 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.

### 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 41%, showing the effectiveness of why publically reporting issues is so important in the factory setting.

Similarly, in this reporting period, in those 253 factories assessed, there were a total of 425 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 to 295.

**Table 1: Compliance on 21 individual Critical Issues points in cycle 12**

<b>Critical Issues</b>	<b>Number of non-compliant factories</b>	<b>% of non-compliant factories</b>
No unremediated child labour	1	0.40%
No forced labour	0	0.00%
No discrimination against workers	19	7.51%
No dismissal of pregnant workers	4	1.58%
No dismissal of workers during maternity leave	2	0.79%
No sexual harassment	1	0.40%
Equal pay for men and women	1	0.40%
No discrimination against workers based on union membership	3	1.19%
Workers can freely join and form unions	17	6.72%
No control of union by employer	24	9.49%
Job is not dependent on union membership	0	0.00%
No management interference with union	12	4.74%
Workers are free not to join a union	10	3.95%
Regular emergency evacuation drills (every 6 months)	41	16.21%
Emergency exit doors are unlocked during working hours	20	7.91%
Emergency exit doors are sufficient	2	0.79%
Dangerous machine parts have safety guards (not needle guards)	43	17.00%
Water for drinking is clean and sufficient	26	10.28%
Correctly paid minimum wages	15	5.93%
Correctly paid overtime wages	19	7.51%
Bonuses, allowances, leaves count entire employment period	35	13.83%

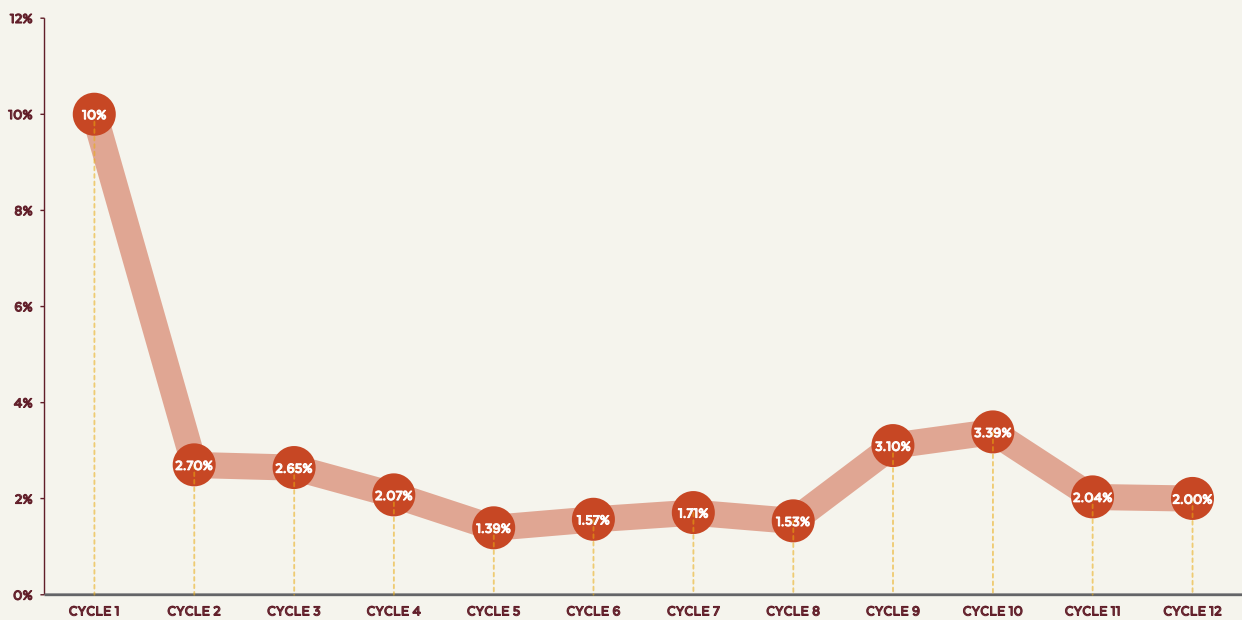
## Low Compliance Factories

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 eleven (11) 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 (549 factories). The latest data shows this percentage decreased to 2.00%.

**Graph 2: Percentage of low compliance factories from cycle 1 -12**



## 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 240 strikes have been reported on the database since 2013. During this reporting cycle, the Prakas on the Most Representative Status of Union and Formality and Procedure to Obtain Most Representative Status (MoLVT No.: 303 K.B / Br.K.K.B.K) was promulgated on 2 July 2018.

In this reporting cycle there have been 14 strikes reported in assessment reports and added to the database. 71% of the strikes were called for reasons permitted by law, 7% attempted to settle dispute using other peaceful methods first and 7% approved the strike by secret ballot, 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

\* This 12th cycle seeks to align the reporting period to 31 December 2018, instead of the usual reporting period of 1 November 2018, so that the next report (13th cycle) aligns with the new reporting cycle of BFC's annual report and has one report per calendar year (1 January – 31 December each year). As a result, the raw numbers of factories (253) measured are for the period of 1 May 2018 – 31 December 2018, instead of 1 November.

\*\* As cycles 1-12 were reported biannually, the data that is gathered are from factories that are assessed in that time period, so they are different in different reporting periods. 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 that are difficult to both identify and confirm (such as critical issues related to freedom of association or to sexual harassment); therefore, non-compliance in these issues could be under-reported.







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