



## **Better Factories Cambodia Transparency Database report, 6<sup>th</sup> cycle 2 February 2016**

Better Factories Cambodia continues to expand the coverage of its public reporting initiative on factory compliance with key legal requirements. Data from the current reporting period indicate that transparent reporting is an important trigger of change. The information on factories covered in the 6<sup>th</sup> Cycle indicates a 57% increase in the number of factories in compliance with Critical Issues when pre- and post- Transparency data is compared. Specific improvements on compliance levels on Critical Issues pre- and post- Transparency show positive changes from 7% to 14% in a range of areas.

With the release of its Sixth report of compliance data, Better Factories Cambodia's online Transparency Database now contains information about 649 assessments covering 419 factories - 74% of the garment factories in Cambodia that possess export permits. Below are summaries of the main sections of the Transparency Database: Low Compliance, Critical Issues, and Union Disclosure.

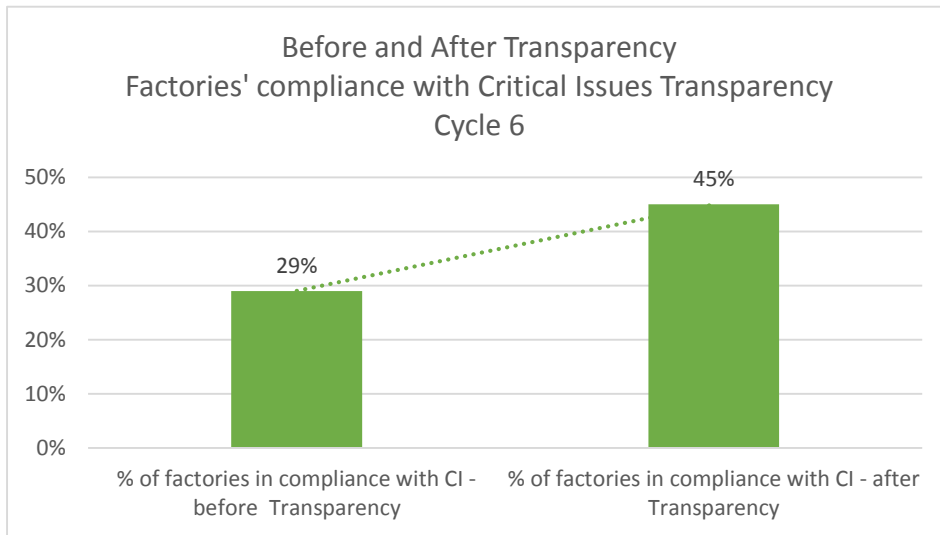
**Low Compliance:** Factories with the lowest compliance levels fall into the Low Compliance category.<sup>1</sup> In this cycle, six Low Compliance factories have been added to the list. A total of 20 out of 419 factories in the Transparency Database are now on the Low Compliance list, i.e. 4.7%.

BFC is sharing information with the Royal Government of Cambodia about Low Compliance factories. Representatives from the Ministry of Commerce and the Ministry of Labour and Vocational Training have jointly attended three meetings at Low Compliance factories with the BFC teams in the last six months. These meetings represent an important element of BFC's collaboration with the Royal Government of Cambodia, by both strengthening information sharing on BFC's monitoring process as well as facilitating follow-up actions by the Ministries based on their mandates.

Further information on Low Compliance factories is available at: [http://betterfactories.org/transparency/en/issues/view/low\\_compliance](http://betterfactories.org/transparency/en/issues/view/low_compliance)

**Critical Issues:** Transparent reporting is continuing to be an important trigger of change. In this cycle, assessment information on 147 factories has been added to the Transparency database on Critical Issues. From this information, 66 factories (45%) were reported with no violations of the 21 Critical Issues, and 81 (55%) had one or more violations. In terms of number of violations of Critical Issues, these factories had a total of 160 non-compliances.

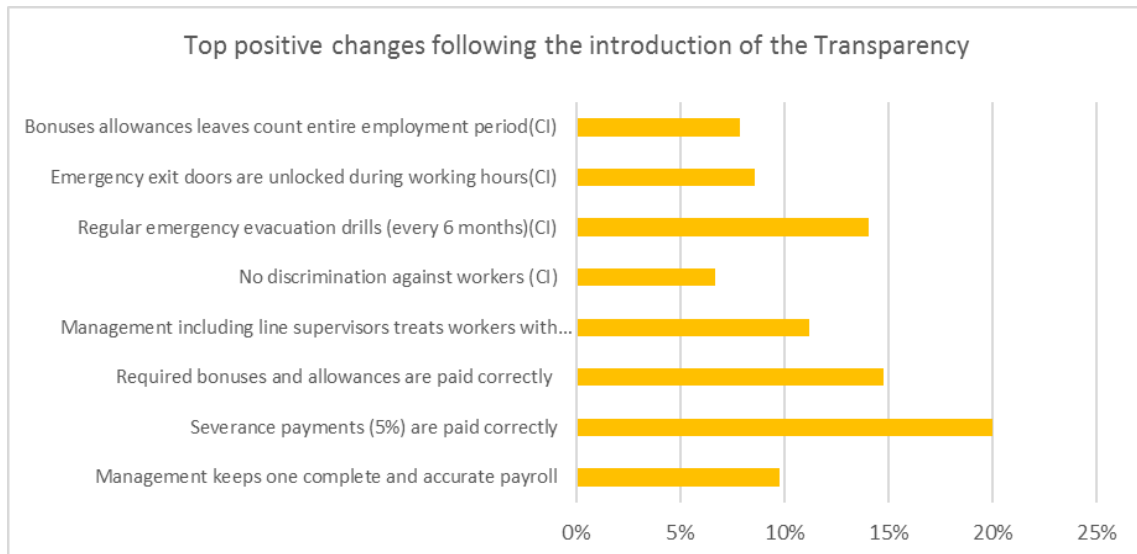
Before they appeared on the Transparency database, only 42 (29%) of these factories were in full compliance with the 21 basic legal requirements, while the remaining 105 factories (71%) had one or more violations of critical issues. In total, this group represented 244 violations with Critical Issues.



Graph 1: Transparency 6th Cycle - Factories in Compliance with Critical Issues Pre Post Transparency situation

When we compare the data before and after Transparency for the factories whose information has been updated in this last cycle, we therefore see a 57% increase in the number of factories in compliance with Critical Issues, and a 34% decrease in the number of Critical Issues violations.

The data continues to indicate some significant improvements in compliance linked to public reporting on Critical Issues and Low Compliance Factories. Following the roll-out of BFC's Transparency Database, there have been important positive changes in a range of areas. The graph below presents the results of BFC assessments for the 419 factories in the Transparency database and compares them to the most recent pre-transparency assessments of the same factories, focusing on the issues with some of the highest increases in compliance levels.



Graph 2: Examples of increases in compliance levels following the introduction of Transparency<sup>2</sup>

**Union disclosure:** Union compliance with legal requirements for strikes is also disclosed under the Transparency program. All 34 strikes conducted in the factories that were added to the Transparency Database in this cycle failed to meet at least one of the legal requirements. Details of these strikes as well as the union federations and factory-level unions involved are available at [http://betterfactories.org/transparency/en/factory\\_strikes/view](http://betterfactories.org/transparency/en/factory_strikes/view).

Further details on the Better Factories Cambodia Transparency program are available at [www.betterfactories.org/transparency](http://www.betterfactories.org/transparency).

---

<sup>1</sup> Low Compliance factories are those falling two standard deviations below the mean for compliance on 52 key issues among all factories with three or more Better Factories Cambodia assessments. More details on the Low Compliance issues are at [http://betterfactories.org/transparency/uploads/22320-ci\\_lw\\_details\\_english.pdf](http://betterfactories.org/transparency/uploads/22320-ci_lw_details_english.pdf).

<sup>2</sup> The graph covers both the 21 Critical Issues, and the 52 Issues that are used for the calculation of Low Compliance data.