

BETTER WORK

# Better Factories Cambodia



# The origins

- 1999 Cambodia-US trade agreement: expanded access to US markets and quotas on garment exports link to improvements in labour standards
- ILO project to monitor and report on progress – currently known as BFC

**OBJECTIVE:** improve working conditions and productivity in the garment industry

# Better Factories Cambodia

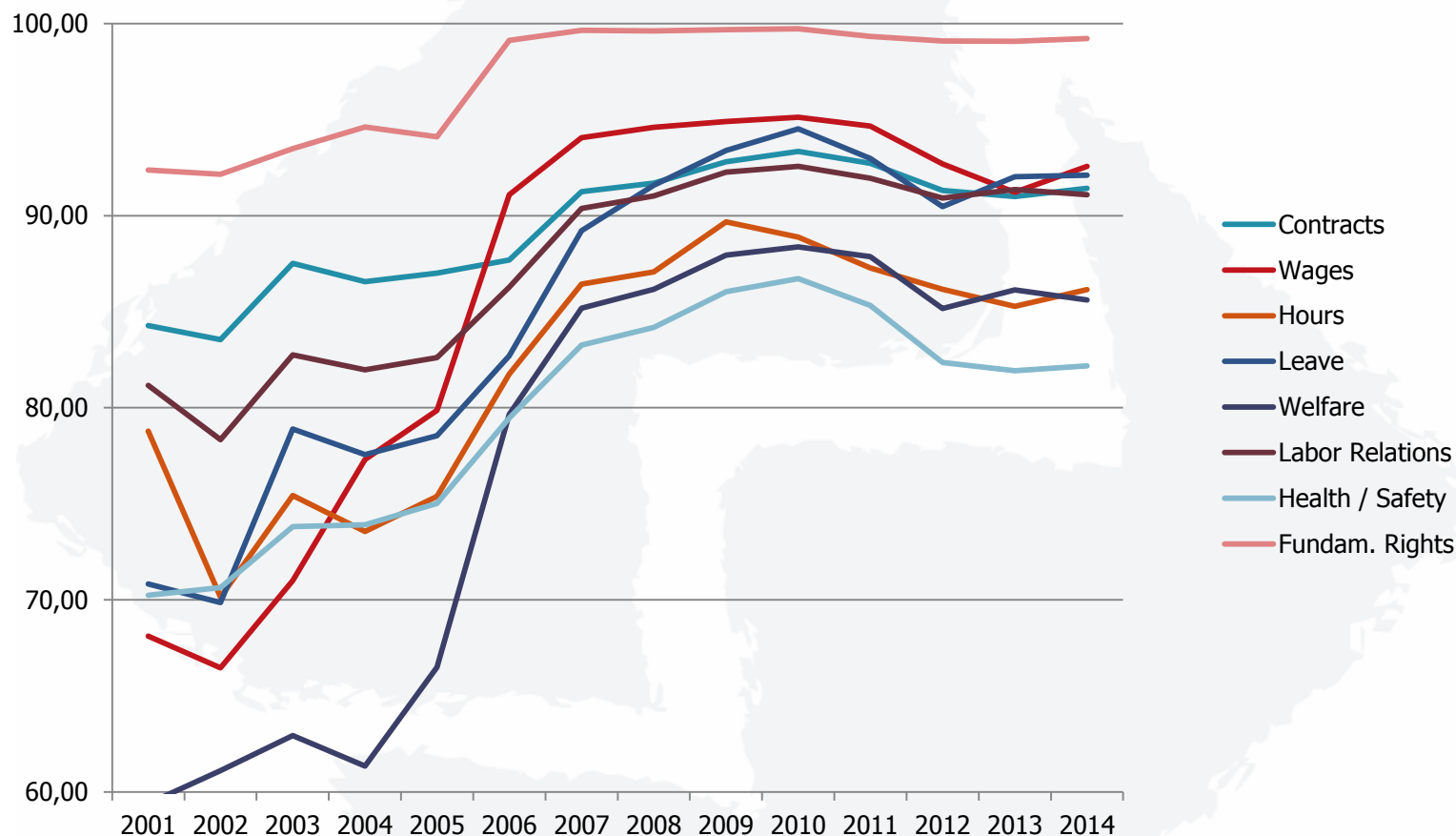
- Over 550 factories
- Almost 550,000 workers
- Working 49 buyers of which 25 have a partnership with BFC

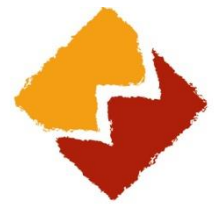


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# Changes in Compliance (2005-2014)

Labour Law Compliance By Category in BFC-Monitored Factories, 2001 - 2014





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# Reintroducing Public Reporting

*...to accelerate compliance improvement and increase confidence in Cambodia as a sourcing destination*

The screenshot shows a web browser displaying the 'Critical Issues Factory List' on the Better Factories Cambodia website. The browser's address bar shows the URL 'betterfactories.org/transparency/en/issues/view/critical\_issues'. The website's navigation bar includes links for Home, Critical Issues, Low Compliance, Union Compliance, and Custom Reports. The main content area is titled 'Critical Issues Factory List' and includes a list of bullet points explaining the data presented. Below the text is a filter box and two buttons labeled 'PRINT' and 'EXPORT'. A table with five columns (Factory, Assessment, Issues, Responses, View) displays data for '8 Star Sportswear Ltd.', showing 11 assessments, 20 issues, and 0 responses.

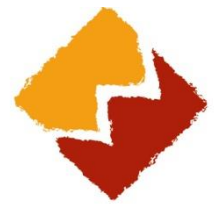
Home / Critical Issues Factory List

- These pages show compliance on the 21 critical issues listed below, and are based on factories' most recent assessment (since 1 Oct 2013).
- Results are published quarterly and factories are able to post information about their performance on the website (click 'VIEW' to see factory profiles).
- A green row indicates that a factory is in compliance on all issues.
- In the Assessment column, the # indicates the number of times the factory has been assessed, followed by the date of the last assessment. The transparency information relates to the last assessment.
- Full descriptions of the issues and legal references are available [here](#).

Filter by one or more factories:

[PRINT](#) [EXPORT](#)

FACTORY	ASSESSMENT	ISSUES	RESPONSES	VIEW
8 Star Sportswear Ltd.	#11 (06-02-2014)	✓ 20 ✗ 0	0	<a href="#">VIEW</a>



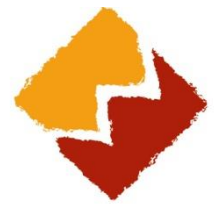
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# What do we report on

1. **Selected critical issues** including core labour standards, basic legal requirements relating to wages and worker safety, and mechanisms for workplace dialogue
2. **Low compliance factories:** Factories with the lowest compliance levels against 52 legal requirements, that have had 3 or more BFC assessments
3. **If strikes comply with the legal requirements**

Current coverage: 419 garment factories - 74% of Cambodian garment export industry

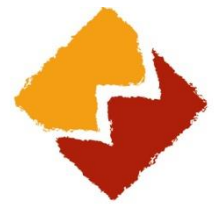




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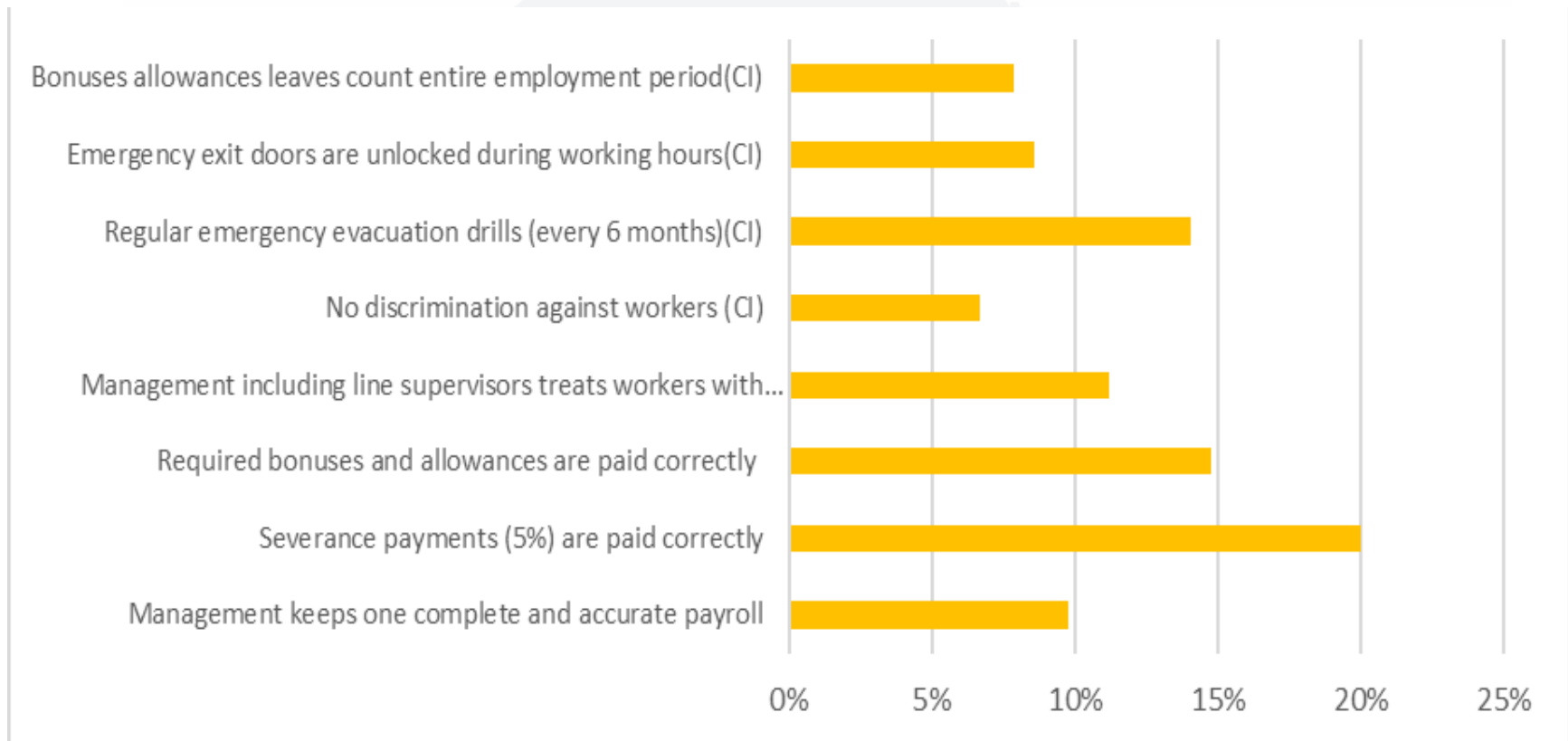
# Partnership to make it work

- Tripartite constituents agreed on the mechanism of transparent reporting
- BFC, the Ministry of Commerce and the Ministry of Labour do joint visits to low compliance factories
- Factories appearing for the first time on the transparency database get a one of chance to improve in 60 days
- Buyers work with BFC and factories to support changes



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# Top Positive Changes since 2014

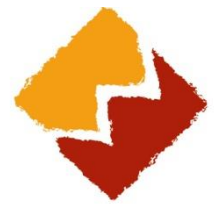


International  
Labour  
Office



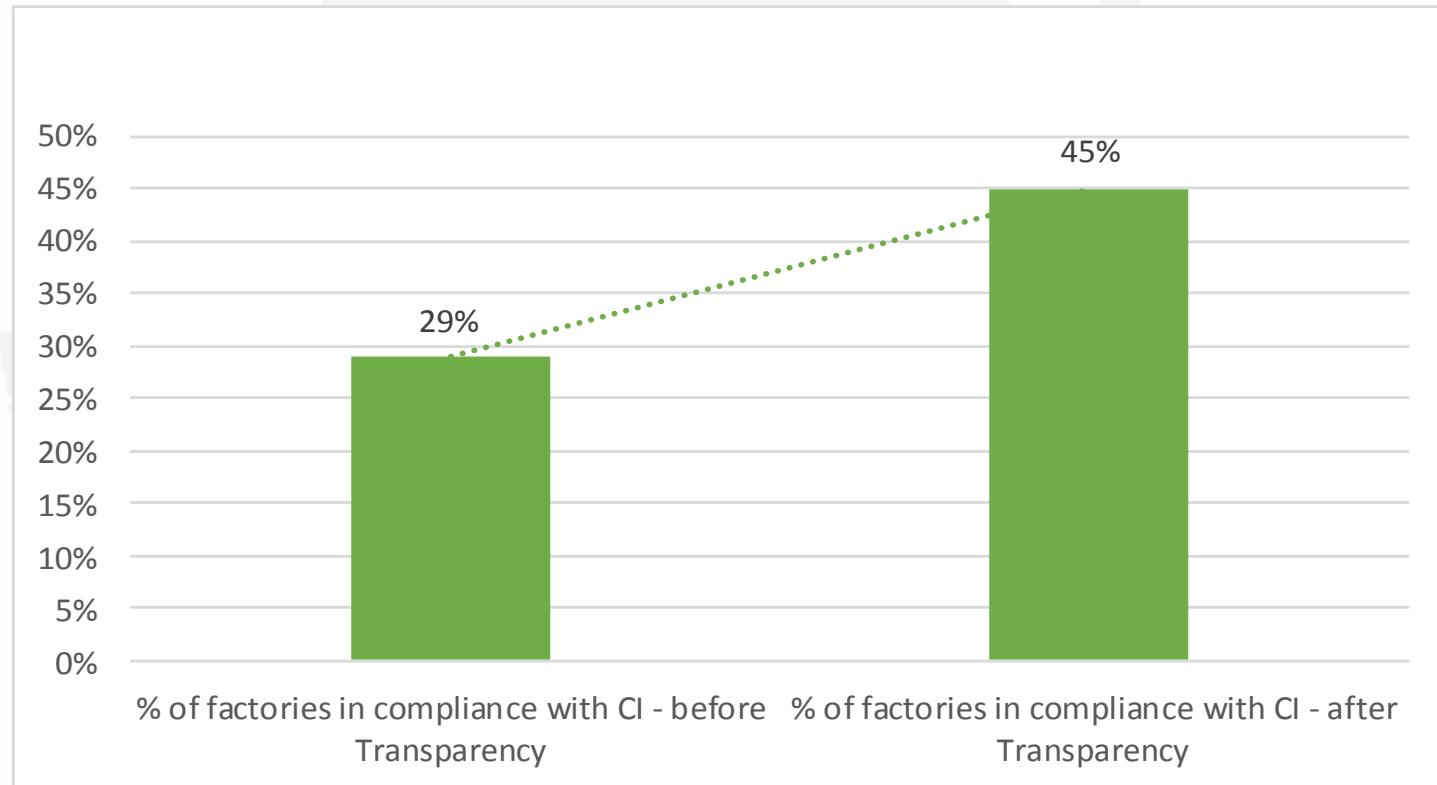
**IFC** International  
Finance Corporation  
World Bank Group





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# Before and After Transparency Factories Compliance with Critical Issues (2014 – end 2015)

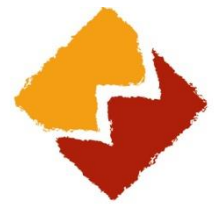


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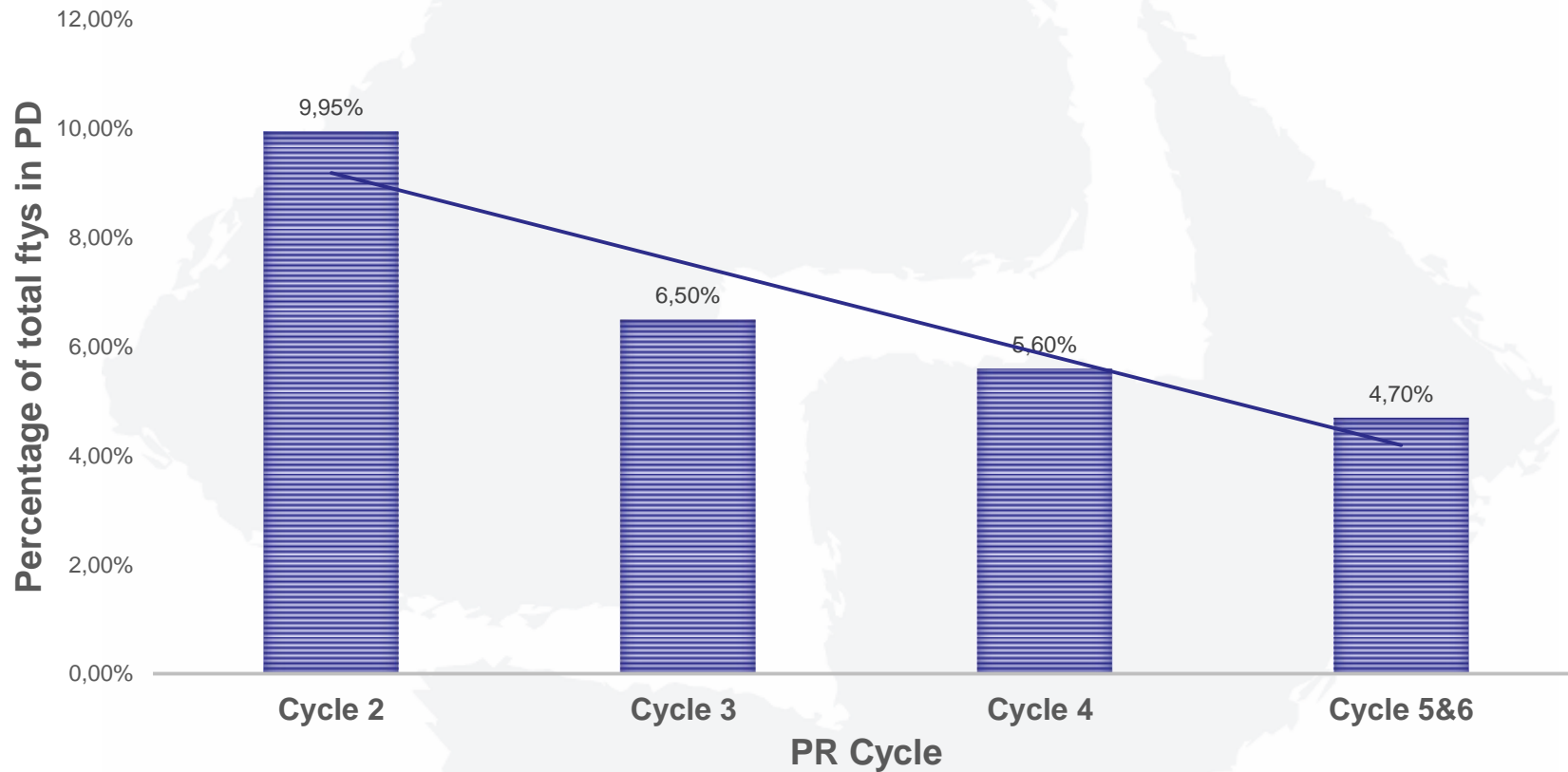
**IFC**

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# Low Compliance Factories: Positive Trends (2014 – 2015)



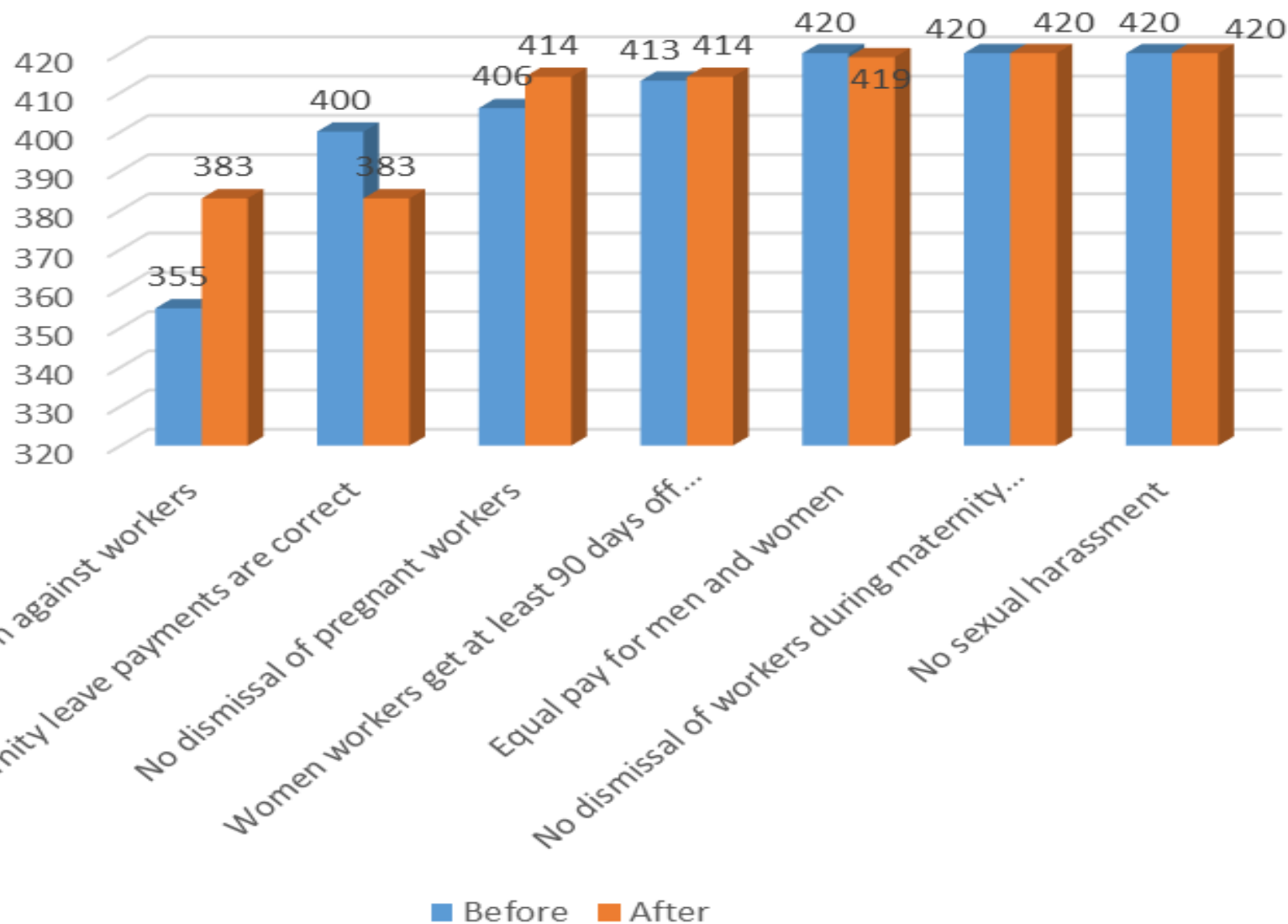
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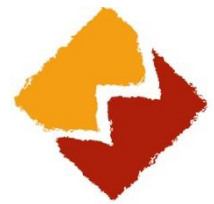


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## Compliance Score: Gender Related Issues (October 2015; 420 factories covered)



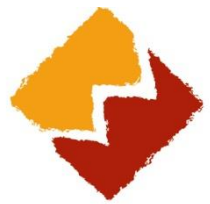


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**Transparency sets a benchmark and motivates the management team not only to maintain the current situation, but also to always pursue a higher standard**

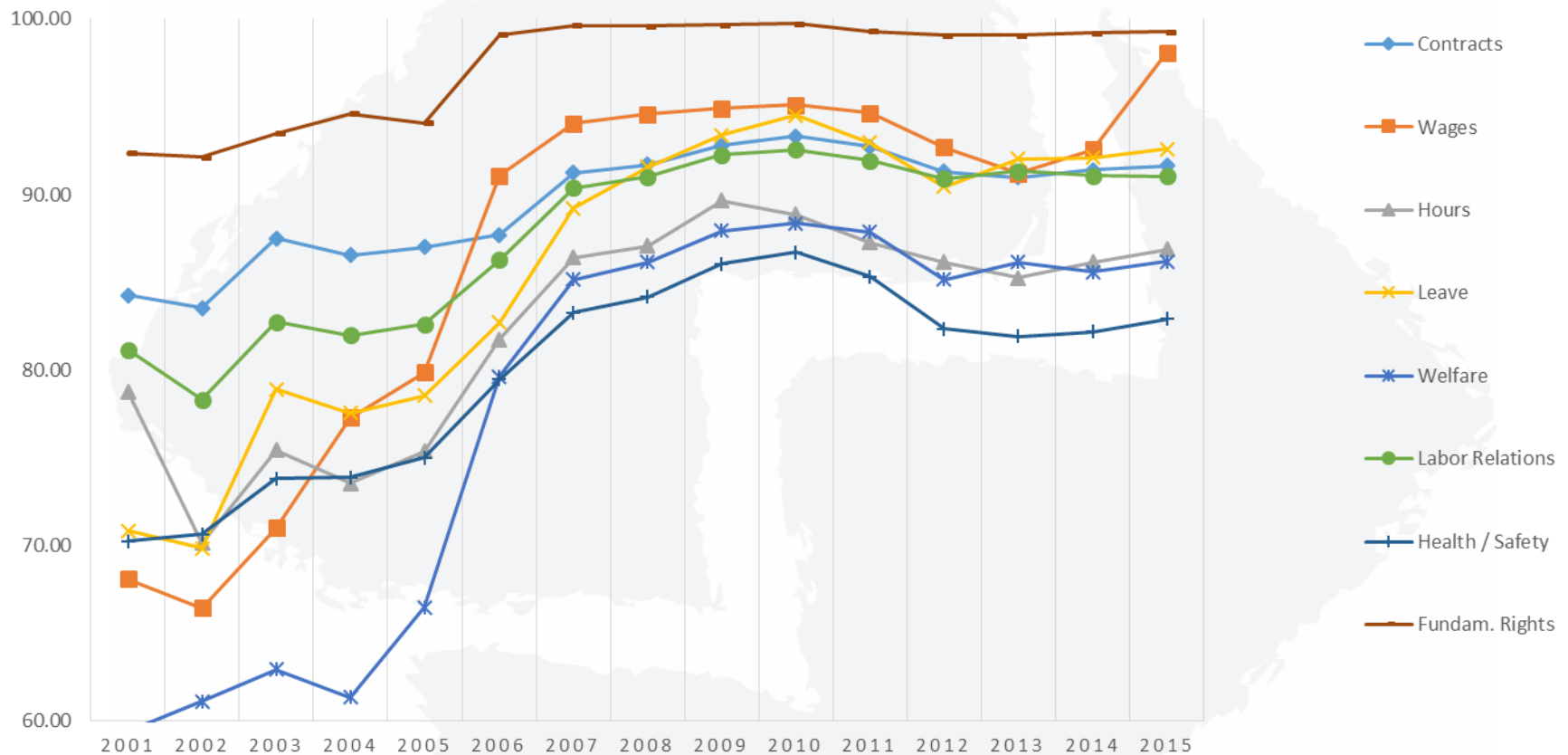
***Peter Chiang, VP of Production, Grand Twins International  
Cambodia***

# Compliance trends BFC 2001 - 2015



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## LABOUR RIGHTS COMPLIANCE BY CATEGORY IN BFC-MONITORED FACTORIES, 2001 - 2015



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Office



International  
Finance Corporation  
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# Transparency in other Better Work countries

- Haiti since start of the programme
- Bangladesh
- Indonesia (2017)
- Vietnam (end 2016)
- Jordan, being discussed