



Better Factories Cambodia Transparency Database report 17 March 2014

With the launch of Better Factories Cambodia's online Transparency Database, BFC returns to its earlier practice of disclosing compliance information about individual garment factories.

Transparent reporting on factories' compliance with 21 basic legal requirements has provided an incentive to improve working conditions in Cambodia's garment industry. One third of the 51 factories included in the March 2014 Critical Issues database made improvements on these 21 issues, as well as others, in anticipation of their inclusion in this initial report. The total number of Critical Issues violations in this group of factories fell from 59 to 34 between December 2013 and February 2014—a 42% improvement.

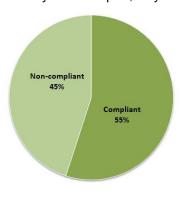
A smaller group of 15 factories in the database (29%) were already in compliance on all 21 of the basic legal requirements included in the Critical Issues category. Another 15 factories made verifiable improvements between December 2013 and February 2014 in order to move into this group of factories for a total of 30 factories (59%) with no violations of the Critical Issues. Factories slated for inclusion in future reports are also making improvements on these critical issues.

The details for all factories covered by this initial transparency report are available at www.betterfactories.org/transparency.

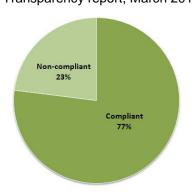
Improvements on two key measures since BFC's July 2013 synthesis report on working conditions help to illustrate the initial impact of transparent reporting on working conditions:

Emergency evacuation drills

30th Synthesis report, July 2013

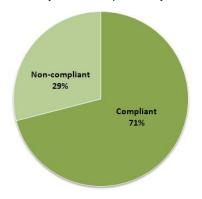


Transparency report, March 2014

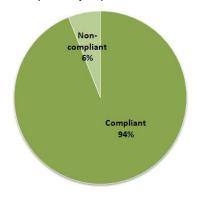


Payment of seniority-related benefits

30th Synthesis report, July 2013



Transparency report, March 2014



For factories with the lowest compliance levels—those falling two standard deviations below the mean for compliance—Better Factories Cambodia has created a Low Compliance category. One of the eleven factories in this group made 18 verifiable improvements in recent months and, as a result, has moved off the Low Compliance list. The compliance details for the remaining factories are available at www.betterfactories.org/transparency.

Union compliance with legal requirements for strikes is also disclosed. None of the strikes conducted in the factories included in the March 2014 transparency database met these requirements. Details on union federations and factory-level unions are available at www.betterfactories.org/transparency.

Compliance records on basic factory working conditions stand in stark contrast to the mass strikes over wage levels in late December 2013, the shooting and wounding of workers by security forces, the detention of wage protesters, and the inability of unions to secure registrations in 2014. These issues are not dealt with in this report as BFC's monitoring measures factory-level compliance, and does not, for example, address the adequacy of wage levels.

Further details on the Better Factories Cambodia Transparency program are in available at www.betterfactories.org/transparency.