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## INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Fast Retailing Co., Ltd.

COUNTRY: Indonesia

ASSESSMENT DATE: 10/18/17

ASSESSOR: Donny Triwandhani

PRODUCTS: Apparel

NUMBER OF WORKERS: 2231

## Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

## Findings and Action Plans

### FINDING NO.1

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Policies & Procedures (Macro)

##### Finding Explanation

1. The procedure for managing environmental impact within the factory and the surroundings of the factory is part of the Health and Safety procedures for chemical handling. In addition, the procedures related to the environment has not included several matters, such as: ER.31, HSE.1

a. Accidental release of waste water and contamination of solid waste, into environmental impact managing procedure.

b. No clear steps that enable workers to raise environmental concerns.

c. The procedure for worker to report environmental emergency, only about chemical spillage, while none for emergencies that are related to accidental release of waste water, solid waste and gas emission.

d. There is no policy of anti-retaliation for workers who report any matter related with environment to factory management. HSE.1

2. The procedures for Health and Safety do not include: HSE.12, ND.8, ER.31

a. Procedures for each job with a focus on performing the job safely.

b. Measures to protect the reproductive health of workers through minimizing exposure to workplace hazards.

c. Steps for workers to raise health and safety concerns.

3. The emergency situation handling plan procedure does not include steps for ensuring that walkways and aisles and emergency exits are free from obstruction, list of responsible person for evacuation, steps for ensuring all contractors, service providers are safely evacuated, steps for ensuring special category workers and children that are in the factory are safely evacuated. ER.31

4. There is no fire preparedness procedure that states the list of workers (name and title) responsible for managing fire equipment, list of the firefighting equipment in the factory and warehouse areas, fire risk assessment, or factory's response plan in the event of fire. HSE.5

5. There is no procedure regarding first aid and/or medical emergency for a list of workers responsible for responding to medical emergencies response with their qualifications and certification and/or titles. Additionally, there is no first aid and/or medical emergency response established that supposedly states steps to report injuries, illness and other health and safety issues. ER.31

6. Factory does not have any guidance documents for external contractors/service providers concerning health and safety. ER.31

#### Local Law or Code Requirement

Act No. 32 Year 2009 Article 53.1-3, Article 54.1, Article 66 and 66.5; SNI 03-1746-2000 Article 4.1.9.1., Attachment I of PP No. 50 Year 2012 Section A.1.d., Section C.2.2.1., Article 11.2.c. and g.; Health Act No.36 Year 2009 Article 47, Article 48.1.e., Government Regulation No 61 Year 2014 Article 1.2.; Safety Act No 1 Year 1970 Article 12.e., Manpower Minister Regulation No 8 Year 2010 Article 5.2.; FLA Workplace Code (Employee Relationship Benchmark ER.31; Health, Safety, and Environment Benchmarks HSE.1, HSE.5, and HSE 12; Non-Discrimination Benchmark ND.8)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has established procedure of managing environmental impact which separate with health & safety procedure, moreover environmental procedures also has completed with:
  - a. Procedure managing of accidental release of waste water and contamination of solid waste
  - b. Clear steps to enable workers to raise environmental concerns
  - c. Procedure for worker to report all environmental emergency, including ccidental release of waste water, solid waste and gas emission
  - d. Policy of anti-retaliation for workers who report environmental matter.
2. Factory has updated health and safety procedures with include as following:
  - a. Job safety procedure.
  - b. Measures to protect the reproductive health of workers through minimizing exposure to workplace hazards.
  - c. Steps for workers to raise health and safety concerns.
3. Factory has updated emergency plan procedures by include steps to ensure that walkways and aisles and emergency exits are free from obstruction, list of responsible person for evacuation provided, all contractors, service providers, special category workers and children in the factory are safely evacuated.
4. Factory has completed fire emergency procedure with states the list of workers (name & title) responsible for managing fire equipment, list of fire fighting equipment in the factory and warehouse areas, fire risk assessment, or factory's response plan in the evant of fire.
5. Factory has completed in the procedure with a list of workers responsible for responding to medical emergencies response with their qualifications and certification and/or titles, including states steps to report injuries, illness and other health and safety issues.
6. Factory has provided guidance document for external contractors/service providers concerning health and safety.

## FINDING NO.2

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Training (Macro)

#### Finding Explanation

1. Orientation training for new workers does not include Recruitment, Hiring, and Personnel Development and, Workplace Conduct Discipline. Moreover, new workers do not receive written documentation that substantiates all the issues covered in orientation. ER.15
2. The factory does not provide specific training to supervisors on the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations & Freedom of Association, Workplace Conduct, Grievance system, and Environmental Protection. ER.17
3. There is no training on Workplace Conduct for HR personnel, Administrative staff, and relevant Managers. ER.27
4. There is no ongoing training to employees on Hiring and Personnel Development, Retrenchment, Industrial Relations and Freedom of Association, and Environmental Protection. ER.1, ER.17, ER.25, ER.32
5. There is inadequate PPE training. The last PPE training on May 9, 2017 for workers did not include job hazards for each position. Training also did not include how to maintain the provided PPE, recordthe utilization, how to identify damaged or expiration, to whom worker should ask for replacement of damaged, or expired or missing PPE. This training was only conducted for 1,522 out of 1,687 employees at production building 1 and 1,047 out of 1,363 employees at production building 2.ER.1, ER.14, ER.15 HSE.5, HSE.8
6. There is inadequate workplace safety training conducted such as: ER.1, HSE.14

- a. Machinery safety training is not conducted for 264 workers who work at cutting department and 1,877 sewing operators.
  - b. Lock Out/Tag Out training conducted on March 9, 2017 was only for 18 out of 36 mechanic staffs, and no training was conducted for 21 maintenance staffs.
  - c. No work in-height training is conducted for all 21 maintenance staffs and washing workers who are responsible to replace lighting bulb at washing building.
  - d. Confined space training was conducted for 4 out of 21 maintenance staffs on April 13, 2017 while none of the 36 mechanic staff received any training.
  - e. No government certified officers for work in-height and confined space. ER.1, HSE.14
7. There are inadequate fire safety and first aid trainings in place: ER.1, ER.15 HSE.5, HSE.6
- a. All 3,225 workers have not received basic fire safety training, including their duties in the event of a fire, since only 21 workers who have been appointed as fire brigades have underwent basic fire safety training on April 12, 2017.
  - b. The last basic first aid training on April 12, 2017 was conducted for only 20 out of 3,126 employees hired on that day. Also, the training material does not include:
    - i. Who to contact for any incident that requires first aid or other medical assistance.
    - ii. Location of first aid equipment in work area.
    - iii. How to report any work-related incident, which requires first aid or other medical assistance.
    - iv. Proper use of emergency eyewash or body flush units if exposed to hazardous material resulting in eye, face or body injury.
  - c. There is no specific training conducted for workers who have appointed as fire evacuation and emergency evacuation person to enable them effectively to execute their responsibility.
8. All 35 first aid responders at the factory have not undergone government certified first aid officer. Also, the first aid response procedure has included incident reporting but not reporting on blood borne pathogens. ER.1.
9. On-going training is inadequate as: ER.1, ER.15, HSE.5
- a. Lactation counselling by doctor was conducted on May 30, 2017 for seven female worker, however, these workers are still pregnant and are current lactating mothers; they have not received continuous training.
  - b. HIV/AIDS training conducted on July 26, 2017 was only for eight out of 3,225 employees at the factory. There is no records of previous trainings or a training schedule for the rest of the workers.

#### Local Law or Code Requirement

Act No. 32 Year 2009 Article 65.2., Manpower Minister Regulation No.8 Year 2010 Article 7.2.a-c., Safety Act No.1 Year 1970. Article 9.1.a-d., Attachment II of PP No. 50 Year 2012 Article 12.5.1., Government Regulation No. 50 Year 2012 Section C.2.1. a.2.; Manpower Supervisory Management General Director Decree No: Kep. 45 /DJPPK/ IX / 2008 Attachment Section D. Point 3.; Manpower Minister Decree No. 326 Year 2011 Decree 1.a-b.; Manpower Minister Regulation No 186 Year 1999. Article 2.2.e., Minister Instruction No. 11 Year 1997 Attachment I. point 1 – 4.; Safety Act No. 1 Year 1970 Article 9.3., Labor Minister Regulation No. 3 Year 1982 Article 2.h.; Health Minister Regulation No.15 Year 2008 Article 3.1-2.; Manpower Minister Decree No 11 Year 2000 Chapter IV Article 5.1.1 – 2.a-c.; Health Minister Regulation No. 15 Year 2013 Article 13.1-3.; FLA Workplace Code (Employee Relationship Benchmarks ER.1, ER.15, ER.17, ER.25, ER.27, and ER.32; Health, Safety & Environment Benchmarks HSE.5, HSE.6, HSE.8, HSE.14, and HSE.17)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has completed orientation training material with topic about recruitment, hiring, personal development, workplace conduct and discipline and also provide copy of company regulation which cover all orientation materials. (Completed by 03/29/2018)
2. Factory will provide specific training to supervisors on the employment functions such as recruitment, hiring & personnel development, compensation, hours of work, termination & retrenchment, industrial relations & freedom of association, workplace

- conduct, grievance system, and environmental protection. (Completed by 09/30/2018)
3. Factory will provide training workplace conduct to HR personnel, administrative staff, and relevant managers. (Planned)
  4. Factory will provide ongoing training to workers on hiring and personnel development, retrenchment, industrial relations and freedom of association, and environmental protection. (Planned)
  5. Factory will provide PPE Training to all workers which include job hazards for each position, how to maintain PPE, record the utilization, how to identify damaged or expiration, to whom worker should ask for replacement of damaged, or expired or missing PPE. (Planned)
  6. Factory will provide workplace safety training such as machinery safety, lock out tag out, work in height training to all workers. (Planned)
  7. Factory has conducted basic fire safety training and basic first aid training to all workers, also specific training to emergency team on February 27, 2018, moreover during basic first aid training the workers were explained about:
    - a. Who to contact for any incident that requires first aid or other medical assistance.
    - b. Location of first aid equipment in work area.
    - c. How to report any work-related incident, which requires first aid or other medical assistance.
    - d. Proper use of emergency eyewash or body flush units if exposed to hazardous material resulting in eye, face or body injury has been trained on Chemical handling training (22 January 2018). (Completed)
  8. Factory will provide government certification to all first aid officer gradually and has provided procedure of Bloodborne pathogens incident. (In progress)
  9. Factory has conducted lactation training to the lactating workers on May 7, 2018 and HIV/AIDS training to all workers on Jan 11, 2018. (Completed by 05/07/2018)

### FINDING NO.3

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Communication & Worker Involvement (Macro)

##### Finding Explanation

1. Factory does not communicate its environmental protection program to the general workforce, including new workers. ER.1
2. The factory does not communicate the available recruitment policies and procedures and their updates to the general workforce. ER.1, ER.29, ER.30
3. There is no Safety Act No. 01 Year 1970 posted on announcement board at each factory building for workers to read. HSE.2
4. The worker involvement component is missing across all Employment Functions. This indicates that the factory has not established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes. ER.1.3, ER.25.2

##### Local Law or Code Requirement

Act 32 Year 2009, Article 65.2-5.; Safety Act No. 1 Year 1970 Article 14.a.; FLA Workplace Code (Employee Relationship Benchmarks ER.1, ER.25.2, ER.29, ER.30; Health, Safety & Environment Benchmark HSE.2)

#### COMPANY ACTION PLANS

##### Action Plan no 1.

##### Description

1. Factory has communicated facility environmental program to general workers including new workers on August 7-10, 2018.
2. Factory has communicated recruitment policy and procedures to general workforce by posted on the bulletin board.
3. Factory has posted Safety Act No 01 year 1970 on the bulletin board at each factory building for workers to read.
4. Factory has updated grievance Procedure which include request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures.

### FINDING NO.4

#### SUSTAINABLE IMPROVEMENT REQUIRED

## FINDING TYPE: Review Process (Macro)

### Finding Explanation

1. The factory management does not periodically review its policies and procedures for all Employment Functions. The updates of policies and procedures are made based on changes in regulation, external audit results and visitation from local government officers instead of doing it in a periodical manner at least once a year and documented. ER.1, ER.29, ER.30, ER.31, ER.32

### Local Law or Code Requirement

Attachment of PP No. 50 Year 2012 Section C.2.3.; Act No 18 Year 2008, article 29.1.e.; Minister Regulation LH No. 03 Year 2009 Section consideration, Point c, Article 1.3.; FLA Workplace Code (Employee Relationship Benchmarks ER.1, ER.29, ER.30, ER.31, and ER.32)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has established policy of periodic review for all employment function at least annually.

## FINDING NO.5

## IMMEDIATE ACTION REQUIRED

## FINDING TYPE: Compensation

### Finding Explanation

1. The last salary of terminated and resigned workers is on-hold until workers return their ID badge, uniform, fill up resignation letter. After this, their salary will then be processed and paid in cash. There are many cases when workers did not come in a certain period and their last wages are transferred back to the factory account. There are around 166 workers that were terminated from January 2017 to August 2017 that have not received their last pay ranging from IDR 79,900 to IDR 2,992,900 (USD 5.9 to USD 223) in total of IDR 163,778,000 (USD 12,222). C.1

2. The factory hires 26 out of 35 security guards through one contracted security agency. The contracted security agency pays basic wage of outsourced security guards IDR 2,546,744 (USD 189.76) per month which is minimum wage for garment sector instead of correct local minimum wage Purwakarta Regency of IDR 3,169,549.17 (USD 236) per month. Government social insurance agency (BPJS) mandated the contracted security agency to calculate the contribution from correct minimum wage IDR 3,169,549.17 (USD 236). As a consequence, security agency deducts wages of outsourced security guards for contribution of social and healthcare Insurances 4% from IDR 3,169,549.17 (USD 236) while the actual basic wage of outsourced security guards is IDR 2,546,744 (USD 189.76) . C.2

3. Based on pay slips and information from security guards, the contracted security agency does not pay overtime at legal overtime rate to male outsourced security guards who work on the shift system. The security guards are paid an overtime incentive of IDR 509,000 (USD 37.93) per month and not the overtime at legally required rates. As result, overtime deficiency was found. For instance: outsourced security guards who works 12 hours each shift (worked overtime for at least 3 hours per day for 20 days in a month) should receive overtime compensation IDR 1,619,310 (USD 120) and not IDR 509,000 (USD 37.98). C.7

4. The payment date as stated in work agreement for outsourced workers is on 5th of each month with cut off pay period from 21st to 20th. However, the wages received by outsourced security guards are not always on time, with late payments up to 10 days (on 15th of the month). C.4, ER.18

### Local Law or Code Requirement

Government Regulation (PP) the Republic of Indonesia number 78 year 2015 Article 20; Regulation of Minister of Manpower No. 7 on Minimum Wage (2013), Art. 15; Law No. 13 on Manpower (2003), Art. 90(1); Decision of the Minister of Manpower and Transmigration No. KEP 102/MEN/VI on Overtime work and Overtime pay (2004), Art. 11; Law No. 24 Year 2011 Chapter V Article 15 (1); Law No. 13 on Manpower (2003), Art. 81; Law No. 13 on Manpower (2003), Art. 79(2c) - (2d); FLA Workplace Code (Compensation Benchmarks C.1, C.2, C.4, and C.7; Employment Relationship Benchmark ER.18)

### Recommendations for Immediate Action

1. Pay the last salary of terminated workers through bank transfer same as normal payment system without delay; If workers' bank accounts are already inactive, send letters to former workers to come to the Factory and collect their wage or send the money through post office.

2. Compensate correct minimum wage IDR 3,169,549.17 (USD 236) to outsourced security guards.
3. Compensate outsourced security guards overtime compensation at legal overtime rate 150%, 200%.
4. Ensure the outsourced security guards receive their wages on a timely manner.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has updated termination procedure in the facility which mention that returning of facility equipments such as ID badge, uniform, fill up resignation letter will not hold payment of last salary of terminated or resigned worker. Starting Jan 2018, factory has changed method from cash payment to be transfer for payment last salary of terminated and resigned workers. Further, no worker salary is hold in the facility. In addition, factory will ask to previous terminated workers to come to factory any time during working hours to receive their remaining wages which was factory already provided.
2. Factory has fulfilled all obligations including salary payment and benefits to security agency as per cooperative agreement. No factory violation on this, furthermore implementation of minimum wages IDR 2,546,744 is according to garment sectoral minimum wage which implemented in PT. Starpia. This is according to Labor Act No 13/2003 article 65 regarding outsourcing workers paragraph 4 which stated: The protection and working conditions provided to workers/ labourers at the other enterprise as mentioned under subsection (2) shall at least the same as the protection and working conditions provided at the enterprise that commissions the contract or in accordance with the prevailing laws and regulations. Factory will conduct regular monitoring to outsourcing company.
3. Factory has communicated with outsourcing company to pay overtime according to local law and currently is waiting update of evidence to review.
4. Factory has communicated with outsourcing company to pay salary ontime and currently is waiting update of evidence to review.

## FINDING NO.6

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Compensation

#### Finding Explanation

1. The wages of outsourced security guards are deducted for social insurance contribution, but contracted security agency does not pay contribution of social insurance to government agency (BPJS). Outsourced security guards do not receive social security card as evidence that they have been registered to BPJS social insurance. ER.22, C.10
2. There is no record of menstruation leave taken by any female production workers. There are only two records of menstruation leave from HR female staff. The worker demographic is 89.8% female and 10.2% male. Orientation training for new workers does not include explanation of menstruation leave. ER.22
3. The factory pays unused annual leave for workers on 14th month of each year. However, the factory does not have adequate records to track and calculate annual leave of workers. As a result, some terminated or resigned workers do not receive payment of unused annual leave especially when they are terminated before June or before Eid long holiday. ER.22, HOW.11, HOW.14
4. Based on record of Healthcare program BPJS, it is noted that around 49 out of 3,230 total employees have not been enrolled into healthcare insurance (BPJS Kesehatan). As per management statement, they are having some constraints in registering these worker due to some workers registered under independent BPJS registration (mandiri), still under other factory registration and other subsidiary of healthcare insurances by the Government, such as: Jamkesmas, Jamkesda, etc. ER.22
5. The outsourced security guards are required by their security agency to attend security training up to 10 days to get a certification with cost of IDR 3,500,000 (USD 261) which is done through their wage deduction for seven months. The wages of outsourced workers are not paid during the training. There is no written consent from security guards for such deduction. C.1, C.11

#### Local Law or Code Requirement

Government Regulation (PP) the Republic of Indonesia number 78 year 2015 Article 20; Regulation of Minister of Manpower No. 7 on

Minimum Wage (2013), Art. 15; Law No. 13 on Manpower (2003), Art. 90(1); Decision of the Minister of Manpower and Transmigration No. KEP 102/MEN/VI on Overtime work and Overtime pay (2004), Art. 11; Law No. 24 Year 2011 Chapter V Article 15 (1); Law No. 13 on Manpower (2003), Art. 81; Law No. 13 on Manpower (2003), Art. 79(2c) - (2d); FLA Workplace Code (Hours or Work Benchmarks HOW.11 and HOW.14; Compensation Benchmarks C.1, C.10, and C.11; Employment Relationship Benchmark ER.22)

#### Recommendations for Immediate Action

1. Provide social insurance (work accident, live insurance, old age insurance, and pension program) to all outsourced security guards; cease deduction of wages until the security guards have been officially registered to social insurance BPJS.
2. Provide menstruation leave for female workers.
3. Properly calculate and track annual leave and provide terminated workers with payments for their unused annual leave.
4. Register all workers to receive healthcare program BPJS.
5. Ensure all costs of training for outsourced security guards is paid by contracted security agency.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has communicated with outsourcing company to pay social insurance according to local law and currently is waiting update of evidence to review. (Completed by 11/27/2017)
2. Factory has provided menstrual leave to the workers and conduct socialization on October 26, 2017. (Completed)
3. Factory has paid unused annual leave to the terminated/ resigned workers and improve track and records workers annual leave. (Completed)
4. Factory has register 3,118 workers out of 3,131 workers in BPJS Kesehatan on July 31, 2018. The remaining 13 workers was registered with various method (4 workers registered by individually, 1 worker still registered on behalf of previous company, and 8 workers registered under government healthcare program/PBI). (In progress)
5. Factory has communicated with outsourcing company to provide written consent or stop for training deduction. (Completed)

## FINDING NO.7

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Recruitment, Hiring & Personnel Development

#### Finding Explanation

1. Based on the provided employee records, it was noted that 1,713 out of 3,078 production workers (55.62%) were employed under a specified period of time contract (PKWT). Contract workers are hired from three to twenty-four months for each employment contract although they perform tasks and job duties that are jobs of permanent nature according to local law. ER.7, ER.8, ER.9, ER.11
2. The work agreements for all outsourced security guards expired on October 12, 2017. The security guards are still working at the factory despite their work agreement being expired. ER.1, ER.9, ER.11
3. Outsourced security guards need to buy or bring two legal stamps value of IDR 6,000 /piece to be attached in their work agreement. ER.6
4. The new workers who went through medical check consist of X rays as part of the recruitment process paid by workers themselves. The purpose of the medical check is testing for the possibility of Tuberculosis. A memo issued by HR Manager on August 9, 2017 informed all HR chiefs that starting August 9, 2017, it is not mandatory for medical checks, including X rays to be paid by workers themselves, this has led to no workers having medical examinations since August 8, 2017. There are no records that all HR chiefs and HR personnel confirmed understanding of the new policy. In addition, there are no procedures established to provide an option for pregnant applicants to not have an X ray check, and still can obtain the job. ND.9; ND.10
5. According to management, there are only 15 workers with disabilities. This is not in compliance with local law that requires the factory to hire one person with disabilities per 100 employees. Thus, for a factory with 3,230 employees in total, the factory should hire at least 32 workers with disabilities. The factory has not established a program to train and hire more workers with disabilities. ER.1, ND.8
6. The factory only has Policy and Procedures on Recruitment. There are no hiring and personnel development policies and

procedures.ER.28, ER.29, ER.30

7. The factory does not have policy and procedures on performance reviews. The performance review is conducted for office staff only, not for all production workers. ER.29

#### Local Law or Code Requirement

Law No. 13 on Manpower (2003), Art.53 and Art. 59; Law No. 4 of 1997 Art. 14; Law No. 13 on Manpower (2003), Art. 5; FLA Workplace Code (Employment Relationship Benchmarks ER. 1, ER.7, ER.8, ER.9, ER.11, ER.28, ER.29, and ER.30; Nondiscrimination Benchmarks ND.8, ND.9, and ND.10)

#### Recommendations for Immediate Action

1. Convert all workers who perform jobs of permanent nature but are currently hired under a PKWT contract to permanent worker status, as per legal requirements.
2. Provide valid work agreement to outsourced security guards.
3. Ensure all costs for making work agreements are paid by contracted security agency.
4. Pay all costs of medical examinations; payback the cost of medical examination to workers; Provide same opportunity for all applicants include pregnant females to obtain the job.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. During 2018, factory has assigned 39 workers to be permanent workers. The number of permanent workers will be increase gradually based on worker's skill and attendance review. (In progress)
2. Factory has received update contract agreement from outsourcing company. (Completed)
3. Factory has communicated with outsourcing company to stop buy or bring two stamps on the work agreement. (Completed)
4. HR department has issued internal memo and communicate to all departments that medical check with x-ray is not mandatory. Medical check up will be provide in the onsite clinic. (Completed)
5. Factory will gradually add number of disable workers. In addition factory has set up agreement with BBRVBD related providing of disable workers. (In progress)
6. Factory has established hiring and personnel development policies and procedures. (Completed by 08/13/2018)
7. Factory has set up procedure on performance review and it will implemented to all workers. (In progress)

## FINDING NO.8

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Hours of Work

#### Finding Explanation

1. The factory does not have a system in place to identify pregnant women or nursing women in work hour records. HOW.5

#### Local Law or Code Requirement

FLA Workplace Code (Hours of Work Benchmark HOW.5)

#### Recommendations for Immediate Action

1. Establish a system to identify workers who are pregnant or nursing and provide them the legally required protection.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has provided special identification to pregnant workers.

## FINDING NO.9

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Termination & Retrenchment

##### Finding Explanation

1. The workers are terminated if they are absent for five consecutive days without submitting a written explaining why they were absent from work. However, the factory does not consistently follow termination process as regulated by Local Law and Factory Regulation Article 24 (2), such as sending proper summon letter two times before the worker is terminated. The summon letter is sent to workers only through admin staff and there is no evidence that letters had been received by workers. ER.32
2. The factory does not have written policy and procedures on Retrenchment. ER.1

##### Local Law or Code Requirement

Law No. 13 on Manpower (2003), Art. 168(1); FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.32)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. Factory has followed termination procedure according to local law and company regulation.
2. Factory has set up retrenchment procedure in the facility.

## FINDING NO.10

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

##### Finding Explanation

1. It was observed that security guards perform same gender physical pat downs two times a day as workers leave the building before break time and after shift ends. H/A.10
2. According to Article 23 point 1 of the factory's rules and regulations, warning letters are given for repeated absent without notice or repeated late arrivals; however, in practice workers are given warning letter even when it is the first case of being absent without notice or for late arrival. ER.27
3. The factory does not provide a copy of the most updated factory rules and regulations to each worker. ER.16
4. The disciplinary procedures do not include the presence of a third-party witness during imposition of disciplinary actions. In addition, there is no record to showing that procedure for workers to appeal disciplinary actions taken against them is implemented. ER.27
5. The records of disciplinary actions are maintained in a separate folder instead of in workers' personnel files. ER.2, ER.27
6. The warning letters do not include reference of misconduct as regulated in factory regulation. ER.27

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.16, and ER.27; Harassment or Abuse Benchmark H/A.10)

##### Recommendations for Immediate Action

1. Immediately cease physical pat downs. As per FLA requirements, physical pat downs shall only be undertaken when there is a legitimate reason to do so and upon consent of workers.
2. Follow disciplinary action rules as regulated in factory's rules and regulations.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Physical pat downs is conducted for security reason, and all security guard also had trained during security training on May 2018. GA and compliance will monitor regularly to ensure physical pat downs conducted without abuse and harassment.
2. Factory has re-trained HR personnel to give warning letter based on company regulation on 27 November 2017.
3. Factory has finished order handbook of company regulation and delivered it to workers.
4. Factory has updated disciplinary procedure with mentioned presence of third-party witness during disciplinary actions (Refer to point 5.10).
5. Factory in progress to keep warning letter on personnel files.
6. Factory warning letter has completed with reference of misconduct as regulated in company regulation.

## FINDING NO.11

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Environmental Protection

#### Finding Explanation

1. Factory has not identified whether its on-site operations generate any negative environmental impacts. ER.1, ER.31
2. Factory has not established a system to reduce environmental impact since there is no target set up related with reduction waste water, green house emission and carbon footprint, ground water utilization and rain water management to ensure the environmental impact reduction program is effectively implemented. ER.1, HSE.1

#### Local Law or Code Requirement

Act No. 32 Year 2009. Article 47.1, Article 47.2, Article 53.1-2, Article 54.1, Article 67; Government Regulation No. 81 Year 2012 Article 10 (1) a, Article 10 (2); FLA Workplace Code (Employee Relationship Benchmarks ER.1 and ER.31; Health, Safety and Environment Benchmark HSE.1)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has identified negative environment impact from onsite operation.
2. Factory has set up target on the reduction waste water, green house emission and carbon footprint, ground water utilization and rain water management to ensure the environmental impact reduction program is effectively implemented.

## FINDING NO.12

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Environmental Protection

#### Finding Explanation

1. The solid waste is not completely stored inside a secured and protected place since: HSE.1
  - a. Solid waste generated from production is placed outside half covered with plastic tarpaulin which exposes it to natural elements.
  - b. Solid waste generated from general activity is placed in the temporary waste storage without lockable door.
  - c. There is no Waste Water Treatment Plant Installation Permit and temporary storage permit for ash waste generated from the boiler. HSE.4

2. The hazardous waste transportation company used by the factory does not have permit to transport medical waste (code A337-1) and electronic waste (code B107d). HSE.1, HSE.4
3. There is no segregated stream for leachate at the solid waste temporary storage generated from general activity. HSE.1
4. There is inadequate documentation for Waste Water Treatment Plant activity such as: HSE.1, HSE.4
  - a. No inlet effluent test of Waste Water Treatment (WWT) conducted every month and reported to Purwakarta Governor through Purwakarta Environmental Bureau Head, then every 2 months to Purwakarta Environmental Bureau.
  - b. Daily record of waste water debt has not been reported to Purwakarta Environmental Bureau every 2 months.
  - c. Daily record of waste water debt, parameter content waste water quality, production and or actual raw material has not been reported every three months to Governor and to related government bureau.
5. The air emission management conducted at the factory is inadequate since: HSE.1, HSE.4
  - a. Based on the last air emission test conducted on January 18, 2017, three generator machines emit carbon dioxide 2,700.66 mg/Nm<sup>3</sup>, 2,678.75 mg/Nm<sup>3</sup>, 2,646.41 mg/Nm<sup>3</sup> which are more than the threshold determined by SNI 19-7117.10-2005 that is 540mg/Nm<sup>3</sup>.
  - b. No air emission test conducted for washing process area.
  - c. Also, there is no corrective action plan established yet to improve the result.
6. There is inadequate ground water management for 12 drilled well points and 3 supporting wells since: HSE.1, HSE.4
  - a. There is no daily record of ground water extraction.
  - b. There is no monthly report to the local Mineral Resource Energy Bureau (Energi Sumber Daya Mineral) bureau for water utilization payment, surface ground well water condition and water quality laboratory test.
7. Factory does not have an appropriate system to respond to any unexpected environmental emergency such as accidental release of waste water to public drain and or river. ER.31
8. There is no inventory maintained for toxic and hazardous waste stored at the temporary storage and there is no periodic report every three months to the local ESDM bureau for inventory and disposal record. HSE.2
9. There are practices that are not in accordance with local legal requirements such as: HSE.1
  - a. Person in-charge for Waste Water Treatment (WWT) has not been certified for MPPA (water pollution control manager).
  - b. No rain water management established yet at the factory.
10. There is no SLF (Surat Laik Fungsi) or Proper Function Letter of factory building condition, and current officer who is responsible for waste water treatment installation has not undergone MPPA (Manajer Pengendalian Pencemaran Air - Water Pollution Control Manager) competency certification. HSE.4

#### Local Law or Code Requirement

Government Regulation No. 43 Year 2008 Article 32.3.a-e.; PP No. 43 Year 2006 Article 77.; Manpower Minister LH No. 12 Year 2009. Article 1.1.; Minister Regulation PU No. 03 Year 2013 Article 37 (3) b-c.; Permen LH No. 03 Year 2009; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.2, and HSE.4)

#### Recommendations for Immediate Action

1. Solid waste storage area shall be a secured and protected with lockable door.
2. Use government certified hazardous waste transportation company for medical waste and electronic waste.
3. Segregated stream for leachate at solid waste temporary storage generated from general activity.
4. Document Waste Water Treatment Plant activity as per requirements.
5. Ensure air emission management properly through periodical test as per regulations and keep it within threshold then establish corrective action plan to improve any result below requirements.
6. Record daily ground water extraction and submit monthly report to local ESDM bureau for water utilization payment, surface ground well water condition and water quality laboratory test.

7. Establish appropriate system to respond to any unexpected environmental emergency such as accidental release of waste water to public drain and or river.
8. Establish inventory for toxic and hazardous waste stored at temporary storage and periodic report in every three months to local ESDM bureau for inventory and disposal record.
9. Person in-charge for Waste Water Treatment shall be certified for MPPA (water pollution control manager) and establish rain water management established at the factory.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Based on documentation review, factory has obtained storage permit for ash waste from boiler since May 2018. Factory also has disposed the waste to certified waste transporter named PT. Baratech Jaya Sejahtera.  
Based on documentation review on waste manifest; factory use PT Baratech to dispose ash waste in 2018 which truck used was not registered in the license (F 9448 FC). The date was Feb 5, Mar 7, May 7, June 5, July 10, Aug 3. (In Progress).
2. Based on documentation review on license for waste transporter (PT. Baratech Jaya Sejahtera); the company has been certified on April 5, 2017 to pick up hazardous waste including medical and electronic waste. The license is valid for 5 (five) years. (Completed by 12/11/2017).
3. Factory will provide leachate at the solid waste temporary storage. (In progress).
4. Based on documentation review; factory has performed waste water test on monthly basis.  
Factory also has reported the waste water and production data to related institution on monthly basis : local environmental agency. (Completed by 07/19/2018).
5. a. Factory has conducted air emission test for Generator machine on 8-18 January 2018.  
b. Factory will include washing process on the new emission test.  
c. CAP form has provide in in case air emission testing result is below standard. (In progress).
6. Factory has provided daily and monthly record of ground water and reported to ESDM bureau. (Completed).
7. Factory has provided procedure to respond any unexpected environmental emergency such as accidental release of waste water to public drain and or river. (Completed 08/13/2018).
8. Factory has provided hazardous waste inventory, and report to ESDM for inventory and disposal records. (Completed).
9. a. Factory has provided ECPM training to PIC waste water treatment plan, and MPPA training also will provide on Sep 2018.  
b. Factory has set up rain water management by build infiltration well. (In progress)
10. Factory will discuss to local government regarding SLF and obtain MPPA competency certification.  
Update: Factory has communicated with external party and currently still discuss the schedule. (In progress).

## FINDING NO.13

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

1. There is no safety precaution posted in local language near the spreading table where cutting blade is installed. ER.1, HSE.14
2. The Personal Protective Equipment (PPE) selection is not based on identified hazards since: ER.1, HSE.7
  - a. Breathing apparatus provided at firefighting vehicle for 3 firefighters are half-mask with R210 filter instead of SCBA, while the eye protector provided is not fire-resistant type.
  - b. No lifting belt, safety shoes, hard hat and cotton gloves provided for workers at finished good warehouse or fabric material warehouse.
3. Two spot cleaners at production building 1 were not wearing chemical respiratory mask. ER.1, HSE.7
4. The ergonomic training has been conducted. However, there is no written program regarding ergonomics such as: HSE.17
  - a. Job rotation to reduce repetitive-motion stress and injuries due to high temperatures in working areas,

b. Stretching and exercise a couple of times every.

5. In the production area, the working tables and seats are not adjustable; additionally workers are not provided padding to compensate height difference between body posture of related workers and working table. Also, anti-fatigue mats are not provided for workers who need to stand to perform their jobs. HSE.17

6. There is no mechanical engineering provided such as exhaust fan or para net spread over the roof to absorb excessive heat in the Boiler room, production room, compressor room and washing building; these areas exceed the legal limit of 30 degrees Celsius: HSE.13

a. Boiler room is between 31 degrees Celsius in the morning and 35 degrees Celsius in the afternoon

b. Production buildings:

i. Sewing lines is between 26.7 degree Celsius in the morning up to 34 degrees Celsius in the afternoon

ii. Finishing is between 26.7 - 34 degree Celsius

iii. Dry Room is between 28.6 - 33.5 degree Celsius

iv. Carton room is between 25.5 - 32 degree Celsius

v. Fabric warehouse is between 26 - 34 degree Celsius

vi. Cutting area is between 29 - 32 degree Celsius

vii. Compressor room is between 38.8 - 47 degree Celsius

viii. Washing building is between 28 degrees Celsius in the morning - 36 degree Celsius.

7. The walk path from factory building entrance to main gate is not marked. ER.1, HSE.1

8. Vehicle (Motorcycle towing garbage cart) used for carrying solid waste (rags as solid waste from production) is overloaded. A person was seen sitting on the pile of overloaded waste. ER.1, HSE.1

9. Convex mirrors have been installed on each road bend and intersection. However, most of the mirror surfaces are blurred making it difficult to see the reflection of the opposite road bend. ER.1, HSE.13

#### Local Law or Code Requirement

Safety Act No 1 Year 1970. Article 14.b.; Manpower Minister Regulation No. 8 Year 2010. Article 6.3, Article 7.2.c.a-b.; Labor Minister Regulation No. 04 Year 1987, Article 4.2. c.5.; Attachment I PP No. 50 year 2012 section C.1.b paragraph 2., Manpower Minister Regulation No. 7 Year 64 Article 9.4.; Manpower Minister Regulation No. 7 Year 64. Article 9. Subsection 2.a-d.; Attachment I of Manpower Minister Regulation No 13 Year 2011 Point 1 Table.; Transportation Minister Regulation No PM 34 Year 2014 Article 3.1.; Government Regulation No. 74 Year 2014 Article 11; Government Regulation No 32 Year 2012 Article 33. e.3.2.; FLA Workplace Code (FLA Workplace Code (Employee Relationship Benchmark ER.1; Health, Safety & Environment Benchmarks HSE.1, HSE.7, HSE.13, HSE.14 and HSE.17)

#### Recommendations for Immediate Action

1. Post safety instruction near related machinery in local language.

2. Establish PPE management that includes a purchasing system that is based on risk exposed to related workers, maintenance, replacement, education and documentation.

3. Educate related workers to identify PPE damage and expiration and regularly monitor use of PPE.

4. Establish job rotation, conduct repetitive motion as part of ergonomic training for all related workers, proceed stretching and exercise a couple of times every day.

5. Provide padding to every seating and anti-fatigue mat for workers who are standing when performing their duties.

6. Establish, research and maintain mechanical engineering as per updated technology to ensure acceptable temperatures at production building.

7. Mark walk path from factory building to main gate. Conduct regular inspection of visibility of markings.

8. Ensure that solid waste vehicles are used to carry waste only and for workers to not travel in the truck bed.

9. Maintain visual management to ensure its functionality.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has posted safety precautions near spreading machine. (Completed)
2. a. Factory will gradually provide Proper PPE for firefighter equipment.
- b. Factory on process to order PPE for workers at finishgood and Fabric warehouse. (In progress)
3. Factory has provided chemical respiratory mask to the spot cleaning workers. (Completed)
4. Factory will discuss in health and safety meeting to implement ergonomic program such as job rotation, stretching and exercise a couple of times. (Planned)
5. Factory has provided additional padding to compensate height difference between body posture and working table, also factory has provided anti fatigue mats for workers who stands to perform their job. (Completed by 10/30/2017)
6. Factory has maintained blower and cooling pad system to ensure the temperature is not exceed the limit. (Completed)
7. Factory will discuss internally to provide marking on the walk path. (Planned)
8. Factory will monitor and ensure solid waste vehicles is not carry overload waste. (Completed)
9. Factory has cleaned convex mirror surfaces in the facility. (Completed)

## FINDING NO.14

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The factory has inadequate maintenance of equipment cables. Air-conditioner compressors installed at two production buildings have exposed insulation. One electrical panel at water reservoir pump has been burnt and has not been repaired.
2. One out of three compressor units in the compressor room is dusty and cobwebbed. HSE.13
3. There is no set up time for repair action on electrical problems found and no document is maintained for every repair and curative action conducted, which is evident from how long the repair has taken place. HSE.13
4. The office has a wiring installation that is no longer in use and has not been tagged for identification with no definite plan on what needs to be done for it. HSE.14
5. There is no ladder railing installed on the platform used in the washing process building to be usef for changing the lights. There are also no safety cage for the ladder installed on the boiler machine in the boiler room. HSE.14
6. The stairway step width on the stairway installed in the carton storage warehouse (2 stacks containers in a row) and in waste water treatment area is inadequate since the width is less than 30 cm (13 inch). HSE.14
7. There is no proper management for areas that are dangerous for maintenance staffs: HSE.1, HSE.14
  - a. Electrical rooms and compressor rooms at production building 1 and 2 are not marked as "Confined Spaces".
  - b. Septic tanks and 2 diesel fuel tanks are not identified and marked with "Confined Space" and "Do not Enter".
  - c. There is no identification which confined space can be entered by factory authorized personnel and which ones that only 3rd party people allowed to enter it.
  - d. Factory does not ensure people enters confined spaces do so only when appropriate measures have been taken to protect them from any physical hazards, such as atmospheric tests and provide related PPE.
  - e. No work permit issued for third party people who maintain work in-height and confined spaces at the factory.
8. Two maintenance staffs who are responsible for work in-heights have not been certified by government or authorized training organizer for work in-height. HSE.1

9. There is no safety information provided for contractors prior to entering the facility. ER.31

#### Local Law or Code Requirement

PUIL 2000 Article 1.9.G Section Disturbance, PUIL 2000 article 8.8.1.f. Government Regulation No. 50 Year 2012 Article 6.5.7., Attachment II Section. A.6.5.7.; Act No. 28 Year 2002 Article 29.2., Manpower Minister Regulation No. 9 Year 2016 Article 3.d., Article 8.1, Article 10.1.; Labor Regulation No. 4 Year 1964 Article 4.3., SNI 03-1746-2000 Article 4.1.6.2.; FLA Workplace Code (Employee Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.13, and HSE.14)

#### Recommendations for Immediate Action

1. Establish electrical management as per regulations from using proper isolation tools to the time used for maintenance.
2. Clean and maintain compressor units at compressor room.
3. Use electrical tape instead of electrical tape for splice wire.
4. Establish a process for repairing electrical problems found in a timely manner and document it.
5. Implement LOTO system that includes plan for idle machinery.
6. Install railing on ladder on platform used for changing lighting at building and install safety cage for ladder that is more than 1.8 m heights from ground.
7. Ensure foot step depth on stairway installed at carton storage warehouse (2 stacks containers in a row) and waste water treatment at least 30 cm (13 inch).
8. Maintenance department shall be provided with proper body harness, inspect it and document it.
9. Establish proper management for areas that are dangerous for maintenance staffs by clearly labeling all confined spaces with proper signs, including who can enter the space, and what PPE is needed for that space.
10. Issue work permit for third party people who maintains work in-height and confined spaces at the factory.
11. Certify the two maintenance staff who are responsible for work in-heights to government or authorized training organizer for work in-height.
12. Provides safety information provided for contractors prior entering the facility.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has covered insulation of air conditioner properly and repaired electrical panel at water reservoir pump. (Completed)
2. Factory has cleaned compressor room and maintain regularly. (Completed)
3. Log for electrical maintenance record has been set up and it will complete during repairing and corrective actions on electrical problem. (Completed by 08/13/2018)
4. Factory has tidy up wiring installation at office. (Completed).
5. Factory on process to provide ladder railing at washing area and safety cage for boiler machine at boiler room. (In Progress)
6. These areas are restricted only small number person authorized to enter, moreover the areas outside of building and the stairways do not use for exit which required the width at least 30 cm. (Completed)
7. Factory has posted marking "Confined Space" sign and authorized only on the requested areas. Factory will create work permit for third party people who maintain work in-height and confined spaces at the factory. (Completed by 07/25/2018)
8. Factory has communicated with third party and currently still discuss training schedule. (In progress)
9. Factory has provided safety information for contractors prior entering the facility. (Completed by 08/31/2018)

## FINDING NO.15

## IMMEDIATE ACTION REQUIRED

## FINDING TYPE: Health & Safety

### Finding Explanation

1. Management does not commission fire risk assessment by a third-party expert HSE.1, HSE.5
2. Current internal fire risk assessment did not include several topics such as: HSE.5
  - a. The justification of having no sprinklers or thermatic apparatus as substitute installed at the factory.
  - b. The fire risk at solid waste temporary storage, toxic and hazardous waste temporary storage, ash waste storage, chemical storage, and compressor room.
  - c. Hydrant water reservoir adequacy to cater fire occurrence since the factory is located in a compound where there are several buildings belongs that belong to the parent company and sister company, as well as other firefighting apparatus installed (light fire-extinguisher, smoke and heat detector).
3. There is no light fire extinguisher installed at carton storage warehouse which is made up of two stacks of containers in one row. HSE.6
4. The factory does not ensure all workers know how to use the fire extinguisher, as confirmed through worker interviews. The workers are not provided with any training. HSE.6
5. Some firefighting apparatuses are not properly maintained such as: HSE.6
  - a. One fire extinguisher at boiler room is over-pressured.
  - b. One jockey pump for water reservoir has not functioned since April 2017 up to now.
  - c. Factory does not use a sprinkler system as part of its factory fire protection plan.
6. The stairway installed at carton storage warehouse is blocked with goods. HSE.5
7. Emergency alarm does not function when there is an electrical black-out as the emergency alarm is powered by the main electrical panel while the backed-up power is derived from the generator that is not automatically turned-on when there is a black-out. The generator set needs a person to manually turn it on. There is no back-up battery at the factory. HSE.5
8. The emergency alarm inspection and test are not conducted as per manufacturer's recommendation and regulation. HSE.5

### Local Law or Code Requirement

Minister Regulation PU No. 26 Year 2008. Article 5.5.2, Article 5.7.1.2.2., Article 11.; Labor minister Regulation No. 04 Year 1980, Article 4.5.; PP No 36 Year 2005. Article 55 Subsection 2.; Manpower Minister Regulation No. 2 Year 1983 Article 57.1, Article 58 – 60.; Manpower Minister Regulation No. 2 Year 1983 Article 3.1.; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, and HSE.6)

### Recommendations for Immediate Action

1. Commission fire risk assessment to a third-party expert.
2. Fire risk assessment shall cover every area and process, provide justification of no installation and necessary installation of firefighting apparatus as well as adequacy of the firefighting providing to overcome fire risks exposure at the factory.
3. Provides fire extinguishers at every area that includes carton storage inside the two stacks of containers lined up in a row.
4. Train all workers for firefighting and document it as evidence.
5. Maintain firefighting equipment as per regulations.
6. Install sprinkler and or its replacement into fire protection plan.
7. Provides stand-alone battery to emergency alarm.
8. Maintain emergency alarm inspection and test as per manufacturer requirements and regulations.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory will discuss internally to conduct fire risk assessment by third party expert. (Planned)
2. a. N/A since factory already have thermatic apparatus.  
b. Factory has set up fire risk assessment including at solid waste temporary storage, toxic and hazardous waste temporary storage, ash waste storage, chemical storage, and compressor room.  
c. Factory has set up fire risk assessment including Hydrant water reservoir adequacy to cater fire occurrence. (Completed by 08/13/2018)
3. Factory has provided light fire extinguishers near carton storage. (Completed by 10/20/2017)
4. Factory has trained all workers how to use fire extinguishers during fire drill training on November 2, 2017  
In addition factory also posted poster how to operate fire extinguisher on location of fire extinguishers for worker read. (Completed)
5. a. Factory has replaced and provide fire extinguishers with proper pressure at boiler area.  
b. Factory has repaired jockey pump.  
c. Factory has provided automated fire suppression at factory.  
Factory has contact fire fighting department to inspect all equipment in a good condition and functioned well. (Completed by 07/09/2018)
6. Factory has removed blocking material from stairs at carton storage warehouse.  
Factory will perform regular monitoring to ensure no obstructed materials on stairway and any evacuation routes. (Completed by 10/20/2017)
7. Factory has purchase battery back up for alarm system and installed it in main panel of alarm. (Completed by 04/30/2018)
8. Factory has contact fire fighting department to inspect all equipment in a good condition and functioned well, including emergency alarm. (Completed by 07/09/2018)

## FINDING NO.16

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. Inadequate PPE management to ensure PPE is consistently and effectively used by the relevant workers since: HSE.7, HSE.8, HSE.9

a. No Self Content Breathing Apparatus provided as per Material Safety Data Sheets (MSDS) for worker responsible for diesel fuel nearby compressor room.

b. No chemical mask, rubber gloves, chemical resistant eye protector and chemical resistant safety shoes are provided for worker who are responsible at the chemical storage.

c. Two spot cleaners at production building 1 were wearing chemical respiratory mask with expired and dirty filters and the maintenance department which has been provided with seat harness have not done any inspection for this apparatus in periodic manner before it is utilized.

2. The eyewash and body wash station in the chemical storage room are not functioning; no water comes out when the pedals are pushed. HSE.6

3. No eyewash and body wash station in the temporary storage area for ash waste storage and temporary storage for hazardous waste. HSE.6

4. Eye wash station at Waste Water Treatment Plan is missing eye dispensers. HSE.6

5. There is no emergency alarm installed at temporary storage for toxic and hazardous waste and at chemical storage. HSE.5

##### Local Law or Code Requirement

Manpower Minister Regulation No. 8 Year 2010. Article 3.1, Article 7.1 and 2.c and g.; Manpower Minister Regulation No. 15 Year 2008 Article 8.3.; Attachment of Environment Impact Control Bureau Head Decree No. 01 Year 1995 Article 2.3.1. d. a. d. h.; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.5, HSE.6, HSE.7, HSE.8, and HSE.9)

##### Recommendations for Immediate Action

1. Manage PPE properly and ensure it is utilized by related workers.
2. Ensure eye wash and body wash station properly installed and functioning at area where there is toxic and hazardous risks to workers.
3. Install emergency alarm installed at temporary storage for toxic and hazardous waste and at chemical storage.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. a. Factory will provide respirator for worker who responsible for diesel fuel nearby compressor room.
- b. Factory will provide chemical mask, rubber gloves, chemical resistant eye protector and chemical resistant safety shoes are provided for worker who are responsible at the chemical storage.
- c. Factory has provided new chemical respiratory mask to spot cleaning workers and it will monitoring regularly. (In progress)
2. Factory has repaired and ensure eyewash and bodywash station functioning at new temporary chemical storage. (Completed)
3. Factory has installed eyewash and bodywash station at ash waste storage and temporary hazardous storage. (Completed)
4. Factory has installed eye dispenser for eye wash station at waste water treatment plan. (Completed)
5. Factory has installed emergency alarm at toxic and hazardous waste and chemical storage. (Completed by 07/25/2018)

## FINDING NO.17

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

1. There are illness records maintained however, there is no tracking process conducted to minimize recurrence in future, such as establishing root cause analysis, establishing correction action plan, establishing preventive action plan, and establishing a monitoring system. HSE.1, HSE.3
2. The occupational health check that is conducted by their internal doctor is inadequate since as health check is based on job hazards exposure only for 11 workers (5 spot cleaners, 1 boiler, 2 washing workers, 2 waste water treatment workers, and 1 electrical maintenance.)
3. No health check are conducted based on workers who are 40 years old or older, female workers, disabled workers, or for workers who have experienced illnesses which has caused two weeks of sick leave. ER.1, HSE.1
4. The emergency light inspection has not included lighting intensity level and no fire-resistant smoke-sealed doors at emergency exits. HSE.1
5. There are government certified fire action officer and fire coordinator unit as part of firefighting unit. HSE.1

#### Local Law or Code Requirement

Manpower Minister Regulation No. 2 year 1980 Article 5.1., Article 5.3.a-c.; SNI 03-6574-2001 Article 4.3.4.c.; Manpower Minister Decree No. 186 Year 1999 Article 6.1 – 3; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.3)

#### Recommendations for Immediate Action

1. Include root cause analysis, correction action plan, preventive action plan, monitoring system when tracking the process for illness on illness record.
2. Include job hazards exposure, workers who have reached 40 years old and above, female workers, disability and workers who were experience illness that causing 2 weeks sick-leave on the occupational health check.
3. Include lighting intensity level check when inspecting Emergency lights and put fire-resistant smoke-sealed doors at emergency exits.
4. Enroll fire action officers and fire coordinator unit as part of firefighting unit for government certification.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has set up root cause analysis form to minimize recurrence of Illness and injury. This form will be communicated to clinic personnel and will be implemented starting from September 2018. (In progress)

2. Factory has conducted specific medical check-up on May 2018 based on hazard exposure. (Completed by 05/30/2018)
3. Factory will provide medical check up to worker with 40 years old by company doctor in the facility. (In progress)
4. Factory has included lighting intensity level during emergency light inspection and factory will discuss internally to provide fire-resistant smoke-sealed doors at emergency exits. (In progress)
5. Factory has employed certified fire fighting officer on behalf of Mr. Aan and fire coordinator on behalf of Mr. Juanda since 2016 for fire fighting unit in the facility. (Completed)