



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: The Antigua Group, inc
COUNTRY: Indonesia
ASSESSMENT DATE: 07/10/17
ASSESSOR: Donny Triwandhani
PRODUCTS: Apparel
NUMBER OF WORKERS: 2020

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. There are policy and procedures for Environmental Protection.
2. There are no Standard Operating Procedures (SOPs) for each job with a focus on performing the job safely.
3. The current Health & Safety procedures do not include measures to protect the reproductive health of workers through minimizing exposure to workplace hazards.
4. There are no procedures which include steps for workers to raise health and safety concerns. Furthermore, the current health and safety procedures have not included protection against retaliation for workers who raise health and safety concerns.
5. The current emergency procedure does not include the following: steps for ensuring that walkways and emergency exits are free from obstruction; steps for ensuring all contractors, service providers are safely evacuated; steps for ensuring special category workers and children that happened on the factory are safely evacuated; list of the workers responsible for managing fire equipment; and, steps workers for reporting death, injury, illness, and other health and safety issues.
6. Current emergency handling and prevention procedure does not include what.
7. The current chemical handling procedure does not include information about maintaining a complete chemical inventory. There are 17 chemicals used at the factory on chemical list; however, only two chemicals (white oil and silicone) are recorded in inventory.
8. The current chemical handling procedure does not include steps to take to protect workers if there is an accidental chemical spill, including identifying those who are responsible for cleaning up the spill.
9. The current confined space procedure does not include clear precautions to take prior to & upon entry and stay in each confined space, such as atmospheric test and issuance of a working permit.
10. The current lockout-tagout procedure does not require there be a list of equipment and/or machines that require lockout-tagout. Hence, there is no list of such. The factory does not have guidance documents for external contractors (service providers) concerning Health & Safety.
11. There are no procedures on Industrial Relations, including Freedom of Association.
12. The factory has a policy and procedures on Recruitment & Hiring, but not Personnel Development, including performance reviews.
13. The factory does not have a written policy and procedure on Retrenchment.

Local Law or Code Requirement

FLA Workplace Code (Employee Relationship Benchmarks ER.1, ER.25, ER.28, ER.29, ER.30, ER.31 and ER.32; Health, Safety & Environment Benchmarks HSE.1, and HSE.12; Non-Discrimination Benchmark ND.8)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory will develop a policy specific to Environmental Protection in order to mitigate the impact the negative impacts the factory has on the environment. An SOP for each job will be created and posted at appropriate stations- hazards will be identified along with appropriate PPE to mitigate any potential risks. Health and Safety procedures will be updated to include how factory will protective the reproductive health of workers. Factory will utilize their suggestion box as a way for workers to raise health and safety concerns and develop/post a retaliation policy on the suggestio box that states workers who raise concerns will not be retaliated against. Emergency procedure will be created to include: steps to ensure walkways/emergency exits are free from obstruction, contractors, service providers are safely evacuated, ensuring special category for any worker's children that are within the factory are safety evacuated, list of workers responsible for managing fire equipment and steps to report death, injury, illness or other health & safety issues. Procedures will undergo periodic review and be presented to employees. Factory to create a full and complete chemical inventory list- post accordingly and file for future reference. Chemical handling procedure to be updated identify who will be notified after a chemical spill and how workers can protect themsevles in the case of a chemical spill. Factory management to complete a confined space procedure which will identify precautions for workers prior to and upon entry of confined spaces. Factory to create a list of equipment required for lockout-tagout. Factory management to create policies on Indutrial Relations, Freedom of Association, Personnel Development and Retrenchment. Factory to maintain and review on a regular basis.

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory has not provided training on Environmental Protection to either workers or supervisors.
2. Based on the last PPE training conducted on June 9, 2017 for 24 workers, the training material does not include job hazards, how to protect against those hazards, how to wear and maintain the provided PPE, tasks that require the use of PPE, how to store PPE, and how to identify when the PPE needs to be replaced and who is responsible for replacing PPE.
3. Based on disciplinary records, it was found that factory uses negative incentives to ensure that workers use machinery and tools safely. The factory issues a written reprimand to workers for not wearing PPE or machine guards.
4. The factory does not consistently conduct specific workplace safety training to designated workers with special responsibilities, such as confined space training.
5. Only 14 out of 49 warehouse workers (9 from the Fabric Warehouse, 12 from the Accessories Warehouse, 10 from the Accessories Finishing Warehouse, 8 from the Carton Warehouse, and 10 from the Finished Goods Warehouse) were provided with training on safe lifting technique on May 17, 2017. Workers are not provided with lifting belts.
6. Based on the last chemical handling training conducted on June 6, 2017 for 22 workers, the training material does not cover proper protection methods regarding PPE (type, how to wear, PPE maintenance, how to record the PPE usage for identifying its shelf-life or lifetime), restricted access to chemical storage areas, potential impacts of the chemicals in the tanks, or physical protections beside PPE provided to workers during chemical storing and transportation.
7. The factory does not provide ongoing training to workers regarding Lockout-tagout or for working at heights.
8. First aid training for the last 12 months was inadequate: only 83 out of 1,558 workers have been trained on first aid procedures. Furthermore, the training material does not include the following: who to contact incidents that require first aid or other medical assistance; the location of first aid equipment; reporting work-related incidents that require first aid or other medical assistance; and, the proper use of emergency eyewash or body flush units if exposed to hazardous material resulting in eye, face or body injury.
9. None of the 12 First Aid Responders at the factory have received additional training for blood borne pathogens and incident reporting.
10. The factory does not provide ergonomic training – including the importance of job rotation, stretching, and exercises – for 27 employees who work in the office, one employee who works in the test laboratory, 897 sewing section operators, or 12 production administrators.
11. The factory does not provide ongoing training to workers on Industrial Relations, including freedom of association.
12. The factory does not provide training on Workplace Conduct & Discipline to the relevant HR personnel, administrative staff, managers and supervisors.

Local Law or Code Requirement

Environmental Act No 32 Year 2009, article 65 (2); Manpower Supervisory Management General Director Decree No. KEP. 113 Year 2006, first Section; Manpower Regulation No.8 Year 2010, Article 7.2.; Safety Act 1 Year 1970, Article 9.3; FLA Workplace Code (Employee Relationship Benchmarks ER.1, ER.15, ER.17, ER.25 and ER.27; Health, Safety & Environment Benchmarks HSE.6, HSE.8, HSE.14, HSE.15 and HSE.17)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory will provide training to relevant staff for: environmental protection, personal protective equipment (PPE), workplace safety training to workers with special responsibilities, safe lifting technique training, all aspects of chemical handling training, lockout-tagout training for working at heights, first aid training, first aid responder training, ergonomic training, industrial relations and freedom of association training and workplace conduct & discipline training. A detailed overview will be provided to all employees.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

The factory has not developed policies and procedures on the review process to ensure updates are made according to local law and FLA Workplace Code requirements. As a result, the factory management does not periodically review its policies and procedures for all Employment Functions.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.29, ER.30, and ER.31)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory human resources department to develop a process to periodically review its policies and procedures related to all employment functions.

FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory does not provide any spill kits in the compressor room (there was a chemical spill on the floor at the time of the assessment). The spill kits in chemical storage (such as sand and jute absorber) are dirty. The floor in chemical storage is not slanted one degree nor does it have a sump to contain any leakage and spillage.
2. The factory has not conducted or sent a quarterly report of temporary toxic and hazardous waste storage balance to the Central Java Governor, Central Java Environmental Bureau Head, the city Mayor, or the City Environmental Bureau Head.
3. The agreement between the factory and government-authorized toxic and hazardous waste handling transportation company expired November 16, 2016 and has not since been renewed. Also, there has been no disposal since February 5, 2016; the maximum allowed time to store toxic and hazardous waste is 90 days.
4. There is no secondary container provided for used transformer oil and boiler water in the temporary storage for toxic and hazardous waste.
5. Solid waste generated from production is placed outside the temporary storage for solid waste, unprotected from natural forces like wind or rain.
6. There is no leachate stream provided in the temporary storage are for solid waste.

Local Law or Code Requirement

Government Regulation No 74 / 2001, Article 19, Attachment Office Head Bapedal No.01 Year 1995, Article 4.3.e.; Government Regulation No 74 Year 2001, Article 31; Act No. 32 Year 2009, Article 61.1 – 3; Attachment of Bapedal Head Decree No. 01 Year 1995, Article 2.2.b.5.; Government Regulation No 81 Year 2012, Article 18.1 – 2.; Minister Regulation of General Work No 03 Year 2013, Article 37.3.a – f.; FLA

Recommendations for Immediate Action

1. Provide spill kits in compressor room and ensure every spill is cleaned immediately and documented as evidence.
2. Provides clean spill kits in the chemical storage area.
3. Ensure floor in the chemical storage area slants one degree. Install a sump to contain any leakage and spills.
4. Submit report of temporary toxic and hazardous waste storage balance to all necessary government bureaus every three months.
5. Renew the agreement between the factory and government-authorized toxic and hazardous waste handling transportation company. Dispose of toxic and hazardous waste within 90 days.
6. Provide secondary container for used transformer oil and boiler water in the temporary storage for toxic and hazardous waste.
7. Put solid waste inside the temporary storage area for solid waste.
8. Provides leachate stream in the temporary storage area for solid waste.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory to provide spill kits in the compressor room and clean spill kits in the storage area. Directions for each should be posted in appropriate rooms. Slant floor and purchase sump to contain leaks and spills. Submit toxic and hazardous waste to government every 3 months. Factory to dispose of toxic and hazardous waste within 90 days. Factory to provide secondary storage container for toxic and hazardous waste. Factory to discuss with management how to make leachate stream from temporary storage area.

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There is no emergency response plan in the event of a fire.
2. The factory has not commissioned a third-party expert to conduct a fire risk assessment .
3. There is no fire extinguisher installed on the second floor of the Accessories Warehouse. One fire extinguisher in the Fabric Warehouse is placed on top of fabric rolls instead of mounted on the wall.
4. There is no appropriate equipment or PPE (e.g., breathing apparatus, SCBA) provided for fire brigade (fire action officers).
5. The factory does not have a sprinkler system.
6. The stairway from first floor to second floor at Accessories Warehouse is partially blocked with accessories stored in carton.
7. The arrow signs in the finishing area on the second floor are faded.
8. There is no system in place to account for all workers during an emergency evacuation.
9. The emergency alarm inspection is not in accordance with manufacturer's recommendations and clear parameters; the inspection record only stated whether the fire alarm has been inspected or not and whether or not it is functioning.
10. There is no back-up battery for the fire alarm in the factory.
11. The inspection of emergency lights does not include the lighting intensity level.
12. The doors at the emergency exits are not fire-resistant smoke-sealed doors.
13. Several rags hung on ceiling near the temporary solid waste storage area, as evidence there is no proper sanitation management at the factory. The rags itself are originated from solid waste.
14. There is no food storage provided for workers who carry their own lunch to factory.
15. The factory does not maintain an inventory of the drugs kept in the on-site clinic that reflects the drugs stored, their incoming date, outgoing date (when they are given to patient), and expiration date.
16. There are three beds and one bunk bed in the on-site clinic that are not segregated for female and male patients.
17. The factory does not track or keep record of illnesses.

Local Law or Code Requirement

Manpower Minister Decree No. 186 Year 1999, Article 2.2.f.; Manpower Minister Regulation No.04 Year 1980, Article 4.3., Article 8.; Manpower Minister Regulation No.04 Year 2010, Article 2.1.; INS. 11/M/BW/1997 III. Chapter I.1 and 3.; Act No. 28 Year 2002, Article 30.1, SNI 03 – 1746 – 2000, Article 4.1.9.1, Article 4.1.9.2.1, Article 4.1.9.2.2.; Act No 28 Year 2002, Article 30.1 and 2.; Government Regulation No. 36/05, Article 59.3.; SNI 03-6574-2001 Article 4.1.3.; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.3, HSE.5, HSE.6, HSE.7, HSE.18, and HSE.19)

Recommendations for Immediate Action

1. Establish an emergency response plan in the event of fire.

2. Commission a third-party expert to conduct a fire risk assessment.
3. Install a fire extinguisher on the second floor of the Accessories Warehouse. Mount the fire extinguisher in the Fabric Warehouse.
4. Provides appropriate equipment and PPE for the fire brigade.
5. Install a sprinkler system in the factory.
6. Keep all stairways and evacuation routes free from obstruction.
7. Repaint arrow signs in the finishing area.
8. Establish a system to account for all workers during an emergency evacuation.
9. Inspect emergency alarm in accordance with manufacturer's recommendations.
10. Provide back-up battery for the fire alarm.
11. Include lighting intensity level within the emergency light inspection.
12. Install fire-resistant, smoke-sealed doors at the emergency exits.
13. Establish a proper sanitation management procedure.
14. Provide food storage for workers.
15. Establish a drug inventory that includes the drugs stored, their incoming and outgoing dates, and expiration dates.
16. Segregate beds in the on-site clinic for female and male patients.
17. Track and record all illness at the factory.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory to conduct risk assessment, then create an emergency response plan based on possible scenarios in the event of a fire. Contact third party expert to conduct a fire risk assessment to determine what factory must do to mitigate risk and keep workers safe in case of a fire. Install fire extinguishers throughout the factory as required by law. Because of financial burden factory does not agree to provide appropriate PPE to fire brigade or install sprinkler system- factory to continue to utilize current measure of fire safety: fire hydrants, smoke detectors, fire alarms and fire extinguishers. Nominate a safety committee member to conduct regular walk through of factory and ensure all stairways are clear. Factory to update inspection paper work to include a field that states whether or not the fire alarm is functioning and a light intensity field. Provide a back up battery for fire alarm. Factory will re-paint the emergency exit with fire proof paint. All rugs will be removed from ceiling. Factory to provide locker for workers to store their own belongings, including lunch. Factory to maintain an inventory of the drugs kept on-site including incoming/outgoing/expiration dates. Female and male bunk beds will be segregated by a curtain. Create a spreadsheet to track illnesses of workers.

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The chemical respiratory masks provided in the chemical storage and temporary storage area for toxic and hazardous waste are not properly stored. This may cause the cartridges to deteriorate, rendering the masks ineffective in protecting against hazardous vapors.
2. There are no spill response materials in the temporary storage for toxic and hazardous waste.
3. There is no log book for PPE in the chemical storage area, temporary storage for toxic and hazardous waste, or spot clean area, which is necessary to record the lifetime of PPE, to enable worker asks for PPE replacements, when PPE is provided, and when it is damaged and replaced.
4. In the temporary storage for toxic and hazardous waste, used TL lighting (solid waste) is placed in an area designated for liquid waste.
5. There is no shower station installed in the chemical storage area or the temporary storage for toxic and hazardous waste. There are also no shower stations or eye wash stations near the diesel fuel tanks.
6. There is no fire detector or fire alarm in the temporary storage for toxic and hazardous waste. There is no fire alarm in the chemical storage area.
7. There is no Material Safety Data Sheet (MSDS) for the transformer oil in the temporary storage for toxic and hazardous waste.

Local Law or Code Requirement

Manpower Minister Regulation No.8/2010, Article 7.1.; Government Regulation No 74 Year 2001, Article 19, Attachment Office Head Bapedal No.01 Year 1995, Article 4.3.; Manpower Regulation No 15 Year 2008, Article 8.1.d., Article 8.2 – 3.; INS. 11/M/BW/1997 III. Chapter I.1 and 3.; Government Regulation No 74 Year 2001, Article 11 – 12; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.5, HSE.6, HSE.9, HSE.10, HSE.11, and HSE.12)

Recommendations for Immediate Action

1. Ensure all PPE is properly stored and inventoried.
2. Provide spill response kits.
3. Properly separate and store chemicals.
4. Install shower and eye wash stations where ever chemicals are used and stored.
5. Install a fire detector and fire alarm in the temporary storage for toxic and hazardous waste and chemical storage area.
6. Provide MSDS, in the local language, for every chemical at the factory.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory to provide air tight containers to store PPE. Factory to provide spill response materials and log book for PPE in chemical storage, toxic and hazardous storage. Factory to provide safety cover for lamp in the temporary storage for toxic and hazardous waste. Factory to install shower and eye wash stations in the chemical and temporary storage for toxic and hazardous waste. Factory to install fire detector and fire alarm in temporary storage for toxic and hazardous waste area. Factory to add transformer oil to the MSDS.

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Based on written procedures, working instructions, reprimand letters, and a review of grievance records, there is no evidence that workers can refuse working with machinery.
2. None of the three cargo lifts in the factory have signs indicating their maximum working load.
3. The five band knife machines in the cutting section on the second floor are not placed in a secure location to prevent people passing the machine during operation.
4. The needle guards on approximately 70% of sewing machines are installed improperly and are positioned too high, rendering them ineffective.
5. Five Cutters at the spreading tables and five Cutters in the bend knife area in the cutting section are wearing chain gloves that are too big for their hands.
6. The factory does not provide workers with dust masks and therefore around 50% of sewing operators have purchased and wear their own dust mask.
7. The factory does not provide hard hats, safety shoes, or cotton gloves for all 49 workers in the warehouses.
8. The factory only provides a lifting belt for one out of the 14 mechanics while none for 49 workers in the warehouses.
9. The factory does not provide any gloves for the five hang taggers in the finishing section.
10. The chairs for sewing workers not adjustable for each individual worker.
11. The temperature in production areas (sewing section, cutting section, finishing section) reaches 34 degrees Celsius; by law, the maximum temperature is 30 degree Celsius.

Local Law or Code Requirement

Manpower Minister Regulation No.8 Year 2010, Article 5.1, Article 7.1., Article 7.2.c.a – c; Manpower Minister Regulation No.3 Year 1999, Article 3.1 – 2.; Manpower Minister Regulation No.8 Year 2010 Article 2.2.; Manpower Minister Regulation No 9 Year 2016, Article 7.1.; Manpower Minister Regulation No 7 Year 64, Article 9.2.a – d.; Attachment II of Health Minister Decree No. 405 Year 2002. Section Temperature and Humidity; FLA Workplace Code (Employee Relationship Benchmark ER.6; Health, Safety & Environment Benchmarks HSE.7, HSE.13, HSE.14, HSE.16, and HSE.17)

Recommendations for Immediate Action

1. Ensure that workers know and are able to refuse to work in areas where there is immediate danger to them without fear of retaliation.
2. Post the maximum weight load on every cargo lift.
3. Install fence around bend knife machine to prevent passing.
4. Ensure machine guards are properly installed and inspected.
5. Provide cutting workers with appropriately sized chain gloves.
6. Provide all necessary and appropriate PPE to workers as per the job hazards. Monitor to ensure it is utilized properly and in good condition.
7. Provide adequate ventilation in production areas to keep temperatures below 30 Degree Celsius.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory to update worker agreement to include a clause informing workers they can refuse work in areas where there is immediate danger, without fear of retaliation. Factory to add max working loads on all cargo lifts. Install guardrails to prevent people passing the machines during operation. Provide chain cutters that fit the workers hands. Factory management to provide all necessary PPE to workers and have extra inventory they can provide to workers upon request. Training on lockout - tagout will be conducted on a regular basis. Management to provide chairs that match the design of each worker. Management to reduce temperature to local law level of 30 degrees celsius.

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There are cables hanging in the electrical panel room near the Finished Goods Warehouse and above the alley between the perimeter fencing and the compressor room.
2. The emergency light cables are not secured by a proper electrical tray or pipe in the female toilet in production (located near sewing section line 1), the external area of expatriate dormitory, or at the water tank in the management dormitory.
3. The exit sign wiring at compressor room and emergency light wiring installed at stairway from collar process to cutting section are insulated with tape as permanent connection.
4. The factory does not have a government certified electrician.
5. The factory does not have a system of tracking electrical maintenance.
6. One out of three cargo lifts has not functioned since October 2016 due to damage on its crane mechanism.
7. The factory does not provide safety information to contractors prior to entering the premises.
8. There are no signs marking confined spaces or restricting entry for either the sewer or the water reservoir. All 13 water tanks are marked as confined spaces, but do not have "Do Not Enter" signs.
9. The water reservoir for the hydrant is open, without any measures to prevent accidents or falling.
10. The 14 maintenance workers who are responsible for confined spaces do not have the appropriate government certification nor does the factory provide the proper PPE for entering confined spaces.
11. There is no procedure in place to ensure confined spaces are only entered after the atmosphere is safe and the air has been tested.
12. There is no rescue equipment to use for entry into confined spaces.
13. The factory has not implemented lockout-tagout for one of the three damaged cargo elevators.
14. All seven ladders to the tanks do not have safety cages to prevent falling.
15. There is not scaffolding for workers working at heights. Furthermore, PPE provided for work in-height is only one body harness; the factory does not provide kernmantle rope, D-Clap, figure of eight, ascender or descender.
16. One maintenance worker, out of 14, who is assigned to work at heights does not have government certification.
17. The lights in the compressor and boiler room are not explosion-proof.
18. Cracks were found on the beams of the ablution area for the praying room near production (located near sewing section line 1), allowing rain water to seep through the walls of the praying room and temporary storage area for solid waste. The Ceiling of the praying room is also damaged.
19. The walls in the sample room are cracked and most of the ceiling insulation sheets in the Production Building are peeling, which raising the temperature inside to 28 - 34 degrees Celsius.
20. The ceiling of alley between the perimeter fence and compressor, boiler and chemical storage rooms is damaged.
21. An application for the factory's Proper Function of Building (SLF) permit has been submitted, without any known date when it will be approved by government.
22. The fire protection installation permit at the factory expired June 10, 2017; it will be reissued next month.

Local Law or Code Requirement

Safety act No.1/1970, Article 3.1.a., 3.1.d and 3.1.q.; PUIL 2000 Article 9.2.1., Article 9.12.1.3.1.; Manpower Supervisory Management General Director Decree No. KEP. 113/DJPPK/IX/2006, first section; Manpower Minister Regulation No.9 Year 2016, Article 2, Article 3 and Article 7.1.; Manpower Minister Regulation No 8/2010, Article 2 (1); Government Regulation No.41/99, Article 22;

Recommendations for Immediate Action

1. Secure electrical cables and wiring with an electrical tray and or pipe.
2. Hire a government certified electrician.
3. Maintain a timely record of electrical maintenance that occurs in the factory.
4. Repair cargo lift immediately or replace it with the new one.
5. Provide safety information to contractors prior entering the premises.
6. Post signs marking and restricting entry to all confined spaces in the factory.
7. Close water reservoir door to prevent accident of falling.
8. Confined space certification for 14 maintenance workers, provide related PPE and work permit.
9. Test the atmosphere prior enter confined space.
10. Ensure rescue equipment readiness for people who enters confined space.
11. Enroll 14 maintenance workers for government training regarding confined space.
12. Implemented lockout-tagout system in the factory.
13. Install safety cages on ladders. Provide scaffolding and related PPE to workers working at heights.
14. Enroll maintenance worker who is assigned to working at heights for government certification.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory to secure cables hanging in the electrical panel room and above the alley near the compressor room. Management will secure emergency light cables with a proper electrical pipe. Install exit light properly- hire a certified electrician if needed to secure any electrical wiring. Factory to nominate a representative to conduct regular walk thrus of factory to ensure proper electrical maintenance- representative to document all findings. Factory management to determine if cargo lift maintenance can be added to current budget. Factory management or HR to review safety information with all contractors entering the building. Factory will mark water tanks with "Do Not Enter" signs. Factory awaiting approval to certify 14 maintenance workers for confined spaces. Factory to conduct a confined space test to determine what chemicals/hazards are present in the space and then identify what steps must be followed and what conditions must be met to ensure conditions are safe for workers.

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory does not verify workers' original documents, such as national ID cards, birth certificates, or school certificates. Two sewing operators on the assembly line were 14 and 15 years old at the time they were hired in 2013. The workers' years of birth were falsified on copies of the national ID card, school certificate and birth certificate provided to the factory. The HR recruitment procedure point 5.2.3.1.4 regards checking the validity of applicants' documents based on copies of documents. There is no guideline to check original documents. Thus, there is a continued risk of hiring child labor.
2. The factory has 13 disabled workers out of a total of 1,534 workers (0.8%), which is a violation of legal requirements that state 1% of the total workforce must be disabled workers.
3. The factory does not conduct performance reviews for production workers; the factory only conducts performance reviews for contractual workers before ending the contract to determine whether their contract is eligible to be renewed or promoted to permanent status. Moreover, workers do not have access to their reviews or the right to provide feedback.

Local Law or Code Requirement

Law No. 13 on Manpower (2003), Art. 1(26), Art. 68; Law No. 4 of 1997 concerning persons with disabilities. Article 14; FLA Workplace Code (Employee Relationship Benchmarks ER.1, ER.4, and ER.29; Nondiscrimination Benchmarks ND.1 and ND.2; Child Labor Benchmarks CL.1 and CL.2)

Recommendations for Immediate Action

Verify workers' original age documents, such as national ID cards, school certificates, and birth certificates during the Recruitment & Hiring process.

COMPANY ACTION PLANS

Action Plan no 1.

Description

HR department to revise recruitment and hiring procedure to check original documents to prevent hiring employees under age. Factory to hire additional two employees to meet the legal requirement that states 1% of total workforce must be disabled. HR department to update personnel development processes to include conducting performance reviews, along with providing workers the right to give feedback and included access for all workers to their own reviews.

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The factory does not properly or effectively communicate policies and procedures and their updates to the general workforce on the following Employment Functions: Recruitment, Hiring & Personnel Development, Termination and Retrenchment, and Environmental Protection.
2. 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 or feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes.

Local Law or Code Requirement

FLA Workplace Code (Employee Relationship Benchmarks ER.1, ER.16, ER.25.2, ER.29.1, ER.29.1.1, ER.30, and ER.32)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory management will begin holding bipartite meeting for workers where management will communicate policies and procedures. Within the bipartite meetings workers and/or worker representatives will be given the opportunity to share their opinions about policies and procedures.

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. There is no system to discipline managers, supervisors, and workers who engage in any form of harassment or abuse.
2. During second day of the assessment, it was observed that an foreign manager was angry and shouting at supervisors in the production room.
3. According to Article 28 of the factory's rules and regulations, only verbal warnings are given for misconducts, such as verbal abuse.
4. Security guards performs same-gender physical pat downs four times per day: when workers enter the building before the shift, before leaving the building for the lunch break, after the lunch break, and after the shift ends.
5. A remark in a worker's disciplinary record reads: "if the worker does not obey and does not make improvement then he/she will get harder sanction or he/she has to submit voluntary resignation and without prosecution in future". Written warnings do not include any reference to the alleged misconduct and validity of warning letter as regulated in the factory internal rules and regulations. Some disciplinary action records do not have the detail of the misconduct. For example: a worker from the sewing section was given a warning letter on June 12, 2017 for not being disciplined.
6. Written warnings are not reviewed by direct superior before they are issued.
7. There is no process for workers to appeal disciplinary actions taken against them. In addition, the disciplinary procedures do not include the presence of a third-party witness during imposition of disciplinary actions.

8. The records of disciplinary actions are maintained in a separate folder instead of in workers' personnel files.

Local Law or Code Requirement

Constitution of Indonesia (1945), Art. 28G; FLA Workplace Code (Employee Relationship Benchmarks ER.2, ER.17, and ER.27; Harassment or Abuse Benchmarks H/A.1, H/A.5, H/A.8, H/A.10.2, and H/A.11)

Recommendations for Immediate Action

1. To maintain a work environment free from Harassment & Abuse, the following are to be followed:

- a) Establish a Zero Tolerance Policy, including an effective Harassment & Abuse handling system. Regularly train and communicate this Zero Tolerance Policy to supervisors, factory management and workers during regular meetings. Regularly communicate the Zero Tolerance Policy to all employees through morning briefings, surveys, and other meetings;
- b) Include the Zero Tolerance Policy and Harassment & Abuse policy in orientation training for new workers;
- c) Establish a Labor and Industrial team in charge of Harassment & Abuse issues at the factory, who are subgroups of the Human Resource Management team and directly report to the Human Resource Management team. The new Labor and Industrial teams should conduct Harassment & Abuse training for all Managers (foreign and local), supervisors, and workers in all departments, including annual refresher training.

2. Immediately cease conducting pat-downs for workers at the factory. Only conduct pat-downs and/or searches when there is evidence of theft and with permission from the relevant authorities.

3. Ensure disciplinary action rules not outside of the factory's rules and regulations, particularly with the intention of intimidating or threatening workers.

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COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory to develop a 5 step system to discipline managers, supervisors and workers ranging from oral warning, written warning, documentation, suspension, termination. Within the new policy factory will include a section on how to appeal a disciplinary action and what third party will be present during the imposition. HR to share new policy in bipartite meeting. Factory to conduct only employee pat downs when there is evidence of theft and only with permission of authorities. All disciplinary actions will be documented in the personnel files of each worker.

FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. Due to the late arrival of materials, the factory suspended work on January 7, 14, 21, February 25, 27, 28, and March 1, 2, 3, 4, 2017, and deducted these ten days from workers' annual leave. On June 27 & 28, 2017 the factory gave workers' additional days for the Eid Mubarak holiday, which was also deducted from workers' annual leave. Therefore, by the end of June 2017, workers did not have any remaining balance of annual leave.

2. When the assessors arrived at factory at 7:05 on the second day of assessment, around 30% of workers were already working by 7:15, while the normal hours start at 7:30. In addition, the workers started to work 15 minutes before their lunch break ended. This work (before normal hours and during the lunch break) was not compensated.

3. The factory does not compensate terminated or resigned workers' for their unused annual leave.

4. The factory does not adequately inform workers of their annual leave before their balance expires.

Local Law or Code Requirement

Government Regulation No: 78 Year 2015 Article 25; Law No. 13 on Manpower (2003), Art. 78(2); Labor Law No. 13 (2003), Art. 156 (3a); FLA Workplace Code (Employee Relationship Benchmark ER.19; Hours of Work Benchmarks HOW.11, HOW.12, HOW.13, HOW.18 and HOW.19; Compensation Benchmarks C.1, C.5, C.7 and C.17)

Recommendations for Immediate Action

1. Compensate workers in full for any production down time instead of deducting workers' annual leave.
2. Ensure workers do not work before their shift starts or during their lunch breaks.
3. Provide terminated or resigned workers with payments for their unused annual leave.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory management will work in full for any production downtime, instead of taking out of their annual leave. Factory management to give annual leave back and update policy accordingly. Factory will ensure workers do not start before their shifts by now opening the production gate after 7:15am. Factory to provide necessary payment to all resigned and/or terminated workers for annual leave.

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The time-in records are not accurate. The time records showed workers' times-in range between 07:21 to 07:29 every day; none are earlier than 07:20. However, assessors arrived at factory at 07:05 on second day of assessment (July 11, 2017) and observed a majority of workers entering production and scanning their time sheets before 07:15. Around 30% of workers were working by 07:15.
2. Eighteen cleaning workers are provided with paper time card and mostly they do not clock out at the end of working hours when they work on second shift that started at 09:00.
3. There are no policy and procedures to identify pregnant, lactating women and underage workers in hours of work records to ensure they receive legally-entitled protections.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.23; Hours of Work Benchmark HOW.5)

Recommendations for Immediate Action

Record workers' actual start times and ensure all workers clock out when their shift ends.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Updated working hours policy to make clear to all workers that every employee must clock in when they begin work and clock out when they complete work for the day. Factory to update policy to include a clause ensuring pregnant/lactating women/ under age workers receive the legally entitled protections.

FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. As per factory internal regulation and local law, workers may be terminated if they are absent for five consecutive days without submitting a written explanation for their absence. The factory does not send two official notification letters to the worker before beginning the termination process. The letter is sent through coworkers instead of through an official channel such as post office. Moreover, the factory does not issue termination letters to the applicable workers.

2. Based on resignation procedures point 5.1.10.1 (e), the HR Director (HRD Chief) has a right not to approve a worker's resignation if the relevant worker is still needed by factory.
3. Based on induction training materials and factory internal regulation Article 26.7, each worker must learn to be an operator for up to six months after worker is hired. If the worker is unwilling, then the contract will not be renewed. There is no indication that this only applies to workers who applied for sewing operator positions.

Local Law or Code Requirement

Law No. 13 on Manpower (2003), Art. 168(1); FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.11, and ER.32; Forced Labor Benchmark F.2)

Recommendations for Immediate Action

1. Send two official notification letters to the worker before beginning the termination process.
2. Delete resignation procedures point 5.1.10.1 (e) as it poses risk of forced labor.
3. Revise induction training materials and internal regulation Article 26.7 to avoid any potential risk of forced labor.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory to update termination policy to ensure two written notices are sent to workers if they are absent for five consecutive days before the employee is terminated. Factory to send updated policy to review. Factory management will delete resignation procedure point 5.1.10.1. Factory will revise internal regulations appropriately to state only sewing operator positions will need to learn to be an operator for up to six months after worker is hired.

FINDING NO.15

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory has not identified whether its on-site operations generate any negative environmental impacts.
2. The factory has not established a system to reduce its environmental impact.
3. The toxic and hazardous waste handling company hired by the factory is only authorized by the government to transport toxic and hazardous waste; it is not authorized to handle toxic and hazardous waste.
4. The factory has not yet established a rain water management system, such as collecting pond, absorbent well, and/or bio pore holes, as legally required.

Local Law or Code Requirement

Government Regulation No.18 Year 1999, Article 9 (4); Environmental Minister Regulation No .12 Year 2009, Article 3; FLA Workplace Code (Employee Relationship Benchmark ER.31; Health, Safety and Environment Benchmarks HSE.1 and HSE.4)

Recommendations for Immediate Action

Find a legitimate handling company to deal with toxic and hazardous waste.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory management to conduct environmental monitoring twice a year to identify environmental impacts by a legitimate handling company. Once factory has conducted the monitoring they will establish a program that can reduce the environmental impact. Factory will continue to use the transporter for hazardous waste, however, they will dispose the waste to an authorized governmental handling company. Factory will submit verification of both the transporting company and the handling company that they are utilizing.

FINDING NO.16

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

- 1.The factory does not clearly define the responsible person(s) for Hours of Work, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, or Environmental protection.
- 2.The factory does not formally identify the person with ultimate responsibility.

Local Law or Code Requirement

FLA Workplace Code (Employee Relationship Benchmark ER.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory will identify a person with ultimate responsibility for Hours of work, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline and Environmental Protection. Factory will share the appointed contact with Antigua.