



FAIR LABOR  
ASSOCIATION<sup>®</sup>

## INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Kathmandu  
COUNTRY: Indonesia  
ASSESSMENT DATE: 12/07/16  
ASSESSOR: Donny Triwandhani  
PRODUCTS: Apparel  
NUMBER OF WORKERS: 2601

## 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: Training (Macro)

##### Finding Explanation

1. There was no record of orientation training for new workers available for review. Some staff in the HR department are new and had not kept the orientation records kept by former HR staff. According to management, the factory has not recruited workers the past two years. Management stated that new workers do not receive written documentation that substantiates issues covered in orientation.
2. Supervisors do not receive specific training on any of the Employment Functions. Moreover, there is no specific training for the relevant managers or HR personnel on Workplace Conduct & Discipline.
3. The ongoing training that the factory provides to supervisors and workers provides little information. According to the available training records for September and October 2016, the factory trained workers and supervisors on topics such as Management System Value ISO 9001:2008, SM K3L ISO 14001:2004, and OHSAS 18001:2007 and C-TPAT, which focused on multi skills; however, the training did not specifically cover Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Workplace Conduct & Discipline, Grievance System, or Environmental Protection.
4. The factory does not conduct training for the relevant workers on the handling of toxic, hazardous, and non-hazardous waste.

##### Local Law or Code Requirement

Act No. 18/2008, Article 12 (1); PP No. 101/2014, Article 218; Act No. 32/2009, Articles 47.2.a – c. and 65(2); FLA Workplace Code (Employment Relationship Benchmarks ER.15, ER.17, ER.25, and ER.27.2; Health, Safety & Environment Benchmark HSE.1)

#### COMPANY ACTION PLANS

##### Action Plan no 1.

###### Description

###### IA

1. Ensure worker handbook includes written documentation that substantiates issues covered in orientation.
2. Provide a copy to all staff.
3. Provide copies to all new employees during orientation.

###### SI

1. Train HR and related personnel on the importance of retaining copies of orientation training and workers knowing and having copies of all workplace rules, policies and procedures that impact them.
2. Include these changes on worker orientation and training.
3. Create system to record the fact that employees have received a copy each.
4. Monitor implementation

## Action Plan no 2.

### Description

IA 1. Develop training materials for managers and supervisors on Workplace Conduct & Discipline. 2. Provide such training to managers and supervisors. 3. Respond to questions. SI 1. Appoint relevant HR and related personnel to be responsible for training and education within the factory 2. Include such training for managers and supervisors upon appointment and/or promotion 3. Create system to monitor and record such training

## Action Plan no 3.

### Description

IA

1. Develop training materials for managers and supervisors on Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Workplace Conduct & Discipline, Grievance System, or Environmental Protection.
2. Provide such training to managers and supervisors.
3. Respond to questions.

SI

1. Appoint relevant HR and related personnel to be responsible for training and education within the factory
2. Include such training for managers and supervisors upon appointment and/or promotion
3. Create system to monitor and record such training
4. Monitor implementation

## Action Plan no 4.

### Description

IA

1. Review procedures on the handling of toxic, hazardous, and non-hazardous waste.
2. Identify what needs to be done to train all relevant workers on the handling of toxic, hazardous, and non-hazardous waste.
3. Identify who is responsible for doing so.
3. Implement action.

SI

1. Create or amend Health and safety Policy and Procedure addressing the handling of toxic, hazardous, and non-hazardous waste.
2. Provide Health and safety training to all employees on the correct handling of toxic, hazardous, and non-hazardous waste.
3. Establish action plan to train all relevant workers on the handling of toxic, hazardous, and non-hazardous waste.

## Action Plan no 5.

### Description

Nil

### Company Action Plan Update

1.1

1. Provide attendance list, pre-test and post-test and record training with photo

2. Provide copy of Collective Bargaining Agreement (CBA) to all trainee

3. Keep all of the record of Orientation training

4. Conduct regular monitoring

1.2

1. Set up timetable, List of supervisors as participants and material of training specifically
2. Provide attendance list, pre-test and post-test and record training with photo
3. Keep all of the record of Orientation training
4. Conduct regular monitoring

### 1.3

1. Set up timetable, List of managers as participants and material of training specifically
2. Provide attendance list, pre-test and post-test and record training with photo
3. Keep all of the record of Orientation training
4. Conduct regular monitoring

### 1.4

1. Review procedures and Jobs Description of handling of toxic, hazardous and non hazardous waste
2. Review Hazard Identification Risk Assessment and Determining Control (HIRADC) of its
3. Set up timetable, List of participants and material of training specifically
4. Keep all of the record of training
5. Conduct regular monitoring

## FINDING NO.2

### SUSTAINABLE IMPROVEMENT REQUIRED

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

##### Finding Explanation

- 1.The factory does not communicate the policies and procedures or their updates to the general workforce on the following Employment Functions: Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Grievance System, Environmental Protection, and Health & Safety.
- 2.There are no procedures to request and/or receive workers' input and feedback regarding the creation, implementation, and updating of its policies and procedures. The worker integration component is missing across all Employment Functions. Workers are neither systematically integrated nor consulted in decision-making processes.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.25, ER.29, ER.30, and ER.32)

### COMPANY ACTION PLANS

## Action Plan no 1.

### Description

IA

1. Develop training materials for managers and supervisors on Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Industrial Relations; Grievance System; Workplace Conduct; Termination & Retrenchment and Environmental Protection.
2. Provide training to managers and supervisors on the importance of communicating these to the general workforce.
3. Roll out such communication and respond to questions.

SI

1. Develop procedure on communications with workers on policies and procedures, including updates on the various employment functions.
2. Identify and train personnel/team responsible in communications with workers
3. Communicate with workers

## Action Plan no 2.

### Description

A

1. Review current factory practice and legal requirements to include worker voice.
2. Identify areas where worker input or feedback is absent.
3. Plan implementation of worker communication.
4. Implement meaningful ways for workers to have some input and provide feedback to management.

SI

1. Train HR and related personnel on changes
2. Communicate with workers and post on bulletin boards ways they can now provide feedback and input.
3. Include in all worker orientations and training.
4. Create system to monitor and review worker contributions.
5. Monitor implementation

## Action Plan no 3.

### Description

Nil

### Company Action Plan Update

2.1

1. Review procedure of communications with workers
2. Communicate all of its on notice board
3. Set up timetable, List of participants and material of training specifically
4. Keep all of the training record and posted notice
5. Conduct regular monitoring

2.2

1. Review procedure of grievance and feedback of employment
2. Communicate procedure of grievance and feedback in notice board

3. Keep and follow up all of the feedback record and share the result in notice board

Factory has already proceed to create the procedure which involve worker's input and feedback regarding updating the procedures.

### FINDING NO.3

#### SUSTAINABLE IMPROVEMENT REQUIRED

##### FINDING TYPE: Review Process (Macro)

###### Finding Explanation

The factory has not established a review process for the policies and procedures of any Employment Function to ensure updates are made according to local law and FLA Workplace Code requirements. As a result, the factory management does not periodically review or update its policies and procedures for any Employment Function.

###### Local Law or Code Requirement

Law No. 4 of 1997; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.30, and ER.31)

#### COMPANY ACTION PLANS

##### Action Plan no 1.

###### Description

IA

1. Conduct internal review of factory policies and procedures
2. Compare with local law and FLA Workplace Code requirements and identify discrepancies.
3. Develop policies and procedures that are in accordance with local law and FLA Workplace Code requirements.
4. Incorporate these standards into company wide policies.
5. Periodically review policies and procedures for all Employment Functions to ensure they remain in compliance.

SI

1. Train HR and related personnel on the changes.
2. Communicate new policies and procedures with workers
3. Include policy changes in new worker orientation and worker trainings.
4. Include in Employee Handbooks.
5. Monitor implementation.

##### Action Plan no 2.

###### Description

Nil

###### Company Action Plan Update

1. Review of factory policies and procedures according local law and buyer requirement
2. Communicate all of its on notice board
3. Set up timetable, List of participants and material of training specifically
4. Keep all of the training record and posted notice
5. Conduct regular monitoring

### SUSTAINABLE IMPROVEMENT REQUIRED

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

##### Finding Explanation

1. According to management, the factory employs only one worker with disabilities. This violates the local law which requires factories to hire one person with disabilities per 100 workers. This facility has a total of 2,584 workers therefore the factory needs to hire at least 26 workers with disabilities to meet the legal requirements. However, the factory has not established a program to hire workers with disabilities.
2. The factory does not have any policy and procedures for performance reviews. Performance reviews are conducted for each worker but workers do not have access to their evaluations and the right to provide feedback.
3. There are no procedures on raising or broadening skills in order to advance workers in their careers. In addition, the factory does not have procedures with steps and requirements regarding promotion, demotion, and reassignment scheme or provide workers with written outcomes of such employment decisions.
4. The factory has not developed policies and procedures on 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

Law No. 4 of 1997; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.28, ER.29, and ER.30; Nondiscrimination Benchmarks ND.1 and ND.2)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

IA

1. Review current factory practice and legal requirements.
2. Identify discrepancies, and reason for the discrepancies.
3. Plan implementation of incremental increases in hiring people with disabilities.
4. Implement plan and proactively look for roles where disabled workers could be gainfully employed

SI

1. Train HR and related personnel on changes to hiring disabled workers
2. Communicate with workers and post on bulletin boards, employee handbooks, new worker orientation and training.
3. Create system to monitor hiring or some disabled workers.
4. Monitor implementation

#### Action Plan no 2.

##### Description

IA

1. Create written policies and procedures outlining process for performance reviews.
2. Review all employment contracts and identify all workers who have not had a performance review
3. Provide all employees with education on the performance review policies and procedures and respond to questions.
4. Include in policy and procedures a review of the performance of workers during their probationary period.

SI

1. Train HR and related personnel on changes
2. Include in worker handbook.
3. Include changes on worker orientation and training.
4. Create system to monitor regular performance reviews

## 5. Monitor implementation

### Action Plan no 3.

#### Description

IA

1. Create a worker handbook which contains information on procedures for advancement and continuing education.
2. Include procedures for seeking promotion, demotion, and reassignment
3. Include procedures for ensuring that workers are provided with written outcomes of such employment decisions.
4. Provide a copy to all staff.
5. Provide copies to all new employees during orientation.

SI

1. Train HR and related personnel on the importance of workers knowing and having copies of all aforesaid procedures that impact them.
2. Include thes

### Action Plan no 4.

#### Description

IA

1. Conduct internal review of factory policies and procedures
2. Compare with local law and FLA Workplace Code requirements and identify discrepancies.
3. Develop policies and procedures that are in accordance with local law and FLA Workplace Code requirements.
4. Incorporate these standards into company wide policies.
5. Periodically review policies and procedures for all Employment Functions to ensure they remain in compliance.

SI

1. Train HR and related personnel on the changes.
2. Communicate new policies and procedures with workers
3. Include policy changes in new worker orientation and worker trainings.
4. Include in Employee Handbooks.
5. Monitor implementation.

### Action Plan no 5.

#### Description

Nil

#### Company Action Plan Update

4.1

1. Review policy of procedures of Disabled Employee
2. Review Jobs description and skill requirement
3. Communicate with local Disable People's Organization (DPO)
4. Re-identification of employees who indicated bears disability by co-work with doctor in factory
5. Increase understanding of Disability-workers to managment
6. Communicate awareness of Disability Workers on notice board
7. Set up timetable, List of participants and material of training specifically



8. Keep all of the training record and posted notice

9. Conduct regular monitoring

4.2

1. Create Policy and Procedures of Performance Workers review

2. Create standard competency of job activities

3. Communicate policy, procedures and standard competency on notice board

4. Set up timetable, List of participants and material of training specifically

5. Conduct performance review fairly and with transparent

6. Keep all of the training record and posted notice

7. Conduct regular monitoring

4.3&4.4

1. Review Policy and Procedures of career oppotunities

2. Communicate policy, procedures and career opportunities on notice board

3. Set up timetable, List of participants and material of training specifically

4. Keep all of the training record and posted notice

5. Conduct regular monitoring

## FINDING NO.5

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Compensation

#### Finding Explanation

1. On November 20, 2015 the regional minimum wage where the factory is located was set at IDR 3,043,950 per month (USD 228). On February 26, 2016, the government split the regional minimum wage into four sectors, placing the garment industry in Sector 2. The minimum wage for this sector is 10% higher than the regional minimum wage, and therefore set at IDR 3,348,345 (USD 250) per month. However, the factory pays workers the basic regional minimum wage instead of the higher minimum wage for the garment sector. The

factory made an agreement on December 15, 2015 with the union to implement the regional minimum wage (IDR 3,043,950) starting on January 1, 2016; this was before the local government implemented sectoral minimum wages. The factory's agreement with the union was registered with the Industrial Relations Court on May 20, 2016.

2. For some workers who are members of the cooperative store, deductions from their wages for the repayment of loans and buying goods at the cooperative store, exceeded the legal limit of 50% of wages received. For example, in June 2016, a worker received a gross wage, including overtime of IDR 3,961,935 (USD 296), of which IDR 3,402,456 (USD 254) was deducted. Deductions were made for the following: repayment of a loan from cooperative store (IDR 1,696,619/USD 127); goods bought at the store (IDR 1,194,200/USD 89); personal fixed and voluntary savings accounts (IDR 100,000/USD 7.48); repayment of loan from factory (IDR 221,603/USD 16.57); union fee (IDR 15,220/USD 1.14); and legally required deductions such as income tax (IDR 51,256/USD 3.83), BPJS healthcare, (IDR 31,140/USD 2.33), BPJS social security (IDR 62,279/USD 4.66), and BPJS pension fund (IDR 31,140/USD 2.33). After all the deductions, the worker's net wage was IDR 791,480 (USD 59.18). Thus, the total deductions were 85.87% of the worker's gross wage. In addition, the loans exceed three months of salary, posing a potential risk for bonded labor.

3. In several cases, the amount of the deduction written on workers' pay slips are different than the descriptions. For example, a deduction of IDR 2,145,500 (USD 161) listed on the August 2016 pay slip of a worker from the accessories warehouse was labeled as voluntary saving. However, after clarification with the cooperative store manager, the deduction was actually for repayment of a bank loan.

4. The workers may deposit some amount of their salary into their savings accounts (run by the cooperative store) through a payroll deduction. The amount of savings is between IDR 50,000 and IDR 1,000,000 (USD 3.74 to USD 7.48). However, workers do not sign any form of written consent for the deduction. Cooperative management stated some workers gave verbal consent to the cooperative when they wanted to deduct some amount of their wages for saving.

5. The factory does not have a consistent policy on paid and unpaid leave when workers ask for permission to go home early due to emergencies. Some workers' time records are manually adjusted by payroll staff so that they receive a full-days wages, while other workers' records are not adjusted and they receive payment only for hours worked. For example:

1. According to the manager's written permission for a worker from the sample section, she went to the hospital at 12:00 PM on November 2, 2016 and did not return to the factory that day. However, her time out was recorded at 4:03 PM (16:03) and the worker was paid full wages for that day.

2. According to the manager's written permission for a worker from the sewing section, she went home at 10:00 AM on November 8, 2016 to process her national ID and did not return to the factory that day. However, her time out recorded was at 4:10 PM (16:10) and the worker was paid full wages for that day.

#### Local Law or Code Requirement

Law No. 13 on Manpower (2003), Art. 90(1); Decision of Banten Governor No. 561/Kep. 519-Huk/2015; Regulation of Minister of Manpower No. 7 on Minimum Wage (2013), Art. 1; Government Regulation No. 78/2015, Art. 57 & 58; Regulation of the Minister of Manpower No. KEP-06/MEN (1990); Decision of the Minister of Manpower and Transmigration No. KEP 102/MEN/VI (2004), Art. 4(1); FLA Workplace Code (Employment Relationship Benchmarks ER.20.1 and ER.22; Compensation Benchmarks C.1, C.2, C.5, C.7, C.11, and C.15)

#### Recommendations for Immediate Action

1. Base calculations for workers' wages on the updated 2016 minimum wages for the garment sector which is 110% of the city's minimum wage, or IDR 3,348,345 (USD 250) per month.
2. Retroactively pay workers who received insufficient wages the difference between the minimum wage and the minimum wage for the garment sector (IDR 304,395/USD 22.76 per month), starting from the date of implementation of the garment sector minimum wage.
3. Ensure deductions on wages do not exceed the legal limit of 50% of wages received by workers. Ensure deductions from wages for loans are not mixed with deductions for savings accounts.
4. Ensure that the factory's loans do not exceed three months' salary, as per FLA benchmarks.
5. Ensure consistency on hours of work and wage calculations for workers who do not complete a regular work day.
6. Ensure workers do not work during their scheduled breaks.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

IA

1. Review current factory practice and legal requirements regarding local government implemented sectoral minimum wages.
2. Identify discrepancies, and reason for the discrepancies.
3. Measure % discrepancy for local government implemented sectoral minimum wages.
4. Calculate the correct amounts to comply with legal contributions.
5. Calculate the back pay that is owed to all workers based on the date of 26 February 2016 when the law was changed for all workers to receive the higher regional minimum wage in Sector 2.
6. Pay workers the difference in their back pay owed
7. Implement paying workers according to the corrected local government sector 2 amount.
8. Include worker communication in this process.

## Action Plan no 2.

### Description

A

1. Review current factory practice and legal requirements regarding deductions for cooperative store.
2. Identify discrepancies and those more than the legal limit of 50% of wages.
3. For those workers who are above the legal limit, set a plan for them to make mandatory repayments to the store and limit their buying of goods in the cooperative.
4. By December 2017 ensure that all workers are below the 50% limit.
5. Plan implementation of these corrected contributions and include worker communication in this process.

SI

1. Train HR and related personnel regarding legal limits for making deductions from the cooperative store.
2. Communicate with workers and post on bulletin boards, include in worker handbook, orientation and training as to the legal limits for making deductions from the cooperative store and the planned repayment to bring everyone down below this level.
3. Create system to monitor the maximum number of deductions for any worker.
4. Implement corrected contributions.
5. Monitor implementation

## Action Plan no 3.

### Description

IA

1. Review current factory practice and legal requirements regarding deductions and descriptions.
2. Identify discrepancies, and reason for the discrepancies.
3. Calculate the correct amounts and ensure descriptions comply with legal contributions.
4. Plan implementation of these corrected descriptions and include worker communication in this process.

SI

1. Train HR and related personnel on having correct descriptions for deductions.
2. Communicate with workers and post on bulletin boards, include in worker handbook, orientation and training as to the deductions and what they mean.
3. Ensure deductions for workers are timely and accurate.
6. Implement corrected descriptions.
7. Monitor implementation.

## Action Plan no 4.

### Description

IA

1. Review current factory practice and legal requirements regarding deductions in pay.
2. Identify those staff involved and ensure they provide a written consent for the deductions.
3. Implement having workers provide their signed consent for their contributions moving forward.

SI

1. Train HR and related personnel regarding workers sign a written record for deductions from their pay for savings.
2. Communicate with workers and post on bulletin boards, include in worker handbook, orientation and training as to the need to sign a written record for deductions made from their pay.

## Action Plan no 5.

### Description

IA

1. Review current factory practice and legal requirements regarding paid and unpaid leave and emergency leave.
2. Identify discrepancies, and reason for the discrepancies.
3. Formulate a policy and related procedures to ensure paid and unpaid leave and emergency leave complies with legal contributions.
4. Implement this policy and include worker communication in this process.

SI

1. Train HR and related personnel regarding the need for a consistent policy on paid and unpaid leave and emergency leave for when workers ask for permission to go home early due to emergencies.
2. Communicate with workers and post on bulletin boards, include in worker handbook, orientation and training as to the new

- policy.
- 3. Implement new system.
- 4. Monitor implementation

## Action Plan no 6.

### Description

IA

1. Review the break policy of the factory.
2. Issue a communication to all workers that no work should be done during break time. State the reason why break is important.
3. Communicate with supervisors and managers to re-inforce the communication and implementation
4. Provide education on the importance of taking their breaks to employees
5. Monitor implementation

SI

1. Train HR and related personnel on the importance of taking breaks and the potential impact of fatigue on their work.
2. Communicate the legal and social requirement for workers to take regular breaks and post on bulletin boards, include in worker handbook, orientation and trainings.
3. Create system to monitor employees and ensure they are encouraged to take regular breaks.
4. Monitor implementation

## Action Plan no 7.

### Description

Nil

### Company Action Plan Update

5.1

1. Factory conduct re-fresh training to HR and related personnel on local government implementation about wages
2. Communicate with workers and post on bulletin boards, include in worker handbook, orientation and training.
3. Factory ensure payments for workers are timely and accurate.
4. Monitor the implementation

5.2

1. HR communicate with workers by posting the information letter regarding legal requirement deduction for cooperative store below the 50% limit.
2. Train the personnel of cooperative store staffs for their awareness of deduction for cooperative store under 50%

5.3

1. Train HR and related personnel on having correct descriptions for deduction
2. Ensure deductions for workers are timely and accurate.

3. Monitor the implementation properly

5.4

1. Train HR and related personnel on having correct descriptions for deduction

2. Ensure deductions for workers are timely and accurate.

3. Monitor the implementation properly

5.5

1. Factory reviews the policy and related procedures to ensure paid and unpaid leave and emergency leave complies with legal contributions.  
2. Identify discrepancies, and ensure the paid and unpaid leave and emergency leave complies with local legal law or requirement

3. Monitor the implementation

5.6

1. Factory review the break policy of the factory.

2. Communication to all workers, supervisors, managers that no work should be done during break time.

3. Monitor the implementation

## FINDING NO.6

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Hours of Work

##### Finding Explanation

1. There are inconsistencies between workers' time records and their permits to go home early. For example:
1. A permit of a worker from the sample section showed that she went to the hospital at 12:00 PM on November 2, 2016 and did not return to the factory that day. However, her time out was recorded at 4:03 PM (16:03).
  2. A permit of a worker from the sewing section showed that she went home at 10:00 AM on November 8, 2016 to process her national ID and did not return to the factory. However, her time out was record at 4:10 PM (16:10).
2. The working-hours records do not contain identification of pregnant and lactating women.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.23.2 and ER.23.5; Hours of Work Benchmark HOW.5)

##### Recommendations for Immediate Action

- 1.Ensure the time records reflect actual working hours.
- 2.Ensure working-hours records contain the identification of pregnant and lactating women.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

IA

1. Review policy and procedures for workers' time records and their permits to go home early.
2. Identify discrepancies.
3. Provide education to workers on the time records and their use of permits to go home early.
4. Ensure procedures are in place to correctly record workers' time records as legally required.

SI

1. Train HR and related personnel on workers' time records and their use of permits to go home early.
2. Communicate the legal requirements with workers and post on bulletin boards, include in worker handbook, orientation and training.
3. Create system to monitor workers' time records and their use of permits to go home early.
4. Monitor implementation.

### Action Plan no 2.

#### Description

IA

1. Review law relating to lactating employees.
2. Identify workers who are lactating employees
3. Provide education on the law to lactating employees
4. Provide breastfeeding leave and a suitable private room for lactating employees to use as legally required.

SI

1. Train HR and related personnel on leave to lactating employees
2. Communicate this legal requirement with workers and post on bulletin boards, include in worker handbook, orientation and training.
3. Create system to monitor lactating employees and offer them the legally required support and space to breastfeed
4. Monitor implementation

### Action Plan no 3.

#### Description

Nil

#### Company Action Plan Update

- 6.1 1. Factory reviews the policy and procedures for workers' time records and their permits to go home early.
2. Make identification of the discrepancies.
3. Factory gives education to workers on the time records and their use of permits to go home early.
4. Ensure procedures are in place to correctly record workers' time records as legally required.

## FINDING NO.7

## SUSTAINABLE IMPROVEMENT REQUIRED

**FINDING TYPE:** Workplace Conduct & Discipline

#### Finding Explanation

1. Although there is a procedure for workers to appeal disciplinary actions taken against them, the factory does not implement it.
2. The disciplinary procedures did not include the presence of a third-party witness during application of disciplinary actions.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.25 and ER.27)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

IA

1. Review all workers' personnel files.
2. Identify workers who are currently facing disciplinary action.
3. Provide a copy of the procedure allowing workers to appeal disciplinary actions taken against them.
4. Provide a copy of the policy allowing the presence of a third-party witness during application of disciplinary actions.
5. Keep a record of all disciplinary actions inside workers files.

SI

1. Review current disciplinary policy and procedures.
2. Revise details on disciplinary actions within legal requirements including procedure for workers to appeal disciplinary actions taken against them.
3. Revise details on di

### Action Plan no 2.

#### Description

IA

1. Review all workers' personnel files.
2. Identify workers who are currently facing disciplinary action.
3. Provide a copy of the procedure allowing workers to appeal disciplinary actions taken against them.
4. Provide a copy of the policy allowing the presence of a third-party witness during application of disciplinary actions.
5. Keep a record of all disciplinary actions inside workers files.

SI

1. Review current disciplinary policy and procedures.
2. Revise details on disciplinary actions within legal requirements including procedure for workers to appeal disciplinary actions taken against them.
3. Revise details on disciplin

### Action Plan no 3.

#### Description

Nil

#### Company Action Plan Update

7.1

1. Review Policy and Procedures of disciplinary
2. Communicate policy, procedures and disciplinary on notice board
3. Set up timetable, List of participants and material of training specifically
4. Keep all of the training record and posted notice

5. Conduct regular monitoring

7.2

Covered in response 7.1 too

## FINDING NO.8

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Grievance System

##### Finding Explanation

Based on observation and document review, it was noted that management's responses to grievances are not posted or clearly communicated to workers.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.25)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

IA

1. Review current worker grievances and the current formal grievance procedures and factory policy.
2. Rewrite the formal grievance procedure as it is currently written to ensure that management's responses to grievances are posted or clearly communicated to workers.
4. Keep a record of all such grievances and document how they are resolved and communicated to workers. .

SI

1. Review best practices for grievance policy and procedures
2. Revise details on grievance procedures and how management's responses to grievances are to be posted or clearly communicated to workers.
3. Train HR and

## FINDING NO.9

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Environmental Protection

##### Finding Explanation

1. There is no procedure that regulates the factory's environmental impact to its surroundings.
2. The factory's written policy on Environmental Protection does not include local laws and requirements or the FLA Workplace Code and Benchmarks.
3. There is no statement of factory management's general support of energy and water efficiency, and a commitment to minimize impacts with respect to air emissions, waste, hazardous materials and other applicable environmental risks.
4. There is no appropriate system to respond to an environmental emergency such as chemical spills or gas leaks.

##### Local Law or Code Requirement

Act 32/2009, Articles 53.2, 54.2, & 88; PP Np 101/2014, Article 217; FLA Workplace Code (Employment Relationship Benchmarks ER.31.1 and ER.31.3; Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.3.1, and HSE.5)



## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

IA

1. Review all environmental law and local policy as it relates to environmental impact
2. Identify and appoint someone responsible for assessing, monitoring and addressing environmental issues and impact.
3. Provide education on environmental issues to all workers and respond to questions.

SI

1. Review current environmental policy and procedures
2. Revise policies to align with legal requirements.
3. Train HR and related personnel on changes
4. Include changes on worker orientation and trainings.
5. Create system to monitor incidents that have an environmental impact
6. Monitor implementation

### Action Plan no 2.

#### Description

IA

1. Review all environmental law and local policy as it relates to local laws and requirements or the FLA Workplace Code and Benchmarks.
2. Identify and appoint someone responsible for assessing, monitoring and addressing environmental issues and impact against local laws and requirements or the FLA Workplace Code and Benchmarks..
3. Provide education on environmental issues to all workers and respond to questions.

SI

1. Review current environmental policy and procedures
2. Revise policies to align with legal requirements, local laws and requirements or the FLA Workplace Code and Benchmarks..
3. Train HR and related personnel on changes
4. Include changes on worker orientation and trainings.
5. Create system to monitor incidents that have an environmental impact
6. Monitor implementation

### Action Plan no 3.

#### Description

IA

- "1. Identify and appoint someone responsible for writing a statement that communicates the factory management's general support of energy and water efficiency, and a commitment to minimize impacts with respect to air emissions, waste, hazardous materials and other applicable environmental risks.
2. Provide education on the statement and its relationship to relevant environmental issues to all workers and respond to questions."

SI

- "1. Review current factory environmental policy and procedures related to energy and water efficiency, minimizing impacts with respect to air emissions, waste, hazardous materials and other applicable environmental risks.

### Action Plan no 4.

#### Description

IA

- "1. Review procedures for responding to environmental emergencies such as chemical spills or gas leaks.
2. Identify what needs to be done to set up an effective response system and provide the relevant equipment such as a spill response kit in the chemical warehouse.
3. Identify who is responsible for doing so.
3. Implement action by installing the necessary equipment to effectively do so. "

SI

- "1. Create or amend Health and safety Policy and Procedure addressing systems that allow an effective response to an environmental emergency such as chemical spills or gas leaks.
2. Provide Health and safety training to all employees on how to respond most effectively.
3. Create procedures for ensuring that all areas of the factory have the relevant safety instructions, warning signs, appropriate ventilation and spillage equipment to deal with any incidents. "

## Action Plan no 5.

### Description

Nil

### Company Action Plan Update

Factory has already have Policy of Environment (Please see the attachment finding 9.1)

## FINDING NO.10

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Environmental Protection

#### Finding Explanation

1. There are four deep wells at the facility from which the factory extracts ground water when it needs clean water. However, the factory does not record its daily extraction to ensure that it does not exceed its daily allowance and furthermore does not, in turn, submit a monthly report to the local government regarding its ground water extraction.
2. The factory has not established a system of rain water management, as legally required.
3. The temporary storage area for toxic and hazardous waste is inadequate; there is no fire alarm, fire detectors (such as a smoke and/or heat detector), first aid, sprinklers, spill kit, Personal Protective Equipment (PPE), or explosion-proof lighting.
4. The sump in the temporary storage area for toxic and hazardous waste is dirty.
5. The factory does not submit a report to the local environmental bureau, detailing its inventory of toxic and hazardous waste, as it is legally required to do every three months.
6. The factory does not submit a report to the local manpower bureau detailing its test of air emissions from the chemical storage, as it is legally required to do every six months.
7. The factory has not kept abreast of their environmental permit and license since it does not have a permit for toxic and hazardous waste disposal.
8. Twice a week the factory places solid waste that is generated from production inside a plastic bag and places it outside for pickup. Solid waste should be collected daily and stored in the temporary solid waste storage area.
9. There was trash around the steel crates that are between the cutting area in Building 2 and the fabric warehouse in Building 1.

#### Local Law or Code Requirement

Act 28/02, Articles 21 and 24(1); Government Regulation No. 43/2006, Article 77.b.; Decree of Banten Province Merged Service and Capital Investment Coordination Bureau Head No. 570/419 up to 422; DU-SIPA/BKPMPT/IX/2016 Point a; Environmental Minister Regulation No. 12/2009, Articles 3(1) and 5; Environmental Impact Controller Bureau Head Decree No. 1/1995, Article 3.2.b.g, Attachment section, Articles 3.1.d.b. and 4.3.e; Environmental Impact Controller Bureau Head Decree No. 255/1996, Article 6; Act No. 18/2008, Article 29(1)e; FLA Workplace Code (Employment Relationship Benchmark ER.31.3; Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.4, and HSE.19)

#### Recommendations for Immediate Action

1. Record the daily extraction of ground water and report monthly to the local government.
2. Establish rain water management system, as per regulation.
3. Provide adequate safety precautions in the temporary storage area of toxic and hazardous waste, including the installation of a fire alarm, fire detectors, first aid, sprinkler, spill kit, PPE, and explosion-proof lighting.
4. Clean the sump in the temporary storage area for toxic and hazardous waste.
5. Report to local environmental bureau regarding toxic and hazardous waste inventory every three months.
6. Designate a person to keep abreast with laws and regulations in Indonesia, including the necessary permits and licenses for toxic and hazardous waste disposal.
7. Collect solid waste daily and store in the temporary solid waste storage area.
8. Regularly clean steel crates.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

- IA
- "1. Review all environmental law and local policy as it relates to environmental impact.
  2. Identify and appoint someone responsible for recording the daily extraction of well water to ensure that the factory does not exceed its daily allowance; appoint the same person responsible for submitting a monthly report to the local government regarding its ground water extraction.
  3. Provide education on this requirement to all workers and respond to questions.
- "

- SI
- "1. Review current environmental policy and procedures
  2. Revise policies to align with legal requirements including the requirement to record the factory's daily extraction to ensure that it does not exceed its daily allowance and to submit a monthly report to the local government regarding its ground water extraction. .
  3. Train HR and related personnel on changes
  4. Include changes on worker orientation and trainings.
  5. Create system to monitor incidents that have an environmental impact
  6. Monitor implementation
- "

### Action Plan no 2.

#### Description

- IA
- "1. Review all environmental law and local policy as it relates to rain water management.
  2. Identify and appoint someone responsible for creating a system of rain water management.
  3. Provide education on rain water management to those relevant workers and respond to questions.
- "

- SI
- "1. Review current environmental policy and procedures
  2. Revise policies to align with legal requirements on rain water management.
  3. Train HR and related personnel on changes.
  4. Include changes on worker orientation and trainings.
  5. Create system to monitor rain water management at the factory.
  6. Monitor implementation
- "

### Action Plan no 3.

#### Description

- IA
- "1. Review procedures for ventilation, handling and storing toxic and hazardous waste, fire alarms, fire detectors, first aid, sprinklers, spill kit, Personal Protective Equipment (PPE), and in the temporary storage area.
  2. Identify what needs to be done to install a fire alarm, fire detectors (such as a smoke and/or heat detector), first aid, sprinklers, spill kit, Personal Protective Equipment (PPE), and explosion-proof lighting.
  3. Identify who is responsible for doing so.
  4. Implement action by installing the aforementioned items. "

- SI
- "1. Create or amend Health and safety Policy and Procedure addressing ventilation systems, spillage response and fire detection in the temporary storage area for toxic and hazardous waste and any other hazardous areas.
  2. Provide Health and safety training to all employees on spillage and correct procedures to follow.
  3. Create procedures for ensuring that all areas of the factory have the relevant safety instructions, warning signs, appropriate ventilation and spillage equipment, fire alarms, fire detectors, first aid, sprinklers, spill kit, Personal Protective Equipment (PPE), and explosion-proof lighting."

### Action Plan no 4.

#### Description

IA "1. Review the sump in the temporary storage area for toxic and hazardous waste. 2. Identify what needs to clean the sump. 3. Identify who is responsible for doing so. 4. Implement action." SI "1. Create or amend Health and safety Policy and Procedure addressing the regular cleaning of the sump in the temporary storage area for toxic and hazardous waste. 2. Provide Health and safety training to all relevant employees onkeeping the sump in the temporary storage area clean. "

## Action Plan no 5.

### Description

IA

"1. Review procedures for solid waste management.  
2. Identify what needs to be done to submit a report to the local environmental bureau, detailing its inventory of toxic and hazardous waste every three months.  
3. Identify who is responsible for doing so.  
3. Implement actions."

SI

"1. Create Policies and Procedures for writing and submitting a report to the local environmental bureau, detailing its inventory of toxic and hazardous waste every three months.  
2. Provide training to all staff involved in doing so.  
3. Establish a system to monitor such reporting.

## Action Plan no 6.

### Description

IA

"1. Review procedures for testing air emissions.  
2. Identify what needs to be done to submit a report to the local manpower bureau detailing its test of air emissions from the chemical storage, every six months.  
3. Identify who is responsible for doing so.  
4. Implement actions."

SI

"1. Create Policies and Procedures for writing and submitting a report to the local manpower bureau detailing its test of air emissions from the chemical storage, every six months.  
2. Provide training to all staff involved in doing so.  
3. Establish a system to monitor such reporting.

## Action Plan no 7.

### Description

IA

"1. Review procedures for and legal requirements for toxic and hazardous waste disposal.  
2. Identify what needs to be done to obtain the necessary environmental permit for toxic and hazardous waste disposal.  
3. Identify who is responsible for doing so.  
4. Implement actions."

SI

"1. Create Policies and Procedures renewing the necessary environmental permit and license for toxic and hazardous waste disposal.  
2. Provide training to all staff involved in the management of toxic and hazardous waste disposal.

## Action Plan no 8.

### Description

IA "1. Review procedures for solid waste management. 2. Identify what needs to be done to ensure all solid wastec is collected daily and stored in the temporary solid waste storage area. 3. Identify who is responsible for doing so. 4. Implement actions." SI "1. Create Policies and Procedures for solid waste management. 2. Provide training to all staff involved in the management of solid waste. 3. Establish a system to monitor and measure the solid waste disposal. "

## Action Plan no 9.

#### Description

IA "1. Review procedures for trash management. 2. Identify what needs to be done to clear trash from around the steel crates that are between the cutting area in Building 2 and the fabric warehouse in Building 1. 3. Identify who is responsible for doing so. 4. Implement actions." SI "1. Create Policies and Procedures for trash management. 2. Provide training to all staff involved in the management of trash. 3. Establish a system to regularly clear trash in all buildings. "

#### Action Plan no 10.

#### Description

Nil

#### Company Action Plan Update

10.6

1. Review of air emission procedures
2. Report air emission procedures to local manpower beureau
3. Conduct regular monitoring

The factory has been submitted a report to the local manpower bureau detailing its test of air emissions from the chemical storage, as it is legally required to do every six months.

10.8

1. Review of handling of solid waste storage
2. Measure resulted solid waste
3. Set up timetable, List of participants and material of training specifically
4. Keep all of the record of training
5. Conduct regular monitoring

Factory has been collected the solid waste daily

## FINDING NO.11

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The factory does not provide training on machinery safety for the relevant workers or to maintenance workers, as per their job hazards and how to protect against those hazards.
2. The factory did not document the PPE training conducted on May 17-18 and August 22, 2016, including the training materials or the

attendees (with signatures as evidence).

3. The factory has only trained one sewing line (24-50 workers) on blood borne pathogens (August 22, 2016); all 27 sewing lines (1,350 sewing operators) should be trained.

4. The last First Aid Responders training, conducted on June 2, 6, and 8, 2016, did not include blood borne pathogens and incident reporting.

5. The factory has not trained maintenance and mechanics for working at heights or in confined spaces, handling chemicals, or implementation of the lockout-tagout system.

6. The factory has not conducted ergonomics training for the relevant workers, including proper lifting techniques for loading and packing workers.

7. The last workplace safety training conducted on February 26, 2016 did not include: access restrictions to chemical storage areas, potential impacts of diesel fuel in the tanks, chemical handling during transportation, and PPE responsibility. Furthermore, the last training was only provided to three General Affairs workers while two spot cleaners have not yet been trained.

8. The last general first aid training for all workers on October 21, 2016 did not include: who to contact for first aid or other medical assistance; the location of first aid kits in the factory; steps for reporting work-related incidents, and; the proper use of eyewash stations or showers in the event of exposure to hazardous materials.

9. The PPE training material does not cover tasks that require PPE and how to replace PPE.

10. The factory's current written procedure on PPE does not define the action that will be taken when a worker does not wear the proper PPE. Based on factory management, the factory issues the offending worker a reprimand letter; however, there are no records of such letters being issued.

11. The factory does not have any written procedures to protect the reproductive health of workers through minimizing exposure to workplace hazards.

12. The factory does not have procedures for workers to raise health and safety concerns or protection against retaliation for workers who do raise health and safety concerns.

#### Local Law or Code Requirement

Attachment I PP No. 50/2012, Section C.1.b, paragraph 2; Labor Minister Regulation PER-03/MEN/1982, Article 2.h; Manpower Minister Regulation No.8/2010, Articles 5.2 and 7.2.c; Manpower Minister Regulation No 9/2016, Article 3; Manpower Minister No. PER.01/MEN/1980, Article 44; PP No. 50/2012 Section C.2.1.b 2nd paragraph; Safety Act No. 01/1970, Article 9(3); FLA Workplace Code (Employment Relationship Benchmark ER.31; Nondiscrimination Benchmark ND.8; Health, Safety & Environment Benchmarks HSE.1, HSE.6, HSE.8, HSE.9, HSE.12, HSE.14, HSE.15, and HSE.17.2)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

IA

"1. Develop training materials for employees on machinery safety for the relevant workers or to maintenance workers, as per their job hazards and how to protect against those hazards.

2. Provide training to all relevant employees.

3. Respond to questions.

SI

"1. Appoint relevant HR and related personnel to be responsible for training and education within the factory

2. Include ongoing training for relevant employees in factory calendar on machinery safety or to maintenance workers, as per their job hazards and how to protect against those hazards.

3. Create system to monitor and record such trainings.

4. Monitor implementation."

### Action Plan no 2.

#### Description

IA

1. Develop training records for all trainings conducted, including the training materials and the attendees (with signatures as evidence). For example PPE training on May 17-18 and August 22, 2016 needs to have a record of the materials covered, the names of those who attended with signatures as evidence.

2. Maintain such training records of all training to employees.

SI

"1. Appoint relevant HR and related personnel to be responsible for recording all trainings conducted including the training materials and the attendees (with signatures as evidence) within the factory.

2. Create system to monitor and record such trainings.

3. Monitor implementation."

### Action Plan no 3.

#### Description

IA 1. Develop training materials for all sewing operators on blood borne pathogens. 2. Provide training to all such employees. 3. Respond to questions. SI "1. Appoint relevant HR and related personnel to be responsible for training and education within the factory 2. Include ongoing training for all employees in the factory calendar. 3. Create system to monitor and record such trainings to ensure all employees are trained. 4. Monitor implementation"

### Action Plan no 4.

#### Description

IA "1. Develop first aid training materials for employees across all Employment Functions that includes blood borne pathogens and incident reporting. 2. Provide training to all employees. 3. Respond to questions. SI "1. Appoint relevant HR and related personnel to be responsible for first aid training and education within the factory 2. Include ongoing first aid training for employees in factory calendar. 3. Create system to monitor and record such trainings 4. Monitor implementation"

### Action Plan no 5.

#### Description

IA

"1. Develop training materials for maintenance and mechanics for working at heights or in confined spaces, handling chemicals, or implementation of the lockout-tagout system.  
2. Provide training to all relevant employees.  
3. Respond to questions.

SI

"1. Appoint relevant HR and related personnel to be responsible for training and education within the factory  
2. Ensure that all areas are covered off in the training materials and included in ongoing training for employees in the factory calendar including training for maintenance and mechanics for working at heights or in confined spaces, handling chemicals, or implementation of the lockout-tagout system.  
3. Create system to monitor and record such trainings  
4. Monitor implementation

### Action Plan no 6.

#### Description

IA

"1. Develop training materials for employees across all Employment Functions that includes ergonomics training for the relevant workers, including proper lifting techniques for loading and packing workers.  
2. Provide training to all employees.  
3. Respond to questions.

SI

"1. Appoint relevant HR and related personnel to be responsible for training and education within the factory  
2. Include ongoing training for employees in factory calendar including ergonomics training for the relevant workers, including proper lifting techniques for loading and packing workers.  
3. Create system to monitor and record such trainings  
4. Monitor implementation"

### Action Plan no 7.

#### Description

IA

"1. Develop first aid training materials for employees across all Employment Functions that includes access restrictions to chemical storage areas, potential impacts of diesel fuel in the tanks, chemical handling during transportation, and PPE responsibility.  
2. Provide training to all employees.  
3. Respond to questions.

SI

- "1. Appoint relevant HR and related personnel to be responsible for training and education within the factory
2. Include ongoing training for all employees in factory calendar (including access restrictions to chemical storage areas, potential impacts of diesel fuel in the tanks, chemical handling during transportation, and PPE responsibility.
3. Create system to monitor and record such trainings and who attends to identify those who have not yet been trained.
4. Monitor implementation"

#### Action Plan no 8.

##### Description

- IA
- "1. Develop first aid training materials for employees across all Employment Functions that includes who to contact for first aid or other medical assistance; the location of first aid kits in the factory; steps for reporting work-related incidents, and; the proper use of eyewash stations or showers in the event of exposure to hazardous materials.
2. Provide training to all employees.
  3. Respond to questions.
- "

- SI
- "1. Appoint relevant HR and related personnel to be responsible for first aid training and education within the factory
2. Include ongoing training for employees in factory calendar and cover who to contact for first aid or other medical assistance; the location of first aid kits in the factory; steps for reporting work-related incidents, and; the proper use of eyewash stations or showers in the event of exposure to hazardous materials.
  3. Create system to monitor and record such trainings
  4. Monitor implementation"

#### Action Plan no 9.

##### Description

- IA
- "1. Develop PPE training materials for employees across all Employment Functions that includes defining the action that will be taken when a worker does not wear the proper PPE.
2. Provide training to all employees.
  3. Respond to questions.
- "

- SI
- "1. Appoint relevant HR and related personnel to be responsible for training and education within the factory
2. Include ongoing PPE training for employees in factory calendar and include steps to be taken when workers do not wear PPE.
  3. Create system to monitor and record such trainings and actions taken.

#### Action Plan no 10.

##### Description

- IA
- "1. Develop written procedures to protect the reproductive health of workers through minimizing exposure to workplace hazards.
2. Provide training to all employees.
  3. Respond to questions.
- "

- SI
- "1. Appoint relevant HR and related personnel to be responsible for training and education within the factory
2. Include ongoing training for employees in factory calendar on protecting the reproductive health of workers through minimizing exposure to workplace hazards.
  3. Create system to monitor and record such trainings
  4. Monitor implementation"

#### Action Plan no 11.

##### Description

- IA
- "1. Create formal policies and procedures on Health & Safety.
2. Include in this a system for workers to raise Health & Safety concerns.
  3. Include in this policy protection against retaliation for workers who raise such Health and Safety concerns.
  4. Provide education for workers on the new policy and additions.



5. Respond to questions.

SI

- "1. Appoint a Health and Safety person who is responsible for ensuring the policy and procedures are complied with.
2. Create a system for Health and safety concerns to be raised without retaliation.

## Action Plan no 12.

### Description

IA

- "1. Develop PPE training materials for employees across all Employment Functions that covers tasks that require PPE and how to replace PPE.
2. Provide training to all employees.
3. Respond to questions.

"

SI

- "1. Appoint relevant HR and related personnel to be responsible for training and education within the factory
2. Include ongoing PPE training for employees in factory and include tasks that require PPE and how to replace PPE.
3. Create system to monitor and record such trainings
4. Monitor implementation"

## Action Plan no 13.

### Description

Nil

### Company Action Plan Update

11.1

The factory has already provided training on machinery safety for the relevant workers or to maintenance workers, as per their job hazards and how to protect against those hazards.

11.2

The factory has already documented the PPE training conducted on May 17-18 and August 22, 2016, including the training materials or the attendees (with signatures as evidence).

11.3

1. Set up timetable, List of participants and material of training specifically
2. Provide attendance list, pre-test and post-test and record training with photo
3. Keep all of the record of training
4. Conduct regular monitoring

11.4

1. Set up timetable, List of participants and material of training specifically
2. Provide attendance list, pre-test and post-test and record training with photo

3. Keep all of the record of training

4. Conduct regular monitoring

11.5

1. Set up timetable, List of participants and material of training specifically

2. Provide attendance list, pre-test and post-test and record training with photo

3. Keep all of the record of training

4. Conduct regular monitoring

11.6

1. Set up timetable, List of participants and material of training specifically

2. Provide attendance list, pre-test and post-test and record training with photo

3. Keep all of the record of training

4. Conduct regular monitoring

11.7

1. Set up timetable, List of participants and material of training specifically

2. Provide attendance list, pre-test and post-test and record training with photo

3. Keep all of the record of training

4. Conduct regular monitoring

11.8

1. Set up timetable, List of participants and material of training specifically

2. Provide attendance list, pre-test and post-test and record training with photo

3. Keep all of the record of training

4. Conduct regular monitoring

11.9

1. Set up timetable, List of participants and material of training specifically
2. Provide attendance list, pre-test and post-test and record training with photo
3. Keep all of the record of training
4. Conduct regular monitoring

11.10

Factory has already have Policy of Personnel Protective Equipment ( Please see attachment finding 11.10 )

11.11

The factory has already have written procedures to protect the reproductive health of workers through minimizing exposure to workplace hazards.

11.12

Factory has already have Policy of Health and Safety concern for all employees (please see attachment finding 11.12 )

## FINDING NO.12

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The lighting installed in the electrical main room, compressor room, boiler room, and generator room is not the explosion-proof type nor has it been covered.
2. Four out of the five food handlers who prepare food do not have certificates from the local health bureau. Moreover, there is no evidence that the five canteen workers have undergone a medical examination.
3. At the sewing lines in Building 1 and the sample sewing lines in Building 2, workers use 64 mini-boilers with untreated water without testing if phosphate agent is in accordance with standards or if the calcium carbonate (CaCo3) or phosphate level is greater than 3.39mg/l.
4. The factory measures the lighting intensity level monthly at sewing lines in Building 1, but has not yet measured the lighting intensity level in all other areas of the factory.
5. The factory did not provide for review the Function Proper License from the local government, indicating the building is in acceptable condition
6. The laboratory test for potable water (conducted October 2016) did not include a microbiology parameter, to test for the presence of E coli.
7. The factory does not adequately record work-related injuries, as it currently only records the date of accident, person(s) involved, and cause of the accident; it does not record the type of accident (i.e., if the accidents were fatal, resulted in a disability, or was a near-miss).
8. The person designated to work at heights and in confined spaces does not have a government certification.
9. Although the factory performed general medical examinations, it did not perform the 2016 occupational medical examinations for workers based on the particular risks of each working process.

#### Local Law or Code Requirement

Act 28/02, Articles 21 & 23(1); Act No. 32/2009, Article 20.1; Attachment of Health Minister Regulation No. 736/2010, Section II.A.c; Government Regulation No. 50/2012, Section C.2.1.a.2; Health Minister Regulation No. 715/2003, Article 5; Labor Minister Regulation No. 7/1964, Articles 8.10, 12.3, 12.5, and 14.6.d; Labor Minister Regulation No: PER-04/MEN/1987, Article 4.2.C; Manpower Minister Regulation No. 9/2016, Articles 2.5, 3, & 6.3; Manpower Minister Regulation No. 2/1980, Article 3(3); Manpower Manpower Supervisory Management General Director Decree No: Kep. 45 /DJPPK/ IX / 2008 Attachment Section D. Point 3; The Manpower and Transmigration Minister Decree No.KEP.187/MEN/1999, Article 22(3) on attachment IV; Minister Regulation PU No. 25/2007, Article 5(3); Safety Act No. 01/1070, Article 9(3); PUIL 2000 Articles 8.5.2 and 8.5.5; FLA Workplace Code (Employment Relationship Benchmark ER.31.2.6;

### Recommendations for Immediate Action

1. Install explosion-proof lights in any areas that emit dangerous gas.
2. Ensure every food handler is certified by the health bureau and undergoes a medical examination every six months.
3. Ensure the water used in the mini-boilers is properly treated to minimize accident risk for related worker.
4. Ensure every area is properly lighted, as per regulation. Either install more lighting or use reflectors to enhance the lighting intensity level. Conduct periodic inspection for inspection and documentation purpose.
5. Submit paperwork to local government to obtain Function Proper License for building establishment.
6. Include the microbiology parameter as part of the monthly lab tests for the potable water.
7. Add the result of injuries on records of all work-related injuries by fatalities, permanent disabilities, light disabilities, incidents and near misses and retain records for at least 12 months.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

IA

- "1. Review explosive-proof lighting in the electrical main room, compressor room, boiler room, and generator room.
2. Identify what needs to be done to put explosive-proof lighting in these areas.
3. Identify who is responsible for doing so.
4. Implement action by installing explosive-proof lighting in these areas and cover. "

SI

- "1. Create or amend Health and safety Policy and Procedure addressing explosive-proof lighting in all hazardous areas.
2. Provide Health and safety training to all employees on the need for explosive-proof lighting.

### Action Plan no 2.

#### Description

IA

- "1. Appoint Health and Safety person responsible for ensuring food handlers who prepare food have certificates from the local health bureau and have undergone a medical examination.
2. Identify which workers need to have certificates from the local health bureau and undergo a medical examination.
3. Arrange for the relevant staff to do so.
- "

SI

- "1. Review requirements for those who prepare food and ensure they need to have certificates from the local health bureau and have undergone a medical examination.
2. Provide training on the need for the above for those producing or selling food
3. Implement action

### Action Plan no 3.

#### Description

IA

1. Appoint Health and Safety person responsible for ensuring the testing of untreated water to ensure phosphate agent is in accordance with standards and calcium carbonate (CaCo3) or phosphate level is lower than 3.39mg/l.
2. Task this person with such testing every 3 months and keep a record of such tests.
3. Implement this action as well as any remediation action necessary.

SI

- "1. Review the testing of untreated water to ensure phosphate agent is in accordance with standards and calcium carbonate (CaCo3) or phosphate level is lower than 3.39mg/l.
2. Provide the necessary equipment and implement a regular schedule for this testing to occur and who is responsible for doing so.
3. Implement actions."

## Action Plan no 4.

### Description

IA "1. Appoint Health and Safety person responsible for measuring the lighting intensity levels in all areas of the factory. 2. Identify when this needs to be repeated in the calendar year. 3. Implement action. " SI "1. Review use of face masks and headwear when producing or selling food. 2. Provide training on use of face masks and headwear when producing or selling food 3. Implement actions."

## Action Plan no 5.

### Description

IA 1. Obtain the relevant proper license from the local government, indicating the building is in an acceptable condition. SI Appoint Health and Safety person responsible for ensuring that the factory has a regularly renewed proper license from the local government, indicating the building is in an acceptable condition.

## Action Plan no 6.

### Description

IA

1. Review all environmental law and local policy as it relates to the laboratory testing of portable for the presence of E coli.
2. Identify and appoint someone responsible for ensuring the testing of portable water for the presence of E coli is completed every 3 months.
3. Keep a record of such tests.
4. Implement action.

SI

- "1. Review current factory health and safety policies and procedures related to water.
  2. Revise policies to align with legal requirements including the testing for the presence of E coli..
  3. Train HR and related personnel on this policy.
  4. Include changes in relevant worker orientation and trainings.
  5. Create system to monitor incidents that impact water.
  6. Monitor implementation
- Periodically monitor air emissions from the kitchen, waste water discharge and the outside noise produced by the factory"

## Action Plan no 7.

### Description

IA

- "1. Appoint Health and Safety person responsible for recording work-related injuries, and record the type of accident (i.e., if the accidents were fatal, resulted in a disability, or was a near-miss).
2. Update records and and implement actions."

SI

- "1. Create or amend Health and safety Policy and Procedure addressing the recording of work-related injuries, to include the type of accident (i.e., if the accidents were fatal, resulted in a disability, or was a near-miss).
2. Provide Health and safety training to all employees on the recording of work-related injuries, to include the type of accident (i.e., if the accidents were fatal, resulted in a disability, or was a near-miss).
3. Create a procedures for doing so.

"

## Action Plan no 8.

### Description

IA

- "1. Appoint Health and Safety person responsible for Government Certifications
2. Review position description and requirements for worker designated to work at heights and in confined spaces.
3. Identify who needs to obtain the required certification
4. Implement certification process.

"

SI

- "1. Create or amend Health and safety Policy and Procedure addressing working at heights and in confined spaces.

2. Provide Health and safety training to all relevant employees on working at heights and in confined spaces.
3. Create a procedures for the ongoing certification of the worker(s) designated to work at heights and in confined spaces.

## Action Plan no 9.

### Description

IA

- "1. Review current factory practice and legal requirements regarding medical examinations.
2. Identify discrepancies, and reason for the discrepancies.
3. Determine what is required for specific and particular risks of each working process.
5. Plan follow up medical examinations for particular risks and include worker communication in this process.

"

SI

- "1. Train HR and related personnel on the roll out of medical examinations for workers based on the particular risks of each working process within the factory.
2. Communicate with workers and post on bulletin boards, include in worker handbook, orientation and training as to the particular risks and relevant medical examinations.
3. Create system to monitor the accurate delivery of such specific medical examinations.
4. Implement corrected examinations.
7. Monitor implementation.

## Action Plan no 10.

### Description

Nil

### Company Action Plan Update

12.1

1. Review procedures of OSH Maintenance equipment
2. Review Hazard Identification Risk Assessment and Determining Control (HIRADC)
3. Covered electrical lighting installed with proper cover
4. Conduct regular monitoring

12.2

1).Factory through Personnel /HR Dept. has proceed the food handlers. They will be finished on July 2018. 2). The Medical Check Up will be conducted by the external party on July 2018

12.3

1. Review procedure of Water testing
2. Communicate to all workers with post the result on notice board

12.4

1. Review procedures of maintenance of OSH tools

2. Conduct regular monitoring
3. Keep all the record maintenance

12.5

1. Find provider to certificate building Proper License
2. Propose to certification
3. Conduct regular monitoring

12.6

1. Review procedure of portable water test
2. Share the result of portable water test to all workers on notice board

The laboratory test for portable water has been including a microbiology parameter, to test for the presence of E coli.

12.7

1. Review procedure of Working Accident and Investigation
2. Set up timetable, List of participants and material of training specifically
3. Provide attendance list, pre-test and post-test and record training with photo
4. Keep all of the record of training
5. Conduct regular monitoring

12.8

1). Factory has procedure for person designated to work at heights and in confined spaces. 2). Factory through Personnel/HR Dept. has proceed to get a government certification for person designated to work at heights and in confined spaces. The will be finished around August 2018

12.9

The Medical Check Up will be conducted by the external party on July 2018. It is including for person designated to work at heights

## FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

### Finding Explanation

1. The policy and procedures for Health & Safety do not explicitly permit workers to refuse working with machines, equipment or tools that are not properly guarded, nor is there any functioning system for workers to pause work until all safety hazards have been fixed, or to be assigned to another work station.
2. The factory has not posted safety instructions near the machines in factory production areas.
3. Neither the single needle sewing machines at sewing lines in Buildings 1 and 2 or the sewing machines for the piping process in Building 2 have eye guards or needle guards.
4. The bar tack machines on the sewing lines do not have a safety button. Additionally, the finger guard does not properly function and is unable to prevent fingers from touching the area where the tacking device punches the fabric and metal button at the same time.
5. On several sewing machines on the sewing lines, the needle guards have been straightened, which does not allow the machine to function properly and guard fingers from the moving needle.
6. The factory's annual Hazard Identification Risk Assessment, conducted internally, does not clearly define what type of PPE is needed for the production processes that pose a risk to workers.
7. The factory has not provided the appropriate respiratory mask to one spot cleaner in the area or to a supervisor in the temporary storage area for toxic and hazardous waste and the chemical storage. Currently the factory provides mask type N95 instead of either an R95 or P95. Furthermore, the factory does not provide any chemical mask for one spot cleaner in Building 2A.
8. The factory does not provide a lifting belt to the relevant workers, nor are workers trained on the proper lifting techniques.
9. The factory only provides the first dust mask to sewing operators; once the dust mask is damaged or lost, the worker is responsible for purchasing a replacement dust mask. Furthermore, the factory does not maintain a record of safety shoes and other PPE, including information on the delivery of PPE to workers, the replacement for damaged or missing PPE, and the expected shelf-life of PPE.
10. The ear muffs provided for maintenance in the compressor room are cracked and dusty.
11. Although the factory has developed a formal ergonomics program, it has not yet been implemented. Furthermore, the factory has not conducted ergonomic training for the relevant workers.
12. The factory has not provided anti-fatigue mats for standing workers.
13. The siren on the forklift is not included in the daily inspection records.
14. The factory conducts monthly inspections of all six forklifts instead of everyday before their use. The factory has yet to conduct internal inspections on the three passenger cars.
15. In the down feather section, one feather cleaning and one sewing worker do not wear the provided protective clothing (e.g., coveralls).

### Local Law or Code Requirement

Act 28/02. Article 24(1); Attachment I PP No. 50/2012, Section C.1.b, paragraph 2; Attachment II Health Minister Decree No. 1405/2002 Section III.A, Article 3 and Section III.B. Article 5.b.3; Manpower Minister Regulation No 8/2010, Articles 5.2, 7.2.c, 7.2.d, and 7.2.h; Manpower Minister No.PER.01/MEN/1980. Article 42(1); Safety Act No. 01/1970 Articles 3.r and 14.a; Labor minister regulation Per.05/MEN/1 Article 34 (1); Law No.23/1992, Article 23.2; Government Regulation No. 50/2012, Article 11.1; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.7, HSE.8, HSE.14, HSE.16, and HSE.17)

### Recommendations for Immediate Action

1. Establish written procedures, working instructions and keep a record of complaints from machine operators as evidence that they can refuse to work when machinery, equipment, or tools are not properly guarded. Furthermore, install a red light in the working area as a stop sign for operators to indicate the machine, equipment, or tools are unsafe and need to be fixed before work can be resumed.
2. Post safety instructions, in workers' local language, near the machines in production areas.
3. Install needle and eye guards on all sewing machines throughout the factory.
4. Install safety button on all bar tack machines used in the factory.
5. Revise the Hazard Identification Risk Assessment to include the type of PPE needed in the necessary production processes.
6. Provide workers with the type of respiratory mask for workers according to the hazards.
7. Provide lifting belt to the relevant workers.
8. Provide free dust masks to sewing operators, including replacements, when the masks are damaged or have expired.
9. Replace ear muffs in the compressor room with the new earmuffs and record such replacements.
10. Conduct daily inspections on the six forklifts, including their sirens, and three passenger cars prior to their use. Maintain records on all internal inspections.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

IA

- "1. Review procedures for working with machines, equipment or tools that are not properly guarded and for allowing workers to pause work until all safety hazards have been fixed, or to be assigned to another work station.
2. Identify what needs to be done to ensure that workers and supervisors know that workers can refuse working with machines, equipment or tools that are not properly guarded, and that they should pause work until all safety hazards have been fixed, or be assigned to another work station.



3. Identify who is responsible for doing so.
4. Implement action."

SI

## Action Plan no 2.

### Description

IA

- "1. Appoint Health and Safety person responsible for posting safety instructions or warning signs near the machines in factory production areas.
2. Review which machines require safety instructions or warning signs.
3. Install safety instructions or warning signs.

"

SI

- "1. Create or amend Health and safety Policy and Procedure addressing safety instructions or warning signs
2. Provide Health and safety training to all employees on the safe use of machinery and ensuring that all machines have relevant safety instructions or warning signs.
3. Create a procedures for ensuring that all machines have the relevant safety instructions or warning signs. "

## Action Plan no 3.

### Description

A

1. Review procedures for installing eye guards or needle guards on machines.
2. Identify machines that have no needle guards and/or eye guards and what needs to be done to install such guards on single needle sewing machines at sewing lines in Buildings 1 and 2 and the sewing machines for the piping process in Building 2.
3. Identify who is responsible for doing so.
4. Implement action.

SI

- "1. Create or amend Health and safety Policy and Procedure addressing eye guards and needle guards
2. Provide Health and safety training to all employees on the correct use of eye guards and needle guards.
3. Create procedures for ensuring that all areas of the factory have the relevant eye and needle guards have the correct equipment to deal with any incidents. "

## Action Plan no 4.

### Description

IA

- "1. Appoint Health and Safety person responsible for safe use of all machinery.
2. Review which machines require guards and install guards on machines where it is missing.
3. Review which machines require safety buttons and install such buttons on machines where it is missing.
4. In particular, address the bar tack machines on the sewing lines which do not have a safety button. Additionally, address the finger guard which does not properly function and is unable to prevent fingers from touching the area where the tacking device punches the fabric and metal button at the same time.

"

SI

## Action Plan no 5.

### Description

A

- "1. Appoint Health and Safety person responsible for safe use of all machinery.
2. Review which machines require guards and install guards on machines where it is missing."

SI

- "1. Create or amend Health and safety Policy and Procedure addressing safe use of machinery and guards on machines
2. Provide Health and safety training to all employees on the safe use of machinery and ensuring that all machines have guards attached before using.
3. Create a procedures for the monitoring of safe use of the sewing machines.

## Action Plan no 6.

### Description

IA

- "1. Appoint Health and Safety person responsible for the Hazard Identification Risk Assessment.
2. Review and clearly define what type of PPE is needed for the production processes that pose a risk to workers.

"

SI

- "1. Create or amend Health and safety Policy and Procedure addressing and clearly defining what type of PPE is needed for the production processes that pose a risk to workers.
2. Provide Health and safety training to all employees on the safe use of PPE for specific production processes.
3. Create a procedures for the monitoring of safe use of the correct type of PPE.

## Action Plan no 7.

### Description

IA

- "1. Appoint Health and Safety person responsible for the use of appropriate respiratory masks.
2. Review and clearly define what type of mask is needed for the production processes that pose a risk to workers.

"

SI

- "1. Create or amend Health and safety Policy and Procedure addressing and clearly defining what type of respiratory mask is needed for the production processes that pose a risk to workers.
2. Provide Health and safety training to all employees on the safe use of appropriate respiratory masks for specific production processes.
3. Create a procedure for the monitoring of the safe use of the correct type of respiratory mask .

## Action Plan no 8.

### Description

IA

- "1. Appoint Health and Safety person responsible for providing lifting belts and training on their use to relevant workers.
2. Identify which workers are in most need of lifting belts and training on their use, to ensure their health.
3. Create a purchasing budget to begin buying lifting belts. 4. Implement training and provide training and lifting belts to relevant workers."

SI

- "1. Create or amend Health and safety Policy and Procedure addressing safe use of lifting belts and related training.
2. Provide Health and safety training to all employees who lift heavy objects as part of their work.

## Action Plan no 9.

### Description

IA

- "1. Appoint Health and Safety person responsible for the purchase, storage, supply and delivery of dust masks, safety shoes, and other PPE.
2. Record information on the delivery of PPE to workers, the replacement for damaged or missing PPE, and the expected shelf-life of PPE.
3. Identify which workers need face masks and provide them with such.

SI

- "1. Review use of face masks and other PPE.
2. Provide training on the use of face masks and PPE.
3. Communicate with workers and post on bulletin boards, include in worker handbook, orientation and training as to the particular risks and correct storage, use and replacement of their relevant PPE. "

## Action Plan no 10.

### Description

- IA "1. Appoint Health and Safety person responsible for ear muffs. 2. Review which ear muffs need replacing. 3. Purchase new ones.

" SI "1. Create or amend Health and safety Policy and Procedure addressing the use of ear muffs. 2. Provide Health and safety training to all employees on the safe use of ear muffs. 3. Create a procedures for ensuring that all ear muffs are up to standard or are replaced when needed. "

#### Action Plan no 11.

##### Description

IA 1. Develop training materials for ergonomic training for the relevant workers. 2. Provide such training to all employees. 3. Respond to questions. SI "1. Appoint relevant HR and related personnel to be responsible for training and education within the factory 2. Include ongoing ergonomic training for employees in factory calendar 3. Create system to monitor and record such trainings 4. Monitor implementation"

#### Action Plan no 12.

##### Description

IA

" 1. Appoint Health and Safety person responsible for anti-fatigue mats. 2. Review state of anti-fatigue mats.  
3. Identify which staff are in most need or urgent replacement to ensure health of workers.  
4. Create a purchasing budget to begin replacing and providing anti-fatigue mats.

SI

"1. Create or amend Health and safety Policy and Procedure addressing use of anti-fatigue mats.  
2. Provide Health and safety training to all employees on the safe use of anti-fatigue mats.  
3. Create a procedures for the monitoring of safe use of the anti-fatigue mats.

"

#### Action Plan no 13.

##### Description

IA "1. Appoint Health and Safety person responsible for daily inspection records. 2. Ensure siren on the forklift is included in the daily inspection records." SI Nil.

#### Action Plan no 14.

##### Description

IA 1. Include three passenger vehicles in the monthly inspection process. SI Nil.

#### Action Plan no 15.

##### Description

IA

"1. Appoint Health and Safety person responsible for ensuring provided protective clothing is worn by staff when on the line.  
2. Identify which workers need provided protective clothing.  
3. Purchase and provide such items as necessary.

"

SI

"1. Review use of provided protective clothing by staff.  
2. Provide training on the use and importance of using the provided protective clothing  
3. Implement actions."

#### Action Plan no 16.

##### Description

Nil

##### Company Action Plan Update

1. Review procedure working with machines, equipment or tools
2. Communicate to all workers with post in notice board
3. Set up timetable, List of participants and material of training specifically
4. Provide attendance list, pre-test and post-test and record training with photo
5. Keep all of the record of training
6. Conduct regular monitoring

### 13.2

1. Review of Hazard Identification Risk Assessment and Determining Control of temporary storage area and hazardous waste
2. Equiped safety instructions near the machines
3. Conduct regular monitoring

### 13.3

1. Review procedures of safety equipment on machine
3. Set up timetable, List of participants and material of training machine guarding
4. Provide attendance list, pre-test and post-test and record training with photo
5. Keep all of the record of training
6. Conduct regular monitoring

### 13.4

1. Review procedures of safety equipment on machine
3. Set up timetable, List of participants and material of training machine guarding
4. Provide attendance list, pre-test and post-test and record training with photo
5. Keep all of the record of training

### 13.5

1. Review procedures of safety equipment on machine

3. Set up timetable, List of participants and material of training machine guarding
4. Provide attendance list, pre-test and post-test and record training with photo
5. Keep all of the record of training

#### 13.6

1. Review Hazard Identification Risk Assessment and Determining Control (HIRADC) of its
2. Set up timetable, List of participants and material of training PPE
3. Add some warning signs
4. Keep all of the record of training
5. Conduct regular monitoring

#### 13.7

1. Review of policy and procedures of PPE
2. Review Hazard Identification Risk Assessment and Determining Control (HIRADC) addressing it
3. Set up timetable, List of participants and material of training PPE
4. Add some warning signs in spot cleaner area and related area
5. Keep all of the record of training
6. Conduct regular monitoring

#### 13.8

1. Review of policy and procedures of Working in high places
2. Review Hazard Identification Risk Assessment and Determining Control (HIRADC) addressing it
3. Set up timetable, List of participants and material of training Working in high places
4. Keep all of the record of training
5. Conduct regular monitoring

#### 13.9

1. Review of policy and procedures of PPE

2. Review Hazard Identification Risk Assessment and Determining Control (HIRADC) addressing it

3. Set up timetable, List of participants and material of training PPE

4. Add some warning signs in area which need mask

5. Keep all of the record of training

6. Conduct regular monitoring

13.10

1. Review of policy and procedures of PPE

2. Review Hazard Identification Risk Assessment and Determining Control (HIRADC) addressing it

3. Set up timetable, List of participants and material of training PPE

4. Add some warning signs which need ear muff

5. Keep all of the record of training

6. Conduct regular monitoring

13.11

1. Set up timetable, List of participants and material of training PPE

2. Keep all of the record of training

3. Conduct regular monitoring

13.12

1. Review procedures of OSH Equipment

2. Review Hazard Identification Risk Assessment and Determining Control (HIRADC) of matter of it

3. Provide anti fatigue mats for standing workers

4. Conduct Regular Monitoring

13.13

1. Review procedures of OSH Maintenance Equipment

2. Add siren as daily inspection mark

3. Conduct regular monitoring

13.14

The three passenger cars were inspected each month by internal Car Station

13.15

Workers in the down feather section have been completed with protective clothing.

## FINDING NO.14

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. Exhaust fans throughout the factory are dusty have not undergone periodic maintenance. Furthermore, the factory has not installed ventilation in the heat transfer machine room in Building 2A or dilution ventilation in the spot clean rooms in Buildings 1 and 2A.
2. Several wires on the sewing lines and in chemical storage were repaired with duct tape. There is also an electrical socket with messy wires at near the exit at production Building 1. Throughout all production areas, the electrical cords are split with duct tape.
3. The electrical panels in the production areas and three compressors in the compressor room are dusty with cobwebs.
4. The factory does not have a permit for one out of five lighting rods installed on Building 2A.
5. The factory's electrician does not have a government certification, as required.
6. There is no procedure to isolate electric machinery and equipment that is damaged or out of operation.
7. The factory has not implemented a lockout-tagout system (LOTO) and therefore has also not created a list of equipment and machinery that require the LOTO procedure or of workers to carry out the procedure. The factory did not identify this in its internal Hazard Identification Risk Assessment conducted on November 1, 2016.
8. The factory does not provide maintenance workers with an anchorage kernmantle rope, and as a result, workers do not use the system while performing their duties at heights. Furthermore, the factory does not inspect the equipment it has provided to maintenance workers as part of the fall arrest system (including the harness, hard hat, and D-ring).
9. The ladder used in the main electrical house is shaky as the legs are not secured for stability. Furthermore, the factory does not inspect ladders for safety nor does it identify what kind of ladder is needed in each area in the factory.
10. The factory does not provide contractors with Health & Safety information when they enter the premises.

##### Local Law or Code Requirement

Government Regulation No. 50/2010, Articles 6.5.2, 6.5.7, 6.5.8, and 6.5.9; Manpower Minister Regulation No. 9/2016, Article 3.d; Manpower Minister Regulation No. 8/2010, Articles 6(1) and 7(2)d; Manpower Supervisory Management General Director Decree No. Kep. 45/DJPPK/IX/2008 Attachment Section D. Point 3; Safety Act No.1/1970, Articles 3 & 14(3); Permenaker No. 9/2016, Article 3; PUIL 2000, Articles 2.2.2.2, 2.5.3.3, 3.4.1.1, 8.4.2.3 and 9.2.1; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.4, HSE.7, HSE.13, and HSE.14)

##### Recommendations for Immediate Action

1. Regularly clean the exhaust fans in the factory and record cleanings.
2. Install ventilation in the heat transfer machine room in Building 2A and dilution ventilation in the spot cleaning room in Buildings 1 and 2A.
3. Properly repair wires with electrical tape for adequate electrical current isolation and ensure wires are secured and organized
4. Clean electrical panels and compressors used in the factory and record cleanings as preventive maintenance.
5. Obtain permit for every lightning rod installed at the factory
6. Hire a government certified electrician and or send a person in charge for government certification as electrician.
7. Establish procedure to isolate electric machines and equipment that are damaged or out of operation, and record that such isolation

has been done.

8. Establish a written procedure for LOTO, including the identification of machinery and equipment that requires the machinery and those responsible for implementing it. Provide specific and ongoing training to all workers responsible for implementation. Record all incidents of LOTO used.
9. Provide an anchorage kernmantle rope for maintenance workers.
10. Regularly inspect and maintain the fall arrest system used by maintenance workers, replacing equipment when necessary.
11. Repair ladder used in the main electrical house to stabilize the legs. Identify the type of ladders needed in each area in the factory and conduct periodic inspection of ladders to ensure their safety.
12. Provide all contractors who enter the premises with information on the factory's Health & Safety policies and procedures.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

IA

- "1. Review procedures for ventilation and periodic maintenance of fans throughout the factory.
2. Identify what needs to be done to install a ventilation system in the heat transfer machine room in Building 2A and dilution ventilation in the spot clean rooms in Buildings 1 and 2A.
3. Identify who is responsible for doing so.
4. Implement action by installing the relevant ventilation systems.

"

SI

- "1. Create or amend Health and safety Policy and Procedure addressing ventilation systems their ongoing maintenance.
2. Provide training to the relevant employees on ventilation systems and their ongoing maintenance.
3. Create procedures for ensuring that al

### Action Plan no 2.

#### Description

IA

- "1. Review procedures on ensuring that electrical wiring is properly maintained and free of dust and lint and that any combustible material away from electrical outlets.
2. Identify what needs to be done to ensure that all electrical wiring is properly maintained and free of dust and lint and that any combustible material away from electrical outlets.
3. Identify who is responsible for doing so.
4. Implement action by repairing and maintaining electrical wiring and electrical outlets."

SI

- "1. Create or amend Health and Safety Policy and Procedure addressing maintaining electrical wiring and electrical outlets.
2. Provide Health and safety training to all employees on identifying any electrical wiring and electrical outlets that need repair.
3. Create procedures for the regular maintenance of all electrical wiring and electrical outlets."

### Action Plan no 3.

#### Description

IA

- "1. Review procedures on ensuring that electrical panels are properly maintained and free of dust and cobwebs.
2. Identify what needs to be done to ensure that all electrical panels are properly maintained.
3. Identify who is responsible for doing so.
4. Implement action by repairing and maintaining electrical wiring and electrical panels. "

SI

- "1. Create or amend Health and Safety Policy and Procedure addressing maintaining electrical wiring and electrical panels.
2. Provide Health and safety training to all employees on identifying any electrical wiring and electrical panels that need repair or cleaning.
3. Create procedures for the regular maintenance of all electrical wiring and electrical panels. "

### Action Plan no 4.

#### Description



IA

1. Review procedures for obtaining permits for the factory lightning protection system.
2. Obtain a permit for the lightning rod that does not have a permit as is required by law.
3. Identify who is responsible for doing so.
4. Implement action.

SI

1. Create or amend Health and Safety Policy and Procedure addressing the lightning protection system.
2. Provide training or source external training for all employees who need to be certified in testing the lightning protection system.
3. Create procedures to ensure that all rods in the lightning protection system are certified and have the necessary legal permits.

## Action Plan no 5.

### Description

IA

- "1. Review procedures on ensuring that the electrician has the correct government certification.
2. Identify what needs to be done to ensure that the electrician obtains the correct government certification.
3. Identify who is responsible for doing so.
4. Implement action by obtaining and maintaining such certification on file. "

SI

- "1. Create or amend Health and Safety Policy and Procedure addressing qualification certificates required for all skills and trades used in the factory.
2. Provide training or source external training for all employees who need to be certified in the relevant certified qualification.
3. Create procedures for the regular updating and renewal of all certificates."

## Action Plan no 6.

### Description

IA

- "1. Review procedures on ensuring that electric machinery and equipment that is damaged or out of operation is isolated.
2. Identify what needs to be done to ensure that this is done.
3. Identify who is responsible for doing so.
4. Implement action to isolate electric machinery and equipment that is damaged or out of operation."

SI

- "1. Create or amend Health and Safety Policy and Procedure addressing machinery and equipment that is damaged or out of operation.
2. Create procedures for the regular isolation of electric machinery and equipment that is damaged or out of operation."

## Action Plan no 7.

### Description

Create a list of equipment and machines that require the LOTO procedure, and implement LOTO in the factory.

SI

- "1. Create or amend Health and Safety Policy and Procedure addressing a lockout-tagout system (LOTO) and create a list of equipment and machinery that require the LOTO procedure and of those workers to carry out the procedure.
2. Provide training or source external training for all employees who need to be upskilled in a lockout-tagout system (LOTO) and how to create a list of equipment and machinery that require the LOTO procedure.
3. Create procedures for the regular updating and renewal of all lockout-tagout systems and equipment and machinery that require the LOTO procedures."

## Action Plan no 8.

### Description

IA

- "1. Review procedures on fall protection equipment.
2. Identify what needs to be done to acquire fall protection equipment.
3. Identify who is responsible for doing so.
4. Implement action by acquiring fall protection equipment."

SI

- "1. Create or amend Health and Safety Policy and Procedure addressing the use of the fall protection equipment.
2. Provide training or source external training for all employees who may need to use the fall protection equipment.
3. Create procedures to ensure that the fall protection equipment is regularly checked and well maintained. "

#### Action Plan no 9.

##### Description

IA

- "1. Review procedures on ladder safety.
2. Identify what needs to be done to purchase, assign and provide the correct ladder needed in each area in the factory.
3. Identify who is responsible for inspecting ladders for safety.
4. Implement action by providing the correct ladders."

SI

- "1. Create or amend Health and Safety Policy and Procedures addressing the appropriate equipment needed to reach heights.
2. Source the necessary equipment for all employees.
3. Create procedures to ensure that the appropriate ladders are purchased and then regularly inspected for safety. "

#### Action Plan no 10.

##### Description

IA

- "1. Review procedures on visitors and contractors entering the premises.
2. Identify what needs to be done to provide them with Health & Safety information.
3. Identify who is responsible for doing so.
4. Implement action by providing contractors with Health & Safety information when they enter the premises."

SI

- "1. Create or amend Health and Safety Policy and Procedures addressing the appropriate Health & Safety information to be provided to visitors and contractors when they enter the premises.
2. Provide training to staff and source the necessary Health & Safety information.
3. Create procedures to ensure that the appropriate Health & Safety information is provided to all visitors and contractors. "

#### Action Plan no 11.

##### Description

Nil

##### Company Action Plan Update

14.1

1. Review procedures of OSH Maintenance Equipment
2. Review Hazard Identification Risk Assessment and Determining Control
3. Equip spot cleaning with ventilation
4. Conduct regular monitoring

14.2

- 1). Factory has conducted training to employees regarding Provide Health and safety training on identifying any electrical wiring and electrical outlets that need repair. 2). Factory through GA Dept. has maintenance schedule to do maintenance for electrical wiring and electrical outlets 3). Factory through GA/Estate Dept. will complete maintenance /the repairing until Sept. 2018

14.3

1. Review Procedures of Maintenance
2. Cleans electrical panel
3. Conduct regular monitoring

14.4

1. Propose permit for installed lightning rods
2. Conduct regular monitoring

14.5

1. Reviewed procedure of electrical safety working
2. Obtain electrician certificate as required

14.6

1. Reviewed procedure of electrical safety working
2. Conduct regular electrical maintenance

14.7

- 1). Factory has already have Lockout- tag out ( LOTO) procedure. 2) Factory has conducted training LOTO procedure to employees (Maintenance, Mechanic ) 3). Identification of machineries which need LOTO procedure will be completed until July 2018

14.8

1. Review procedures of working in high places
2. Review Hazard Identification Risk Assessment and Determining Control (HIRADC) addressing it
- 3.Set up timetable, List of participants and material of training Working in high places
4. Keep all of the record of training
5. Conduct regular monitoring

14.9

Factory used the secure ladder for main electrical house as attached ( Please see attachment finding no. 14.9 )

1. Review procedure of OSH
2. Review Hazard Identification Risk Assessment and Determining Control
3. Communicate OSH Information with contractors and guest
4. Conduct regular monitoring

## FINDING NO.15

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The factory has not commissioned a third-party expert to conduct a fire risk assessment.
2. The factory has not installed a sprinkler system. Although it has installed four thematic apparatus in chemical storage, it has not installed a thematic apparatus or sprinkler system in several other areas that pose a fire risk, such as the temporary storage area for toxic and hazardous waste, the fabric and finished goods warehouse, or the cutting area.
3. The factory has installed light fire extinguishers more than 15 meters apart on the parameter of the sewing lines and therefore there are not enough light fire extinguishers for the area.
4. Approximately 90% of exits are sliding instead of opening outward.
5. The factory does not test the emergency light system to ensure a minimum lighting intensity of at least 1 lux.
6. There is no back-up power or stand-alone battery for any of the fire alarms installed at factory.
7. The factory does not regularly inspect or test the emergency lights.
8. There is no fire-resistant smoke sealed door in the factory.

##### Local Law or Code Requirement

Act 28/02. Articles 27.1-2 & 30; Attachment Manpower Minister Instruction No.: INS. 11/M/BW/1997, Articles II.2 and 6; Manpower Minister Instruction No.: INS. 11/M/BW/1997, Article I.3 and Chapter IV, point 5; Kepmenaker 186/99. Article 2.2.e: INS/11/MEN/BW/1997 Attachment I; Labor minister regulation; PER-04/MEN/1980, Attachment I and Chapter II, Article 4 (5); PP No. 101/2014, Article 17; Permenaker No. 04/1980, Article 5; SNI 03 – 1746 - 2000 Article 4.1.9.1, Article 4.1.9.2.1, Article 4.1.9.2.2; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, and HSE.6)

##### Recommendations for Immediate Action

1. Commission a third party to conduct a fire risk assessment and take any action necessary as identified in the assessment.
2. Install sprinkler system or thematic apparatus in all areas that pose a fire risk.
3. Install light fire extinguishers in the middle of sewing lines no more than 15 meters apart.
4. Realign or replace exits so that they open outwards instead of slide.
5. Inspect all emergency lights for lighting intensity level and ensure none are less than 1 lux.
6. Provide either back-up power or a stand-alone battery for all fire alarms.
7. Inspect and test emergency light, and record test.
8. Install fire-resistant smoke sealed door at the factory.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

A

- "1. Review procedures on fire safety and a fire risk assessment.
2. Identify what needs to be done to commission a third-party expert to conduct a fire risk assessment.
3. Identify who is responsible for doing so.
4. Implement action by commissioning a third-party expert to conduct a fire risk assessment."

- SI
- "1. Create or amend Health and Safety Policy and Procedure addressing the fire alarm system in the factory following a third party risk assessment.
2. Provide training or source external training for all employees who need to follow up on a third-party fire risk assessment.
3. Create procedures to ensure that the the fire risk at the factory is regularly assessed and followed up on. "

## Action Plan no 2.

### Description

- IA
1. Review legal requirement as well as procedures on ensuring that the fire sprinkler system is effective and covering all areas that pose a fire risk.
2. Identify what needs to be done to install such sprinkler systems in these areas.
3. Identify who is responsible for doing so.
4. Implement action by installing a fire sprinkler system in all areas that pose a fire risk.

- SI
- "1. Create or amend Health and Safety Policy and Procedure addressing the fire sprinkler system in the factory.
2. Provide training or source external training for all employees who need to monitor and maintain the fire sprinkler system in the factory.
3. Create procedures to ensure that the fire sprinkler system in the factory is regularly checked and well maintained. "

## Action Plan no 3.

### Description

- IA
1. Review legal requirement as well as procedures on fire safety and the number and storage of fire extinguishers.
2. Identify what needs to be done to purchase and store a fire extinguisher in regular intervals throughout the factory.
3. Identify who is responsible for doing so.
4. Implement action by installing a legally adequate number of fire extinguishers in the factory.

- SI
- "1. Create or amend Health and Safety Policy and Procedures addressing the number of fire extinguishers required throughout the factory and purchase the required amount.
2. Provide training or source external training for all employees on how to use fire extinguishers.
3. Create procedures to ensure that the fire extinguishers throughout the factory are regularly checked and certified. "

## Action Plan no 4.

### Description

- IA
- "1. Review procedures on fire safety and evacuation doors.
2. Identify what needs to be done to fix and ensure evacuation doors open outwards.
3. Identify who is responsible for doing so.
4. Implement action by installing ensuring all evacuation doors open in the direction of evacuation. "

- SI
- "1. Create or amend Health and Safety Policy and Procedures addressing evacuation doors.
2. Provide training and source the necessary equipment to ensure all evacuation doors open in the direction of evacuation.
3. Create procedures to ensure that fire exits are regularly checked to ensure they open in the direction of the evacuation. "

## Action Plan no 5.

### Description

- IA
- "1. Review procedures on fire safety and the emergency light system.
2. Identify what needs to be done to fix and ensure the emergency light system provides a minimum lighting intensity of at least 1 lux.
3. Identify who is responsible for doing so.
3. Implement action by installing an emergency light system that ensures a minimum lighting intensity of at least 1 lux. "

SI

- "1. Create or amend Health and Safety Policy and Procedures addressing the emergency light system.
2. Provide training and source the necessary equipment for the testing and ongoing maintenance of an emergency light system that ensures a minimum lighting intensity of at least 1 lux.

## Action Plan no 6.

### Description

IA

1. Review procedures on ensuring that the fire alarm system is centralized and has a backup battery.
2. Identify what needs to be done to ensure that the the fire alarm system is centralized and has a backup battery.
3. Identify who is responsible for doing so.
3. Implement action by installing a centralized and battery powered fire alarm system in the factory."

SI

- "1. Create or amend Health and Safety Policy and Procedure addressing the fire alarm system in the factory.
2. Provide training or source external training for all employees who need to monitor and maintain a centralized and battery powered fire alarm system in the factory.
3. Create procedures to ensure that the centralized and battery powered fire alarm system in the factory is regularly checked and well maintained. "

## Action Plan no 7.

### Description

IA

- "1. Review procedures on regularly inspecting and testing the emergency lights.
2. Identify what needs to be done to ensure that the emergency lighting system is tested annually as required by law.
3. Identify who is responsible for doing so.
3. Implement action by testing the emergency lightning system."

SI

- "1. Create or amend Health and Safety Policy and Procedure addressing the regularl inspection and testing of the emergency lights.
2. Provide training or source external training for all employees who need to be certified in testing the emergency lights.
3. Create procedures to ensure that there is a regular testing of the emergency lights."

## Action Plan no 8.

### Description

IA

1. Review legal requirement as well as procedures on fire safety and doors.
2. Identify what needs to be done to install a fire-resistant smoke sealed door in the factory.
3. Identify who is responsible for doing so.
4. Implement action by installing a fire resistant smoke sealed door in the factory.

SI

- "1. Create or amend Health and Safety Policy and Procedures addressing fire-resistant smoke sealed doors in the factory.
  2. Provide training and source the necessary equipment to ensure that the fire-resistant smoke sealed door in the factory is regularly inspected and working properly.
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