



COMPANIES: PUMA SE
COUNTRY: Malaysia
ASSESSMENT DATE: 11/16/16
ASSESSOR: Donny Triwandhani
PRODUCTS: Apparel
NUMBER OF WORKERS: 349

FLA Comments

Company Comment: Due to business reasons Puma has ceased sourcing from this factory. Remediation plans for the findings at this factory were updated until Puma ceased sourcing from the factory and provide information on the action taken by Puma.

Beginning with assessments published in 2017, the Fair Labor Association no longer reviews remediation plans submitted by company affiliates. The remediation plans in this report are reflected in their original form, as submitted by the company affiliate to the FLA. Each year, selected factories receive verification assessments to review remediation progress. These reports appear on the Fair Labor Association website and include the findings from the original report, the company remediation plan, and a link to the original report.

Summary of Code Violations

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

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

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

1. The factory does not have written policies on Personnel Development, Termination & Retrenchment, or Industrial Relations.
2. The factory does not have written procedures on Personnel Development, Hours of Work, Termination & Retrenchment, or Industrial Relations.
3. The factory's policies and procedures on performance reviews do not include steps, processes, and commitment to nondiscrimination.
4. The factory's Workplace Conduct & Discipline procedures do not require the presence of a third-party witness when disciplinary actions are carried out.
5. The factory's Environmental Protection procedures do not include steps to enable workers to raise environmental concerns or protections for workers to allege environmental violations.
6. The factory's Health & Safety procedures do not include any steps for workers to raise who allege Health & Safety concerns or protections against retaliation for those who do.
7. Although the factory's Grievance System procedures are available in Chinese, Malay, and English, they are not available in every migrant workers' native language.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19, ER.23, ER.25, ER.27, ER.28, ER.29, ER.30, ER.31, and ER.32)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory has already created the policy on Personnel Development , Termination, & Retrenchment & Industrial Relation.
2. Factory has already created a policy in regards to Hours of Work
3. Factory has amended the policies and procedures on performance reviews. Now the performance reviews for all workers regardless the gender or country of origin
4. Disciplinary practice has now included the 3rd party witness.

5. Factory has include the steps for workers to raise environmental concerns on its policy.
6. Factory has included in its Health and Safety procedures the steps for workers to raise their concerns and protection against retaliation for reporting HSE issues.
7. Grievance system procedure have been translated to all workers native language.

Planned completion date

05/10/17

Company Action Plan Update

07/11/18 : 1. Factory has already created the policy on Personnel Development , Termination, & Retrenchment & Industrial Relation. 2. Factory has already created a policy in regards to Hours of Work 3. Factory has amended the policies and procedures on performance reviews. Now the performance reviews for all workers regardless the gender or country of origin 4. Disciplinary practice has now included the 3rd party witness. 5. Factory has include the steps for workers to raise environmental concerns on its policy. 6. Factory has included in its Health and Safety procedures the steps for workers to raise their concerns and protection against retaliation for reporting HSE issues. 7. Grievance system procedure have been translated to all workers native language

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

The factory does not clearly define the responsible person for any of the Employment Functions, except Health & Safety.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory has set up the new employment function aside from Health and Safety

Planned completion date

05/10/17

Company Action Plan Update

07/11/18 : Factory is now assigning staff in HR for various aspects in the HR activities e.g. division for termination or handling grievances.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The orientation training provided to new workers only covers disciplinary actions, factory rules and regulations, and production. It does not cover Compensation, Hours of Work, Industrial Relations, Human Resources policies, or Health & Safety.

2. New workers do not receive written documentation that substantiates all issues covered during orientation.

3. The factory does not provide ongoing training to workers on any of the Employment Functions, except Health & Safety.

4. The factory does not provide specific training to relevant supervisors on any of the Employment Functions.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, and ER.27; Compensation Benchmark C.17)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory has already included the topic of Compensation, Hours of Work, Industrial Relations, Human Resources policies and Health and safety into orientation training.
2. Training material is provided to workers in their native language after the training conducted to ensure workers
3. Ongoing training has not been conducted yet to existing workers. Factory planned to do it on June 2017
4. Training for supervisors has not been conducted yet. Factory planned to do it in June 2017.

Planned completion date

05/10/17

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The factory does not communicate the policies and procedures and their updates to the general workforce for the following Employment Functions: Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Industrial Relations, and Grievance System.
2. The worker integration component is missing for all Employment Functions. The factory has not established procedures for receiving worker input/feedback on the creation, implementation, and revision of its policies and procedures. Workers are neither systematically integrated nor consulted in the decision-making processes.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory plan to conduct training in regards to recruitment, hiring and personal development, termination and retrenchment and industrial relations and grievance to general employee in June 2017.
2. Factory has created the specific procedure for workers to raise their concerns towards the established policies/procedures

Planned Completion Date

06/30/17

Planned completion date

05/10/17

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

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

procedures for any of the Employment Functions.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory will set up a new procedures on how to review the existing policies and procedures to ensure that it is in accordance with the local regulation

Planned completion date

05/10/17

Company Action Plan Update

07/11/18 : Factory has set up a new procedures on how to review the existing policies and procedures to ensure that it is in accordance with the local regulation.

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. Around 384 out of 439 production workers are migrant workers from Indonesia, Cambodia, Nepal, Myanmar, Bangladesh, and Vietnam. The factory keeps migrant workers' passports in a safety box in the HR office. The factory obtains workers' written consent to keep their passports, but the workers stated that they have no choice but to sign the consent letter since everyone else is also signing it. Thus, the migrant workers do not have free and easy access to their original passports.
2. The migrant workers must have a guarantor and sign a guarantee letter when they want to take their passport to go back to their home country for holidays.
3. By law, migrant workers are required to undergo a medical examination before departing their countries of origin, and are to be re-examined within one month of their arrival in Malaysia. The examination involves recording the worker's medical history, a physical examination, blood tests, urine tests, and X-rays. These tests screen workers for pregnancy, tuberculosis, hepatitis B, syphilis, HIV, malaria, and leprosy. Subsequently, migrant workers are subject to annual medical examinations for the first three years of employment. If the migrant worker tests positive for pregnancy or any of the aforementioned diseases during the first three years of employment, the Immigration Department will not renew their work permit and the factory will be required to send the worker back to the country of origin. If the employer continues to employ the migrant worker, the employer is charged with a penalty of MYR 10,000 (USD 2,241) or six months of jail term. Any employer who does not report any of these conditions, including pregnancy, will also have their security bond confiscated, for which the employer pays between MYR 250 (USD 56) and MYR 1,500 (USD 336) depending on the nationality of the migrant worker. The security bond is a legally required bank guarantee for the issuance of the visa for the migrant worker. As a result of these legal requirements, the factory has sent a number of migrant workers back to their country of origin. While legal, this practice is in violation of FLA Benchmarks stating that employers shall not, on the basis of a person's health or pregnancy status, make any employment decisions that negatively affect the person's employment status.
4. Not all workers receive performance reviews. The factory only conducts performance reviews for those workers who are eligible for promotion, as based on seniority and skills.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.29; Forced Labor Benchmarks F.7, F.9, and F.10; Nondiscrimination Benchmarks ND.2, ND.5, ND.7, ND.9, and ND.10)

Recommendations for Immediate Action

1. Do not retain control of foreign migrant workers' passports, identity papers, travel documents, or other personal legal documents. Provide secure storage for these documents only at the workers' request. Allow workers free access to these documents; do not require workers to have a guarantor or sign a guarantee letter to access their documents.
2. In collaboration with the FLA-affiliate and other stakeholders, lobby the Malaysian government to change its regulations. Migrant workers should not be required to undergo pregnancy testing or other medical tests; work permits and employment status should not be

contingent the results of these tests.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory will provide specific storage to keep the passport in the locker approximately 200 m from the dormitory. The locker will not be locked to provide unlimited access for workers to get their passport. The locker will be guarded by a security guard for safety purpose

Additionally, factory will create a new procedure that workers is free to access their passport at all times and train workers regarding the procedure

2. Migrant workers does not have to have a guarantor to access their passport.

3. In regards to pregnancy test for female workers, it is required by the government otherwise factory cannot recruit foreign female workers. As explained by FLA Auditors there is a consequences for a factory in form of fines or prison term in case the factory covers up the pregnancy status of a foreign workers. Thus, there will be action taken towards this finding unless the government change the rules.

4. In the past performance review is only conducted for the staff. Now factory has a new practice of performance review to all workers.

Planned completion date

05/10/17

Company Action Plan Update

07/11/18 : 1. Factory provides specific storage to keep the passport in the locker approximately 200 m from the dormitory. The locker does not have a lock to provide unlimited access for workers to get their passport. The locker is guarded by a security guard to ensure safety. Procedure in regards to free access to passport has also been written. Workers were trained regarding the procedure on January 5, 2017 to ensure their understanding. 2. New procedure allow workers to take their passport directly. Workers only need to sign the register whenever they take and return the passport. 3. In regards to pregnancy test for female workers, it is required by the government otherwise factory cannot recruit foreign female workers. As explained by FLA Auditors there is a consequences for a factory in form of fines or prison term in case the factory covers up the pregnancy status of a foreign workers. Thus, there will be action taken towards this finding unless the government change the rules. 4. 4. In the past performance review is only conducted for the staff. Now factory has a new practice of performance review to all workers.

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The monthly minimum wage before July 2016 was MYR 900 (USD 202); the daily rate (for 26 days a month) was MYR 34.62 (USD 7.78). Because there were only 25 working days between February 26 and March 25, 2016 (the pay period), the factory calculated the monthly wage as 25 days x MYR 34.62 = MYR 865.5 (USD 194.54), which is below the local minimum wage of MYR 900. Thus, 71 workers did not receive the monthly minimum wage.

2. The factory does not properly calculate workers' overtime wages. A new minimum wage of MYR 1,000 (USD 225) per month was implemented in July 2016. Legally, the hourly rate for overtime calculations is MYR 4.80769 (USD 1.08, the monthly minimum wage for 26 days, 8 hours a day), which should be rounded up to MYR 4.81 (USD 1.08). However, the factory rounded the hourly rate down to MYR 4.8 (USD 1.08). For example, one worker who worked 104.5 hours of overtime during the August/September pay period should have received overtime wages of MYR 753.96 (USD 169.77, at 150% the wage). Instead, she received MYR 752.40 (USD 169.12). Thus, there was an overtime wage deficiency of MYR 1.56 (USD 0.35) across all pay periods.

Local Law or Code Requirement

Minimum Wages Order 2016; FLA Workplace Code (Employment Relationship Benchmark ER.11.2; Compensation Benchmarks C.1, C.2, and C.7)

Recommendations for Immediate Action

1. Ensure monthly minimum wage is guaranteed to all workers for each month. Retroactively compensate workers who were affected by the wage deficiency over the last 12 months.

2. Ensure overtime hours are calculated and paid correctly and the overtime rate is not rounded down. Retroactively reimburse workers who were affected by the wage deficiency over the last 12 months.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory has amended the pay system for February 2017. However, the retroactive payment is still in process and will be finished calculation by May 7, 2017.
2. Factory has changed the overtime calculation with the round up system since January 2017. However, the backpay of the arrear will be finished by May 7, 2017

Planned completion date

05/10/17

Company Action Plan Update

07/11/18 : 1. Factory has amended the pay system for February 2017. The factory ensure that workers received MYR 1,000 as basic wage regardless the days in a month. In the sample uploaded, after adding up basic wage and one day public holiday, it will result in minimum MYR 1,000. Retroactive payment has been paid to workers. Factory calculated the back-pay from January 2016. Attached is the sample of retroactive payment payroll. 2. Factory has changed the overtime calculation with the round up system since January 2017. However, the backpay of the arrear will be finished by May 7, 2017

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. Based on a review of 40 sampled workers' time records, assessors found that daily working hours frequently exceed the legal limit of 12 hours per day:
 - a. All 10 workers from the sewing, general, and packing sections worked excessive daily hours (up to 14 hours per day) during the August/September 2016 pay period.
 - b. Eight out of 10 workers from the sewing and packing sections worked excessive daily hours (up to 13.5 hours per day) during the July/August 2016 pay period.
 - c. All five workers from the sewing sections worked excessive daily hours (up to 14 hours per day) during the June/July 2016 pay period.
 - d. Four out of five workers from the sewing and cutting sections worked excessive daily hours (up to 13.5 hours per day) during the May/June 2016 pay period.
 - e. Four out of five workers from the sewing and cutting sections worked excessive daily hours (up to 13.5 hours per day) during the April/May 2016 pay period.
 - f. All five workers from the sewing and cutting sections worked excessive daily hours (up to 13.5 hours per day) during the December 2015/January 2016 pay period.
2. Based on a review of 40 sampled workers' time records, assessors found that weekly working hours frequently exceed the FLA limit of 60 hours per week:
 - a. All 10 workers from the sewing, general, and packing sections worked excessive weekly hours (up to 79.5 hours per week) during the August/September 2016 pay period.
 - b. Eight out of 10 workers from the sewing and packing sections worked excessive weekly hours (up to 78 hours per week) during the July/August 2016 pay period.
 - c. All five workers from the sewing sections worked excessive weekly hours (up to 80.5 hours per week) during the June/July 2016 pay period.

- d. Four out of five workers from the sewing and cutting sections worked excessive weekly hours (up to 76 hours per week) during the May/June 2016 pay period.
- e. Four out of five workers from the sewing and cutting sections worked excessive weekly hours (up to 73.5 hours per week) during the April/May 2016 pay period.
- f. All five workers from the sewing and cutting sections worked excessive weekly hours (up to 76 hours per week) during the December 2015/January 2016 pay period.
3. Based on a review of 40 sampled workers' time records, assessors found that monthly hours of overtime frequently exceed the legal limit of 104 hours:
- a. All 10 workers from the sewing and packing sections worked excessive monthly hours (up to 109 hours of overtime per month) during the August/September 2016 pay period.
- b. Eight out of 10 workers from the sewing sections worked excessive monthly hours (up to 129 hours of overtime per month) during the July/August 2016 pay period.
- c. All five workers from the sewing and cutting sections worked excessive monthly hours (up to 119 hours of overtime per month) during the June/July 2016 pay period.
- d. Four out of five workers from the sewing and cutting sections worked excessive monthly hours (up to 107 hours of overtime per month) during the May/June 2016 pay period.
- e. Four out of five workers from the sewing and cutting sections worked excessive monthly hours (up to 105 hours of overtime per month) during the April/May 2016 pay period.
- f. All five workers from the sewing and cutting sections worked excessive monthly hours (up to 115.5 hours of overtime per month) during the December 2015/January 2016 pay period.
4. The factory regularly includes overtime in production planning.
5. The working hours' records do not contain identification of pregnant and lactating women.

Local Law or Code Requirement

Employment Act (1955), Sec. 60A(7); Employment (Limitation of overtime work) Regulations (1980), Sec. 2; FLA Workplace Code (Employment Relationship Benchmark ER.24; Hours of Work Benchmarks HOW.1, HOW.5.1, and HOW.8)

Recommendations for Immediate Action

1. Ensure that workers do not work more than the legal limit of 12 hours per day.
2. Ensure that workers do not work more than 60 hours per week, including overtime.
3. Ensure that workers do not work more than 104 overtime hours per month.
4. Do not include overtime in production planning.
5. FLA affiliate Company's Sourcing and Social Compliance teams should: a) implement FLA Principles of Fair Labor and Responsible Sourcing and b) accordingly coordinate on the topics mentioned below to help the factory address its excessive hours issue: how to provide better order forecasts to the factories; possible workshops/consultancy for the factory on how to improve; clear guidelines on how to extend shipment deadlines in case of contingencies; steps that factory management must follow if overtime is inevitable (steps for how to communicate with the brand's Sourcing and Social Compliance teams); clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks; clear guidelines on how and when the factory can use subcontractors and/or temporary workers to avoid excessive overtime.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factor will try its best to reduce working hours not to exceed local law of 12 hours per week or 60 hours per week or 104 per month.

Planned completion date

05/10/17

Company Action Plan Update

07/11/18 : PUMA reviewed the sample of working hours from December to March 2017. It was noted that from attendance record review, for the period of December 2016 working hours still exceed the regulation. Working hours shown the decreasing trend at the first quarter of the year. The period of January, February and March working hours were found reduced not to exceed 12 hours per day, 60 hours per week and 104 hours per month. As per management, this is also due to the factory is having lean season. However, management committed to manage working hours to at least not exceed regulation for majority of workers during peak season. PUMA will strictly monitor the working hours condition in the factory From the sample taken: - Some sewing workers worked the total working hours of 74,5 hours or 26,5 of overtime during the period of December 19 - 24, 2016. - Majority of workers worked the average of 52 hours of total working hours per week during the period of January 2 - 7, 2017 - Majority of workers worked the average of 54 hours of working hours per week during the period of February 13 - 19, 2017 - Majority of workers worked the average of 54 hours of total working hours per week during the period of March 13 - 18, 2017

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. One suggestion box near the stairway was not locked.
2. Management's response to grievances is not regularly communicated back to workers.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Grievance System

Details

1. Factory will check and ensure that all suggestion boxes are not locked
2. Management response to grievances will be communicated to workers.

Planned completion date

05/10/17

Company Action Plan Update

07/11/18 : 1. PUMA verified that all suggestion boxes in the factory are locked 2. Management communicated grievances to all workers through the post on notice board and meeting with workers' representatives

FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

The factory sends its hazardous waste to a recycling contractor that is not registered with the Malaysian Department of Environment.

Local Law or Code Requirement

Environmental Quality Act (1974), Sec. 25(1); FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1, HSE.4, and HSE.9)

Recommendations for Immediate Action

Ensure to use a hazardous waste collector that is registered with the Malaysian Department of Environment.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory will ensure too cooperate with the licensed hazardous waste handler.

Planned completion date

05/10/17

Company Action Plan Update

07/11/18 : Factory is now cooperated with Estalco Sdn. Bhd which is the hazardous waste handler with a licensed from Environmental Department. However, due to so far, there is still not enough hazardous waste to be transported, the transportation has not been occurred yet.

FINDING NO.11

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 secondary exit in the fabric warehouse was locked during the assessment.
3. The emergency exit door in the finished goods warehouse was locked and blocked with finished goods, carton boxes, and fabric rolls.
4. There are uncut fabric roles stocked next to the cooking area in the dormitory kitchen area, increasing the risk of fire.
5. Two out of 10 electrical sockets in the female dormitory and two out of 15 electrical sockets in the male dormitory are damaged, with broken covers and exposed wires.
6. There is no fire alarm or eye wash station installed in the chemical storage area.
7. Six out of 20 toilets in the male dormitories were not functioning due to a damaged flush system.

Local Law or Code Requirement

Factories and Machinery (Safety, Health and Welfare) Regulations 1970, Section 21(2); Factories and Machinery (Fencing of Machinery and Safety) Regulations (1970), Section 11; Factories and Machinery Act (Act 139) (1967), Section 13; Factories and Machinery (Safety, Health & Welfare) Regulations (1970), Section 21(1); Workers' Minimum Standards of Housing and Amenities Act (1990), Article 23; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.6, HSE.9, HSE.13, HSE.25, and HSE.26)

Recommendations for Immediate Action

1. Arrange a third-party expert to conduct a fire risk assessment.
2. Ensure all exit doors are accessible, clear of obstruction, and unlocked during working hours.
3. Store production materials, such as fabric rolls, in a safe area, and away from cooking areas. Clear all exits of obstructions.
4. Repair or replace any broken electrical socket covers and exposed wires. Ensure that all electrical sockets are properly installed and covered.
5. Install an alarm notification system and eye wash statement in the chemical storage area.
6. Repair or replace the damaged flush systems in the male dormitory bathrooms.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory is still in process to find the expert that can conduct fire risk assessment. So far, the assessment is conducted by the insurance company. However, no result of assessment sent to factory.
2. Secondary exit in fabric warehouse was not locked anymore.
3. Emergency exit in finished goods warehouse will not be locked.
4. Due to lack of space, the uncut fabric rolls were still stored in the cooking area of the dormitory. Factory planned to use the container as temporary fabric storage
5. All electrical socket in dormitory has already been repaired and in good conditions.
6. Factory is still in process to install a fire alarm in chemical storage. The eyewash station was there but it is still improperly installed. Factory planned to make eyewash station and install it.
7. All toilet in male dormitories are functioned properly.

Planned Completion Date

05/08/17

Planned completion date

05/10/17

Company Action Plan Update

07/11/18 : 1. Factory cooperated the fire risk assessment with insurance company. To ensure that risk assessment is in line with FLA Standard, a professional risk assessment company has also been contacted to conduct overall risk assessment in the factory. 2. Secondary exit in fabric warehouse was not found unlocked during the verification visit. 3. Emergency exit in finished goods warehouse was found unlocked during the verification visit. 4. Due to lack of space, the uncut fabric rolls were still found stored in the cooking area of the dormitory. Factory planned to use the container as temporary fabric storage 5. Electrical sockets in dormitory has already been repaired and in good conditions. 6. Factory has installed a fire alarm and eyewash station in chemical storage. 7. Toilets in male dormitories are functioned properly during verification visit.

FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. During the factory tour, assessors observed that there were no finger guards installed on three out of 30 sewing machines on Line 3 and four out of 30 sewing machines in Line 10. The safety guard on one of the three snap button machines in Line 6 is not functioning, and there are no plastic eye guards on three out of six over-lock sewing machines on Line 14.
2. The lockout-tagout procedure is not implemented for the machines that are not in use on the sewing floor.
3. The factory's Certificate of Fitness for the Mini Boilers (seven units), Goods Hoist (one unit), Monorail Hoist (one unit), Vertical Air Receiver (one unit), Air Receiver (one unit), Air Compressor (one unit), and Water Softener Pressure Tank (one unit) all expired on April 27, 2016. The Department Occupational Safety & Health (DOSH) visited the factory on October 26, 2016 and carried out the inspection on all the aforementioned machines but had not yet issued the certification.

Local Law or Code Requirement

Factories and Machinery Act 1967 Sec. 21; Factories and Machinery Act (Act 139) (1967), Sec. 15; Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970 – Part II Certificate of Fitness; Section 10; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.4, and HSE.14)

Recommendations for Immediate Action

1. Install finger guards on all sewing machines, safety guards on all snap button machines, and plastic eye guards on all overlock machines.
2. Establish and implement lockout-tagout procedures for all machines on the sewing floor.
3. Follow up with DOSH and obtain all necessary Certificates of Fitness.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. PUMA confirmed that all sewing machines were completed with finger guard, the safety protection on snap machined has been properly installed and eye guards were installed and used on all over-lock machines.
2. Factory has created a lock-out and tag - out procedure and implement it in production.
3. Factory has renewed the mini boiler certificate, goods hoist, monorail hoist, vertical air receiver, air compressor, and water softener pressure tank.

Planned completion date

05/10/17

Company Action Plan Update

07/11/18 : 1. PUMA confirmed that all sewing machines were completed with finger guard, the safety protection on snap machined has been properly installed and eye guards were installed and used on all over-lock machines. 2. Factory has created a lock-out and tag - out procedure and implement it in production. 3. Factory has renewed the mini boiler certificate, goods hoist, monorail hoist, vertical air receiver, air compressor, and water softener pressure tank.