



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Burton Snowboards
COUNTRY: Indonesia
ASSESSMENT DATE: 07/29/19
ASSESSOR: Donny Triwandhani
PRODUCTS: Apparel
NUMBER OF WORKERS: 1261

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.

FLA Code Element	Number of Violations
Compensation	11
Hours of Work	6
Employment Relationship	41
Health, Safety, and Environment	76
Harassment and Abuse	3
Forced Labor	1
Nondiscrimination	3
Freedom of Association	1

Findings and Action Plans

FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The provided payroll records showed all workers are compensated local minimum wage. However, minimum wage could not be fully verified since:

- The employment contract does not specify the basic wage of workers. The information of basic wage in the contract is left blank.
- The receipts of wages signed by workers do not reflect the wage amount each worker received.
- The assessor together with a compliance staff checked a suggestion box in production building and found 11 grievance letters from workers. Four out of 11 grievances disclosed that workers asking when their wage will be increased.
- The payment record for terminated workers does not reflect how much the workers received for their last pay.
- Information for current local minimum wage is not posted on notice boards. [ER.11.2, C.2, C.5, C.14.1, C.15, C.16]

2. According to management on the first day of the assessment, there was no overtime conducted in the past one year. However, this statement conflicts with the actual situation since:

- The employment contract signed by worker and HR Supervisor on Article 3 Point 3 states that if the daily target is not met, workers need to work an extra one hour but if the target is achieved before the end of the working day, the supervisor may let the worker go home early. In this case, workers are not paid at the overtime rate, and as a result, the workers may work extra time without overtime pay.
- The payroll records in the past 12 months (July 2018 to June 2019) do not show overtime compensation while time records of workers reflected time out at 15:59 pm or extra work for one hour. In addition, manual attendance records and printed computerized time records reflected overtime Sunday work on May 12, 2019 and overtime on Public holiday on April 19, 2019 (Good Friday) and May 30, 2019 (Ascension Day) but there are no overtime compensation reflected in payroll records and workers' pay slip. According to management, April 19, 2019 swapped to April 20, 2019 instead of paying overtime. Overtime on Sunday was paid separately in cash, and only separate record for this Sunday May 12, 2019 was available for review.
- The assessors observed at 16:20pm on first day of the assessment that around 10 packing workers were still working or 1.5 hours overtime. [ER.24, C.5, C.7, C.16]

3. Based on separate payment for overtime on Sunday May 12, 2019, it was noted that 14 production leaders were paid only IDR 151,000 (USD 10.82) for working 7 hours instead at a legal overtime rate of 200% or at least IDR 305,000 (USD 21.86). [C.7.2]
4. There is no seniority incentive provided for workers who have been working at the factory for more than one year. The law states minimum wage applies only to workers who have worked less than 1 (one) year at a specific workplace and that the wages should increase every year worked; the amount for the increase is at the discretion of the factory. [C.1, C.6]
5. Inadequate Social and Health Insurances since:
- 81 out of 464 total employees are not been covered by Social Insurance (work accident insurance, live insurance, pension plan)
 - 20 out of 464 total employees have not been registered to the Healthcare Insurance BPJS.
 - None of employees are covered by the Pension Guarantee Program BPJS. [C.1, ER.22.1]
6. The factory does not provide adequate annual leave. Based on the provided payroll records, workers were paid for six additional holidays during the end of Ramadhan holiday in June 2019, and this can be considered six days paid annual leave. However, the remaining six days of annual leave is not calculated and provided to workers. There is no tracking of annual leave maintained. [HOW.1.1, HOW.11, HOW.14]
7. Workers who loan from the local bank are deducted more than 50% of their total wage from their payroll for the loans, the law states that deductions shall not exceed 50%. For example, a worker from the finishing section received a net wage of IDR 1,346,000 (USD 94.78), after they were deducted for a debt of IDR 1,638,000 (USD 115.35). [C.11.1]
8. The workers obtained a loan from the bank arranged by the factory exceeds three months of pay and is up to five months of pay. [ER.20.1]
9. There is no menstruation leave provided for female workers. [HOW.16]
10. The factory incorrectly deducts wages for unpaid leave. The factory does not use the fixed daily rate for unpaid leave. Instead, the daily rate for deduction is calculated based on number of working days in a month. As a result, there are some months that the deduction for unpaid leave is higher than the legal requirement, such as February 2019 the daily rate for deduction was IDR 163,626 (USD 11.53) and April 2019 the daily rate was IDR 156,809 (USD 11.04) while the daily rate per the Law is Minimum Wage of IDR 3,763,405.88 divided by 25 days, that is IDR 150,536 (USD 10.60). [C.1]

Local Law or Code Requirement

Regulation of the Minister of Manpower No. KEP-06/MEN (1990) (Peraturan Menteri Tenaga Kerja No. KEP-06/MEN /1990); Law No. 13 on Manpower (2003), Article 54 (UU No. 13 tentang Ketenagakerjaan (2003), pasal 54); Law No. 13 on Manpower (2003), Article 78 point 2 (UU No. 13 tentang Ketenagakerjaan (2003), pasal 78 artikel 2); Government Regulation No: 78 Year 2015 Article 13 point 2 and Article 58 (Peraturan Pemerintah No.78 Tahun 2015 pasal 13 artikel 2 dan pasal 58; Law No. 13 on Manpower (2003), Article 81 (UU No. 13 tentang Ketenagakerjaan (2003), pasal 81); Law No. 13 on Manpower (2003), Article 79(2c) and Article 99 (1) (UU No. 13 tentang Ketenagakerjaan (2003), pasal 79(2c) dan pasal 99 (1)); Decision of the Minister of Manpower and Transmigration No. KEP 102/MEN/VI on Overtime work and Overtime pay (2004), Article 11 (Keputusan Menteri Tenaga Kerja dan Transmigrasi No. KEP 102 / MEN / VI tentang kerja lembur dan upah lembur (2004), pasal 11); FLA Workplace Code (Employment Relationship Benchmarks ER.11.2, ER.20.1, ER.22.1, and ER.24; Hours of Work Benchmarks HOW.1.1, HOW.11, HOW.14, and HOW.16; Compensation Benchmarks C.1, C.2, C.5, C.6, C.7, C.11.1, C.14.1, C.15, and C.16)

Recommendations for Immediate Action

1. Disclose the actual basic wage of workers in the employment contracts. Ensure the receipt and accuracy of wage with the amount reflected be confirmed by the relevant worker in writing on every pay day. Ensure all workers are compensated at legal minimum wage.
2. Compensate all overtime hours at the legal overtime rate and record all compensation in main payroll records and workers' pay slip.
3. Compensate overtime hours on Sunday at rate 200%.
4. Provide seniority incentive for workers who have been working more than one year as mandated by Law.
5. Provide Social and Health Insurances to all workers.
6. Provide adequate annual leave and maintain the leave tracking records.
7. Ensure the deduction from wages do not exceed 50% of the total wage received by workers.
8. Ensure the amount of loan for workers do not exceed three months of their pay.
9. Provide menstruation leave for female workers.
10. Correctly calculate the wage deduction for unpaid leave.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will improve the system for below:

a. Disclose the actual basic wage of workers in the employment contracts.

b. Ensure the receipt and accuracy of wage with the amount reflected be confirmed by the relevant worker in writing on every pay day.

c. Ensure all workers are compensated at legal minimum wage.

d. Check the suggestion box periodically every month and properly handle any received letter.

e. Post and socialize current local minimum wage on Notice Boards

2. The factory will strengthen the working hours management by ensuring actual working hours record accordingly, compensating all overtime hours at the legal overtime rate and record all compensation in main payroll records and workers' pay slip. The factory will ensure the workers will receive overtime fee when they work extra even though the target quantity could not be achieved.

3. The factory will compensate overtime hours on Sunday at rate 200%.

4. The factory will provide seniority incentive for workers who have been working more than one year as mandated by Law from next year.

5. The factory will provide Social and Health Insurances to all workers by following:

a. All employees will register to social insurance.

b. For employees who has not registered to Health insurance BPJS from Government will registered to the Healthcare Insurance BPJS.

c. Factory will register all employees to be covered by the Pension Guarantee Program BPJS.

6. The factory will provide adequate annual leave and maintain the leave tracking records.

7. The factory will ensure the deduction from wages does not exceed 50% of the total wage received by workers.
8. The factory will ensure the amount of loan for workers do not exceed three months of their pay.
9. The factory will give menstruation leave to female worker.
10. The factory will review and calculate daily rate by following Local Law so as to calculate the wage deduction for unpaid leave correctly.

FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. It was noted that not all working hours are recorded in workers' time record. Assessors observed on the first day of the assessment on July 29, 2019 at 16:20pm that packing workers were still working but their finger scan time records showed time out at 15:50pm on that date (July 29, 2019). [ER.23., C.5]
2. Based on time records, all workers worked 13 consecutive days from May 12 to May 18, 2019 without a rest day. [HOW.2]
3. There is no written agreement from workers prior to working overtime. [HOW.1.1]
4. The working hour records do not identify pregnant or lactating workers to help ensure that these workers receive their entitled legal protections concerning working hours. [HOW.5, ND.8]

Local Law or Code Requirement

Law No. 13 on Manpower (2003,) Article 79(1) - (2b); (UU No. 13 tentang Ketenagakerjaan (2003), pasal 79 (1 & 2b); Decision of the Minister of Manpower and Transmigration No. KEP 102/MEN/VI on Overtime work and Overtime pay (2004), Article 6(1) (Keputusan Menteri Tenaga Kerja dan Transmigrasi No. KEP 102 / MEN / VI tentang kerja lembur dan upah lembur (2004), pasal 6 (1)) ; FLA Workplace Code (Employment Relationship Benchmarks ER.23.2 and ER.23.5; Hours of Work Benchmarks HOW.1.1, HOW.2, and HOW.5.1; Nondiscrimination Benchmark ND.8)

Recommendations for Immediate Action

1. Record all working hours accurately on workers' time record.
2. Provide at least 24 consecutive hours of rest in every seven day period to all workers.
3. Maintain a written agreement from the respective workers who are willing to work overtime prior to overtime being carried out.
4. Establish a system to identify pregnant and lactating workers to ensure they receive their entitled legal protections concerning working hours.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will improve to ensure all employees to record the working hours according to each employee's actual working times.
2. The factory will plan the production well in advance to ensure the workers do not work without 1 day off in seven.
3. The factory will establish written agreement with workers prior to overtime working.
4. The factory will identify working hour for pregnant and lactating workers and properly implement it at the factory pregnant and lactating workers.

FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. Around 398 out of 454 production workers (87.66%) are employed under a PKWT (Perjanjian Kerja Waktu Tertentu) fixed-term contract, even though they are working permanent jobs in the cutting, sewing, embroidery, quality control, finishing, and packing departments. [ER.7, ER.8, ER.9]
2. The employment contract for workers is not registered with the local labor department. [ER.7]
3. The factory does not provide a copy of employment contract to each contractual worker. [ER.10.3]
4. The factory does not conduct performance reviews for any workers. [ER.28, ER.29, ER.30]
5. According to management, there are no workers with disabilities hired. A factory with 510 total employees has to hire at least five workers with disabilities, as per legal requirements. The factory has not established a program to train and hire workers with disabilities. [ER.1, ER.14]

Local Law or Code Requirement

Law No. 13 on Manpower (2003), Art. 59 (2) (Undang Undang No.13 Tahun 2003 Pasal 59 (2)); Law No. 13 on Manpower (2003), Art. 54 (3) (Undang Undang No.13 Tahun 2003 Pasal 54 (1)); Stipulation No. KEP. 100/MEN/VI on Work agreement for specified period of time (2004), Article 13 (Ketentuan No. KEP. 100 / MEN / VI tentang Perjanjian Kerja untuk jangka waktu tertentu (2004), pasal 13); Law No. 4 of 1997 Art. 14 (Undang Undang No.4 Tahun 1997 Pasal 14); FLA Workplace Code (Employment Relationship Benchmarks ER. 1, ER.7, ER.8, ER.9, ER.10.3, ER.14, ER.28, ER.29, and ER.30)

Recommendations for Immediate Action

1. Convert all workers who perform jobs of a permanent nature but are currently hired under a PKWT contract to permanent worker status, as per legal requirements.
2. Register all employment contracts to the local labor department.
3. Provide a copy of the employment contract to each contractual worker.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The workers under PKWT (Perjanjian Kerja Waktu Tertentu) who has been working as permanent jobs in the cutting, sewing, embroidery, quality control, finishing, and packing departments will be appointed as permanent employee.
2. The factory will register the employment contract to the local labor department .
- 3.The factory will provide the employment contract copy to each worker for keeping.
- 4.The factory will make written report of performance review for all workers and check the workers performance periodically .
5. The factory will establish a program to hire workers with disabilities and provide relevant training to any hired disability employee.

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. The representatives in the bipartite committee have not been formally updated as four out of six management representatives and eight out of 17 worker representatives have resigned from the factory. [ER.25.2]
2. Bipartite committee does not conduct meeting every six months. Based on available records, the last meeting was conducted on April 23, 2017. [ER.25.2]
3. The workers are not provided with a copy of factory rules and regulation (PP or Peraturan Perusahaan). The local labor department's registration letter of PP dated on December 20, 2017 mandates that the employer explain and provide factory rules and regulation to workers. [ER.16.1]

Local Law or Code Requirement

Regulation of Ministry of Manpower No. 32/MEN/XII/2008 on Procedure for the Establishment and Membership of Bi-partite Committee (2008), Article 12 and 17 (Peraturan Menteri Tenaga Kerja No. 32/MEN/XII/2008 pasal 12 dan 17); FLA Workplace Code ((Employment Relationship Benchmarks ER.16.1 and ER.25.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The Factory will update and arrange new Bipartite committee.
2. The new bipartite committee will conduct meeting periodically every six months.
3. The factory will give copy of factory rule and regulation to each worker and providing relevant training to all workers, also the factory will post the regulation on the notice board.

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. Security guards performs same-gender physical pat downs two times per day: when workers leave the building for the lunch break and after the shift ends. [H/A.10.2]
2. The employment contract signed by worker and HR Supervisor on Article 3 point 3 states that if the daily target is not met, workers need to work an extra one hour but if the target is achieved before the end of the working day, the supervisor may let workers go home early. Workers are not compensated for the extra hour they work. Workers confirmed that this action is implemented. The clause in the employment contract poses risk of forced overtime and restricts workers from leaving the work premises after regular hours. [F.8]
3. The records of disciplinary actions are maintained in a separate folder instead of in workers' personnel files. [ER.27.3.4]
4. There is no process for workers to appeal disciplinary actions taken against them. In addition, the disciplinary procedures do not include appeal process and the presence of a third-party witness during imposition of disciplinary actions. [ER.27]

Local Law or Code Requirement

Law No. 13 on Manpower (2003), Article 78 (2) (UU No. 13 tentang Ketenagakerjaan (2003), pasal 78 ayat 2); FLA Workplace Code (Employment Relationship Benchmark ER.27; Harassment or Abuse Benchmark H/A.10.2)

Recommendations for Immediate Action

1. Cease physical pat downs. As per FLA requirements, physical pat downs shall only be undertaken when there is a legitimate reason to do so and upon consent of workers.
2. Delete Article 3 point 3 in employment contract as it poses risk of forced overtime and restrict workers from leaving the work premises; do not set production targets at a level that workers need to work beyond regular working hours; compensate all working hours beyond regular hours.
3. Maintain records of disciplinary actions in workers' personnel files.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory has canceled this practice of pat downs (security is prohibited a physical check) and monitored for no happening again in the factory.

2..The factory will review this point on worker contract and ensure the workers will receive overtime fee when they work extra even though the target quantity can not be achieved.

3. The record of disciplinary will be maintained in the same folder in the workers personnel file .

4. The factory will establish the procedure for workers to appeal disciplinary actions taken against them,also to include appeal process and the presence of a third-party witness during imposition of disciplinary actions.

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The grievance procedures are not adequately implemented since:

- Management stated that they do not maintain a record of grievances from suggestion boxes, however, the assessor together with compliance staff checked a suggestion box in production building and found 11 grievance letters submitted from workers.
- Grievances from workers are not recorded or responded to.
- The suggestion box is placed in the walking path in the busy sewing section therefore anyone in the area can identify the worker who submits grievances. It is not in a private location, such as the toilet or praying room.
- There is no responsible persons to handle grievances.
- There is no policy on anti-retaliation. [ER.2.1, ER.25.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2.1 and ER.25.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will implement the grievance procedure via following action: (a,b). The factory will make record of grievance letters from suggestion boxes and check the suggestion box periodically every month. (c) Move the suggestion box from the walking path in the busy sewing line (such as move it be in a private location, such as the toilet or praying room,) (d). The factory will choose one of staffs to maintain and handle grievances affairs.

(e). The factory will make anti - retaliation policy and inform all employees about it.

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. As per factory internal regulation and local law, workers may be terminated if they are absent for five consecutive days without submitting a written explanation for their absence. As part of the law, the factory must send two summon letters to workers before terminating the contract in the case of absent workers. In practice, the factory does not send the two official notification letters to the worker before beginning the termination process. [ER.1.1, ER.32]

Local Law or Code Requirement

Law No. 13 on Manpower (2003), Article 168(1) (UU No. 13 tentang Ketenagakerjaan (2003), pasal 168 (1); FLA Workplace Code (Employment Relationship Benchmarks ER.1.1 and ER.32)

Recommendations for Immediate Action

1. Send two official notification letters to the worker before beginning the termination process.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will improve the Internal Regulation and make the two official letters to the worker before beginning the termination process.

FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The factory does not communicate all available policies and procedures and their updates to the general workforce. [ER.1, ER.16.1, ER.25.2]

2. The worker involvement component is missing across all Employment Functions, which indicates that the factory has not established procedures to request and/or receive workers' input or feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes. [ER.1, ER.16, ER.25.2, ER.29.1, ER.29.1.1, ER.30, ER.32]

3. The Safety Act No. 01 Year 1970 is not posted in announcement board for workers to read. [HSE.2, ER.2.2, ER.16.1]

4. The factory does not have a FLA Code on file. Therefore, there is no communication on FLA Code elements to the workers. [ER.16.1]

Local Law or Code Requirement

Safety Act No 1 Year 1970 Article 14.a (Undang-Undang Keselamatan No 1 Tahun 1970 Pasal 14.a); FLA Workplace Code (Employee Relationship Benchmarks ER.1, ER.16, ER.25.2, ER.29.1, ER.29.1.1, ER.30, and ER.32; Health, Safety & Environment Benchmark HSE.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will communicate and socialize all policies and procedures to the general workforce.

2. The workers will be involved for requesting workers' input or feedback regarding the creation, implementation, and updating of the factory's policies and procedures, and workers will be integrated or consulted in decision-making processes for factory new policy in the future.

3.The factory will post the safety Act No.01 Years 1970 on the announcement board .

4.The factory will post the Burton/FLA COC on announcement board and provide training to all employees about this FLA COC.

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

1. The factory does not have policies and procedures on Personnel Development, Promotion, Demotion, Job Reassignment, Compensation and Benefits, Hours of Work, Termination and Retrenchment, Industrial Relation and Freedom of Association, Workplace Conduct and Disciplinary Practice, Environmental Protection and Health & Safety. The factory only has policies and procedures on Recruitment and Grievance. [ER.1.1, ER.23.1, ER.27.1, ER.28.1, ER.30.1, ER.31.1, ER.32.1]
2. There is no written procedure that worker who has right to refuse to work under unsafe conditions hence whether in actual situation workers able to refuse or not was unable to be determined. [HSE.16]
3. There is no procedure established related to providing safety information to contractors. [HSE.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.23.1, ER.27.1, ER.28.1, ER.30.1, ER.31.1, and ER.32.1; Health, Safety & Environment Benchmarks HSE.1 and HSE.16)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will make the policies and procedure of Personnel Development, Promotion Demotion, Job Reassignment, Compensation. And Benefit , Hours of work, Termination and Retrenchment, Industrial Relation and Freedom of association, Workplace conduct and Disciplinary practice, Environmental Protection and health & Safety .
2. The factory will make written procedure that worker can refuse to work under unsafe condition or not was unable to be determined, and communicate this new procedure to all employees.
- 3.The factory will establish procedure related to providing safety information to contractors and implement it accordingly.

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

1. The factory does not clearly define the responsible/accountable person(s) for social compliance issues that include managing Human Resources aspects (recruitment, compensation, nondiscrimination, termination, grievance, etc.) and health, safety and environment aspects. [ER.1.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will clearly define the responsible/accountable person(s) for social compliance issues that include managing Human Resources aspects (recruitment, compensation, non-discrimination, termination, grievance, etc.) and health, safety and environment aspects.

FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. There is no specific training for supervisors on any FLA's Code elements and Employment Functions (National laws, Regulations, and FLA Code, Compensation & Benefits, Hours of Work, Termination & Retrenchment, Industrial Relation & Freedom of Association, Workplace Conduct & Disciplinary Practice, Grievance, Environmental Protection, and Safety & Health). [ER.17.1]

2. There is no ongoing training for workers on any Employment Functions. [ER.1.2, C.17.1]

3. There is no orientation training at all for new workers. [ER.15.1]

4. There are no health and safety trainings in factory for all workers such as: [HSE.5.1, HSE.5.2, HSE.6.2, HSE.8, HSE.9.2; HSE.14.2, HSE.15, HSE.17.2]

a. PPE usage and maintenance for all related workers.

b. Machinery and vehicles safety for every related operator.

c. Chemical handling training for workers who work with chemicals.

d. Ergonomics for all workers, including lifting techniques for related workers.

e. Safety training to designated workers with special/high-risk responsibilities (working with laser, radiation or electrical issues, confined space, lockout/tagout, work at heights).

f. Basic fire safety training, including their duties in the event of a fire for all workers.

g. Duties in the event of an emergency for all workers.

h. Basic provision of first aid for all workers.

Local Law or Code Requirement

Manpower Minister Regulation No 8 Year 2010 Article 6 (2), Article 7.2.c. (Peraturan Menteri Tenaga Kerja No 8 tahun 2010 tentang Alat Pelindung Diri); Attachment of Permenaker No 5 Year 1996 (Lampiran Peraturan Menteri Tenaga Kerja No 5 tahun 1996 tentang Pedoman Penerapan Sistem K3); Manpower Minister Regulation No 01 Year 1980; Attachment I of Minister Instruction No 1 Year 1997 Point I (Lampiran I Instruksi Menteri No 1 tahun 1997 tentang Pengawasan Khusus K3 Penanggulangan Kebakaran);

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.15.1, and ER.17.1; Health, Safety & Environment Benchmarks HSE.5.1, HSE.5.2, HSE.6.2, HSE.8, HSE.9.2; HSE.14.2, HSE.15, and HSE.17.2; Compensation Benchmark C.17.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will hire a people who is responsible for training to workers, such as training for supervisors on any FLA's Code elements and Employment Functions (National laws, Regulations, and FLA Code, Compensation & Benefits, Hours of Work, Termination & Retrenchment, Industrial Relation & Freedom of Association, Workplace Conduct & Disciplinary Practice, Grievance, Environmental Protection, and Safety & Health).

2.The factory will hire a people who is responsible for ongoing training for workers on any Employment Functions.

3.The factory will hire a people who is responsible for orientation training to new workers.

4. The factory will hire a people who is responsible for below training delivery:

a.PPE usage and maintenance for all related workers.

b.Machinery and vehicles safety for every related operator.

c.Chemical handling training for workers who work with chemicals.

d.Ergonomics for all workers, including lifting techniques for related workers.

e.Safety training to designated workers with special/high-risk responsibilities (working with laser, radiation or electrical issues, confined space, lockout/tagout, work at heights).

f.Basic fire safety training, including their duties in the event of a fire for all workers.

g.Duties in the event of an emergency for all workers.

h.Basic provision of first aid for all workers.

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory has not developed policies and procedures on the review process to ensure updates are made according to local law and FLA Workplace Code requirements. As a result, the factory management does not periodically review its policies and procedures for all Employment Functions. [ER.1.3]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1.3)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will hire the person who have knowledge about social compliance , Local Law, and FLA code of conduct to implement the social responsibility program and periodically review policies and procedures for all Employment Functions.

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. There is no proper spill response equipment ready for use in the chemical storage areas. [HSE.9.1]
2. It was found that not all chemical tanks have enough or adequate secondary containment in the chemical storage, generator room and paint mixing room. [HSE.9.1]
3. There is inadequate toxic and hazardous waste management in the factory since:
 - a. The designated place for hazardous waste storage was mixed with non-hazardous waste as the separation wall for hazardous waste and non-hazardous waste was only one meter in height. [HSE.1]
 - b. There are no appropriate safety precautions provided in the hazardous waste collection area such as spill kit and centralized fire alarm call point. [HSE.1]
 - c. There are no labels posted on hazardous waste containers. [HSE.9.1]
 - d. The factory does not use authorized waste facilities to dispose of its waste (solid and hazardous). [HSE.1]
4. The factory does not have an appropriate system to respond to any unexpected environmental emergency such as chemical spills or gas leak such as 1-degree sloped floor at toxic and hazardous waste and chemical storage towards the sump. [HSE.5.4]

Local Law or Code Requirement

Manpower Minister Decree No. 187 Year 1999 (Keputusan Menteri Tenaga Kerja No. 187 tahun 1999 Tentang Pengendalian Bahan Kimia Berbahaya Di Tempat Kerja) Article 2; Safety Act No 1 Year 1970 Article 3.1.h. (Undang Undang Keselamatan Kerja No 1 tahun 1970); Government Regulation No. 101 Year 2014 Article 12.2, Article 13.c, Article 19.2., Article 48.1.a-b., Article 53 ((Peraturan Pemerintah No 101 tahun 2014 tentang Pengelolaan Limbah Bahan Berbahaya dan Beracun); FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5.4, and HSE.9.1)

Recommendations for Immediate Action

1. Provide spill response equipment at chemical storage areas.
2. Ensure every chemical placed within a secondary containment.
3. Establish robust toxic and hazardous waste management by:
 - a. Separate hazardous waste storage completely from non-hazardous waste.
 - b. Have safety precautions provided in the hazardous waste collection area such as spill kit and centralized fire alarm call point.
 - c. Put labels on every hazardous waste container.
 - d. Engaged with government authorized waste handling company for handling hazardous waste generated by the factory.
4. Adjust the floor at the toxic and hazardous waste area and chemical storage to be 1-degree sloped floor towards the sump.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1.The factory will make equipment to avoid chemicals spill .

2. The factory will properly implement chemical management, such as ensuring all chemical tanks have enough or adequate secondary containment in the chemical storage, generator room and paint mixing room.

3.The factory will implement adequate toxic and hazardous waste management in the factory for below:

a. The factory will make separate wall more than one meter to separate hazardous and non hazardous waste

b. The factory will make spill kit and centralized fire alarm label on hazardous waste containers.

c. Chemical containers will be equipped with the

d.The factory will use authorized waste facilities to dispose of its waste (solid and hazardous) .

4. The factory will improve the system to respond unexpected environmental emergency such as chemical spills or gas leak such as 1-degree sloped floor at toxic and hazardous waste and chemical storage towards the sump.

FINDING NO.14

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Workers with specific, additional firefighting, emergency and first aid responsibilities have not been certified by the government to effectively execute their duties [HSE.6.2]

2. Not all legally required permits and certificates related to health, safety and environment were available at the factory including: [HSE.4]

- a. Proper Function Building Certificate (Sertifikat Laik Fungsi)
- b. Groundwater Extraction permit
- c. Temporary Toxic and Hazardous Waste Storage Permit
- d. Electrical Installation Permit

3. There are inadequate health and safety practices at the factory that are not in accordance with local requirements such as: [HSE.1]

- a. No Occupational Health and Safety committee
- b. No annual occupational health-check conducted for workers

4. There is no measure taken to ensure that special categories of employees are not exposed to hazardous working conditions (chemicals, noise, etc.) [HSE.11]

5. There is no measure taken to protect the reproductive health of workers through minimizing their exposure to workplace hazards. [HSE.12]

6. There are no specific measures taken by factory management that proves that: [ND.11; ND.12; ND.8.1.1]

- a. Specific measure taken by management to keep workers' health information confidential through written procedures or secure occupational medical check ups with Human Resources.
- b. Factory management has taken measures to accommodate workers with chronic illnesses.
- c. Factory management has taken reasonable measures to ensure the safety and health of pregnant workers and their unborn children.

Local Law or Code Requirement

Manpower Minister Regulation No 01 Year 1980 Article 44 (Peraturan Menteri Tenaga Kerja No 01 tahun 1980 tentang K3 Konstruksi); Manpower Minister Regulation No 5 Year 2018 Article 23 (Manpower Minister Regulation No 5 tahun 2018 tentang K3 di Lingkungan Kerja); Safety Act No 1 Year 1970 Article 9.3 (Undang Undang No 1 tahun 1970 tentang Keselamatan Kerja); Attachment of Permen PU No 25/PRT/M/2007 Chapter II A.1.c. (Lampiran Peraturan Menteri Pekerjaan Umum No 25 tahun 2007 III.A.1.c); ESDM Minister Regulation No 0045 year 2005 Article 7.6. (Peraturan Menteri ESDM No 0045 tahun 2005 tentang instalasi listrik); Manpower Minister Regulation No 4 Year 1987 Article 2 (Peraturan Menteri Tenaga Kerja No 4 tahun 1987 tentang Penunjukan P2K3); Manpower Minister Regulation No 02

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will ensure workers with specific, additional firefighting, emergency and first aid responsibilities to be certified by the government to effectively execute their duties .

2. The factory will obtain permits and certificates related to health, safety and environment for below:

a. Proper Function Building Certificate (Certificate Laik Fungsi)

b. Groundwater Extraction permit

c. Temporary Toxic and Hazardous Waste Storage Permit

d. Electrical Installation Permit

3. The factory will implement health and safety practices at the factory in accordance with local requirements such as:

a. establishing Occupational Health and Safety committee

b. providing annual occupational health-check conducted for workers.

4. The factory will ensure that special categories of employees are not exposed to hazardous working conditions (chemicals, noise, etc.)

5. The factory will take measure to protect the reproductive health of workers through minimizing their exposure to workplace hazards.

6. The factory will take measures for below implementation:

a. To keep workers' health information confidential through written procedures or secure occupational medical check ups with Human Resources.

b.To accommodate workers with chronic illnesses.

c.To ensure the safety and health of pregnant workers and their unborn children.

FINDING NO.15

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. It was noted that the latest toilet checklist was done on December 2018. [HSE.19]
2. There is no evidence that the drinking water is clean or safe since the last drinking water laboratory test was done in 2016. Water should be tested every month for microbiology and physical safety, then every 6 months for chemical parameters. [HSE.23.1]
3. There is no lactation room provided for female workers who are still in the lactating phase. [HSE.18.1]
4. There is no certified lactation counselor hired at the factory as part of the factory's participation in the lactation program as requirement by the government. [HSE.18.2]
5. There is inadequate health and safety monitoring in the factory since: [ER.31.2.5, HSE.3.1]
 - a. The last records of all work-related injuries, fatalities, accidents and incidents are from 2017. None were available from the last 12 months.
 - b. The factory does not track all accident and injury investigations in attempt to identify root cause analysis.
 - c. The factory does not report accidents and illnesses to the local bureau every three months, and does not report on its first aid room and/or on-sire clinic activity report to the local health bureau.

Local Law or Code Requirement

Manpower Minister Regulation No 5 Year 2018 Article 34.1.h. (Peraturan Menteri Tenaga Kerja No 5 tahun 2018 tentang K3 di Lingkungan Kerja); Health Minister Decree No 907 Year 2002 Article 2.2 and Attachment II (Keputusan Menteri Kesehatan No 907 tahun 2002 dan Lampiran II tentang Syarat-syarat dan Pengawasan Air Minum); Health Minister Regulation No 15 Year 2013 Article 10, Article 13 (Peraturan Menteri Kesehatan No 15 tahun 2013 tentang Fasilitas Khusus Menyusui dan Memerah ASI); Government Regulation No 50 Year 2012 Article 11.4 (Peraturan Pemerintah No 50 tahun 2012 tentang Penerapan SMK3); FLA Workplace Code (Employment Relationship ER.31.2.5 and Health, Safety & Environment Benchmarks HSE.3.1, HSE.18.1, HSE.18.2, HSE.19, and HSE.23.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will update the toilet checklist periodically every month.
2. The factory will apply for the laboratory test of drinking water by third party every month for microbiology and physical safety, then every 6 months for chemical parameters.
- 3.The factory will provide Lactation room.
4. The factory will hire lactation counselor .

5. The factory will hire a person who will be responsible for monitoring Health and safety in the factory for below action:

a. Recording all work-related injuries, fatalities, accidents and incidents.

b. Tracking all accident and injury investigations in attempt to identify root cause analysis.

c. Reporting accidents and illnesses to the local bureau every three months, and reporting on its first aid room and/or on-site clinic activity report to the local health bureau.

FINDING NO.16

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There is no audiometry test for workers who work in the embroidery section where the noise level is 86 decibel. [HSE.1]

2. PPE provided for workers is not appropriate for the type of jobs. Workers who work with chemicals are provided dust masks used for motorbike riding rather than chemical masks (P or R type). Additionally, workers who work with chemicals, such as glue or paint, are not provided with any gloves for protection. [HSE.7]

3. The factory does not take proactive steps to reduce repetitive-motion stress or injuries since no adjustable workstations are available on the production floor. [HSE.17.1]

4. The factory does not conduct an assessment to determine areas that might lack a comfortable and ambient temperature for workers. [HSE.13]

5. There is no inspection or maintenance for one forklift and one onsite excavator. [HSE.14.1]

6. There is inadequate radiation source management since:

a. Workers working with laser cutting machines are not protected from radiation due to lack of protective eyewear provided and no health checks conducted to ensure related workers are not exposed to more than three rem per year. [HSE.1]

b. There is inappropriate protection on laser cutting machines as the cover of the laser house was not closed during operation. Also, there was no standby operator while it was in operation. [HSE.14.1]

7. There is no confined space management in place since: [HSE.1]

a. None of the confined spaces have appropriate protection or signs to ensure that there is no unauthorized entry.

b. There are no procedures for entering confined spaces safely (procedures should include safe atmosphere, rescue equipment ready to use, trained observer present).

8. There is no fall protection equipment provided to workers who work in-height. There are also no maintenance records. [HSE.7]

9. There is no safety cage installed on the ladder to the water storage tank. [HSE.1]

Local Law or Code Requirement

Attachment PP No 50 Year 2012 Section C.2.3 (Lampiran Peraturan Pemerintah No 50 tahun 2012 tentang Sistem Manajemen K3; Attachment I Dirjen Binawas Decree No 113 Year 2006 Article 2.1.2 (Lampiran I Keputusan Dirjen Binawas tahun 2006 tentang Pedoman K3 di Ruang Terbatas); Manpower Minister Regulation No 9 Year 2016 Article 3 (Peraturan Menteri Tenaga Kerja No 9 tahun 2016 tentang K3 dalam Pekerjaan Pada Ketinggian); FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.7, HSE.13, HSE.14.1, and HSE.17.1)

Recommendations for Immediate Action

1. Conduct audiometry test for workers who work in the embroidery as the noise level in this area is 86 decibel.

2. Provide PPE to workers based on job hazards.

3. Establish proactive steps to reduce repetitive-motion stress or injuries by providing adjustable workstations on the production floor.
4. Measure and assess for an ambient temperature for workers who might be uncomfortable in the working area in factory.
5. Inspect and maintain the forklift and excavator and record the inspection and maintenance.
6. Ensure that radiation source is well managed by:
 - a. Provide related workers with protective eye wear and conduct health checks to ensure that workers are not exposed to more than three rem per year.
 - b. Close the cover of the laser house during operation and designate standby operator to monitor the radiation source.
7. Establish a confined space management system by:
 - a. Post a "Danger, Do Not Enter" sign and put in place identification marks. Then install safety measures to prevent accidental entry.
 - b. Establish a Confined Space written procedures that includes measures taken before a person enters a confined space (work permit, related PPE and rescue equipment availability and inspection, atmospheric test, buddy system, training and certification by government).
8. Provide fall protection equipment for workers who work in-height and ensure they wear the PPE when performing their job, and ensure all equipment is maintained.
9. Install safety cage on the ladder to the water storage tank.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will start to do audiometry testing for workers who work in the embroidery section.
2. The factory will provide correct mask or glove and provide training to all workers who work directly with chemical to use mask and glove correctly.
3. The factory will take proactive steps to reduce repetitive-motion stress or injuries.
4. The factory will conduct an assessment to determine areas that might lack a comfortable and ambient temperature for workers and make improvement accordingly.
5. The factory will inspect forklift and excavator periodically and maintain records.
6. The factory will take below action for radiation source management :
 - a. The factory will pay more attention to make announcement to use eyes protection and all kind of protection tools during working and ensure to conduct health checks to ensure related workers are not exposed to more than three rem per year.

b.The factory will review the SOP of laser machine, to ensure appropriate protection on laser cutting machines.

7. The factory will implement confined space management for below:

a. Post signs to ensure that there is no unauthorized entry to confined spaces .

b.Establish procedures for entering confined spaces safely and inform all relevant employees.

8.The factory will provide all the protection equipment needed.

9. The factory will provide the safety cage to the water storage tank.

FINDING NO.17

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There are no smoke detectors, sprinkler/thermatic system, or an anti-explosion lamp provided in the chemical storage area. Moreover, there is no padlock on the door of the chemical storage area to prevent unauthorized entry. [HSE.9.1]

2. There is no eye wash or body wash stations provided at the color mixing area. While eye wash stations installed in the chemical storage area uses mineral water bottles, that is not in accordance with industry standards. [HSE.6.1]

3. There is inadequate Material Safety Data Sheet (MSDS) in the factory: [HSE.10.1]

a. Not all chemicals used and stored at the factory have a Material Safety Data Sheet. Only seven out of 15 listed chemicals had an MSDS.
b. One out of 7 MSDS available at factory are in English instead of Indonesian, which is the language spoken by workers.

4. 90% of chemicals observed onsite are either not properly labelled as per MSDS or not labelled at all. [HSE.9.1]

5. The employees who work with chemicals do not know how to work with the chemicals safely since there is no chemical handling training nor communication for them yet. [HSE.9.2]

Local Law or Code Requirement

Manpower Minister Decree No 187 Year 1999 Article 1.c, Article 3.1, Article 16, (Keputusan Menteri Tenaga Kerja No 187 tahun 1999 tentang Pengendalian Bahan Berbahaya); Manpower Minister Regulation No 15 Year 2008 Article 8 (Peraturan Menteri Tenaga Kerja No 15 tahun 2008 tentang Pertolongan Pertama Pada Kecelakaan; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.6.1, HSE.9.1, HSE.9.2, and HSE.10.1)

Recommendations for Immediate Action

1. Install smoke detector, sprinkler/thermatic system, and anti-explosion lamp in the chemical storage area, then secure chemical storage with padlock to prevent unauthorized entry.

2. Install eye wash and body wash stations where chemicals are used and stored. The eye and body wash installation must be in accordance with regulation.

3. Ensure every chemical used and stored at the factory has a Material Safety Data Sheet and must be in the local language.

4. Ensure chemical used and stored at the factory has proper labeling and aligned with its Material Safety Data Sheet for easy identification and tracking.

5. Ensure that every employee who work with chemicals has knowledge on chemicals they work with through trainings and communication.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will provide smoke detectors, sprinkler/thermotoc system, or an anti-explosion lamp in the chemical storage area, and install padlock on the door of the chemical storage area to prevent unauthorized entry.

2. The factory will provide the eyes wash or body wash station according to industry standards.

3.The factory will take below action as:

a.Ensure all chemicals used and stored at the factory have a Material Safety Data Sheet.

b. Ensure posting out MSDS in Indonesian understood by all workers.

4.The factory will properly label as per MSDS for all chemical containers.

5.The factory will provide chemical training to all relevant employees to ensure that the employees who work with chemicals know how to work with the chemicals safely.

FINDING NO.18

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There are no pulley guards installed on two buttoning machines and on at least 10 sewing machines at the production lines. [HSE.14.1]

2. There is no safety instruction along with warning signs posted for three out of 10 machinery control panels observed in the factory (one in the generator room, one in the TPR section and one in the design room). [HSE.14.3]

3. There are inadequate maintenance systems at the factory since: [HSE.13]

a. There is no procedure or clear measures to ensure that electrical panels, fans, machines, headlamps, etc., are dust and lint free.

b. Observed that at least five electrical cord were spliced with tape in the paint mixing room, TPR section and cutting section.

4. There is no lockout-tagout maintenance safety system for all relevant equipment at the factory. [HSE.14.1]

Local Law or Code Requirement

Manpower Minister Regulation No 38 Year 2016 Article 3.1-2, Article 5.4, Article 8 (Peraturan Menteri Tenaga Kerja No 38 tahun 2016 tentang K3 Pesawat Tenaga dan Produksi); FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.13, HSE.14.1, and HSE.14.3)

Recommendations for Immediate Action

1. Install pulley guards on every rotating part of machinery at the factory.
2. Post safety instructions along with warning signs at every control panel of machinery.
3. Establish robust maintenance system in factory by:
 - a. Create written procedure that determines measure to ensure that electrical panels, fans, machines, headlamps, etc., are dust and lint free.
 - b. Use electrical tape and electrical apparatus to bind, splice and stop electrical current of wires at the factory.
4. Establish lockout-tagout maintenance safety system and implement it at the factory.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will ask mechanic to regularly check component and spare parts for all the machines, ensure pulley guards installed on all buttoning machines and sewing machines at the production lines.
2. The factory will provide warning signs for all machines .
3. The factory will implement maintenance systems at the factory for below:
 - a. establishing procedure and take measures to ensure that electrical panels, fans, machines, headlamps are clean all the time.
 - b. ensure proper electricity equipment, such as electrical cord in good condition.
4. The factory will establish procedure about lockout-tagout maintenance safety system for all relevant equipment at the factory.

FINDING NO.19

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There is no fire risk assessment conducted internally at the factory nor a commissioned fire risk assessment by a third-party expert.

- Hence, there are no fire risks assessment results that can be used to reduce fire risk at the factory. [HSE.1]
2. There is no explicit prohibition of no smoking within 15 meters (~50 ft.) of all closed areas since there was no “No-Smoking” signs are posted on the factory premises. [HSE.5.1]
 3. Observed that one fire extinguisher at thermo plastic rubber department was blocked by a table and chair. [HSE.6.2]
 4. There is insufficient water available for fire fighting as the factory does not have adequate firefighting equipment such as fire hoses, sprinkler system, fire pump or hydrants. [HSE.5.1]
 5. There is no fire brigade established in the factory. [HSE.6.2]
 6. Not all fire equipment are inspected or maintained regularly since: [HSE.6.1]
 - a. One fire extinguisher located in the embroidery section is not marked and does not have a sign.
 - b. One fire extinguisher located in the generator room expired on April 22, 2019.
 7. There are insufficient emergency exit/aisles since: [HSE.5.1]
 - a. No secondary emergency exits are available in several areas where the number of people exceed the limit for one exit and legally should have two exits, such as in the Screen Printing Area that was occupied by 12 workers, Embroidery Room that was occupied with five workers, Dehumidification Cutting Room that was occupied by 15 workers. There is no secondary stair in the Material Warehouse Mezzanine that was occupied by three workers.
 - b. Several emergency exits are not clearly marked with exit signs, such as in the Generator room, Printing section, Dehumidification Cutting room, Dehumidification Storage, and Finishing Accessories storage.
 - c. No emergency light installed above the exit in the Generator room, Paint mixing room, Printing section, Dehumidification Cutting room, Dehumidification storage, and at Finishing Accessories storage.
 - d. No fire-resistant smoke-sealed doors at the emergency exits.
 - e. Not all emergency exits at the factory open in the direction of evacuation. The doors in the Dehumidification Cutting room and Dehumidification storage are sliding doors that are kept closed during working hours to maintain temperature control in these rooms.
 - f. The arrow marks and yellow lines on the sewing line floors that indicate exit routes are faded. Additionally, every posted evacuation map in the factory reflects the whole factory layout instead of the specific emergency route in the related area which could be used for easy and immediate reading.
 8. There is no evidence that workers have participated in a full evacuation drill at least annually. [HSE.5.3]
 9. There is insufficient emergency alarm system to notify workers of emergencies since: [HSE.5.3]
 - a. Not every area has a fire alarm installed including the chemical storage, embroidery room, dehumidification cutting room, and storage.
 - b. Fire alarm system installed at the factory uses a single button as call point that is connected to a siren instead of a centralized fire alarm system that uses a main control panel.
 - c. No battery backup for the fire alarm.
 10. There is no visual alarm system for high noise areas, such as embroidery section. [HSE.5.1]
 11. There is inadequate first medical response since: [HSE.6.1]
 - a. Contact information for medical response is only posted in the security guard house instead of located near each phone, or throughout the factory.
 - b. There is an empty first aid box in the QC Printing section while its inspection checklist reflects the last inventory check was on December 2018.

Local Law or Code Requirement

Public Work Minister Regulation No 26 Year 2008 Article 5.7.1.4.9.6.1 (Peraturan Menteri Pekerjaan Umum No 26 tahun 2008 tentang Persyaratan Teknis Sistem Proteksi Kebakaran Pada Bangunan Gedung dan Lingkungan); Minister Instruction No 11 Year 1997 Article 3 (Instruksi Menteri No 11 tahun 1997 tentang Pengawasan Khusus K3 Kebakaran; Labor minister decision KEP.186/MEN/1999. Article 2.2.e (Keputusan Menteri Tenaga Kerja tentang Alat Pemadam Api Ringan); The National Fire Alarm Code (NFPA 72); FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5.1, HSE.5.3, HSE.6.1 and HSE.6.2)

Recommendations for Immediate Action

1. Conduct internal fire risk assessment then validate it through a 3rd party expert to identify fire risks at the factory and address the risks to reduce fire risk at the factory.
2. Post explicit prohibition of no smoking within 15 meters (~50 ft.) of all closed areas.
3. Ensure every fire extinguisher at the factory is free from any blockage.
4. Establish water reservoir to ensure water amounts are sufficient for firefighting and install necessary firefighting equipment such as fire hoses, sprinkler system, fire pump and or hydrant.
5. Establish fire brigade that is in accordance with Fire Management requirements.
6. Ensure every fire equipment at the factory is inspected and maintained regularly to ensure availability of marking, and its content validity.
7. Ensure sufficient emergency exit and aisles at the factory by:
 - a. Add secondary emergency exits in every area.

- b. Mark every emergency exit with an illuminated exit sign.
 - c. Install every emergency exit with an emergency light.
 - d. Use fire-resistant smoke-sealed doors at the emergency exit.
 - e. Install door that opens outwards towards evacuation routes.
 - f. Mark evacuation routes with clear and visible arrow signs and yellow lines at every area and post evacuation map at every area related with the said area for easy reading and understanding by the viewer.
8. Ensure that every worker participates in a full evacuation drill at least annually.
9. Install adequate emergency alarm systems to notify workers of emergencies by:
- a. Install a fire alarm in every area.
 - b. Centralized fire alarm system with a main panel control.
 - c. Use battery backup for the fire alarm.
10. Install visual alarm system for the high noise areas such as in the embroidery section.
11. Establish adequate first medical response by:
- a. Post contact information for medical response near each phone, or otherwise throughout the factory.
 - b. Ensure first aid box is filled properly as per regulation and checked frequently.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will conduct internally fire risk assessment .
2. The factory will provide the warning sign board regarding explicit prohibition of smoking and educate employees for this awareness.
3. The factory will check to ensure no blocked of fire extinguishers.
4. The factory will provide firefighting equipment sufficiently.
5. The factory will establish fire brigade in the factory.
6. The factory will inspect and maintain for below:
 - a. fire extinguisher is marked and has a sign.
 - b. all fire extinguishers are valid.
7. The factory will implement health and safety practice across the factory, such as for below:

a. Ensure secondary emergency exits are available , such as in the Screen Printing Area that was occupied by 12 workers, Embroidery Room that was occupied with five workers, Dehumidification Cutting Room that was occupied by 15 workers, secondary stair in the Material Warehouse Mezzanine.

b.Clearly mark emergency exits with exit signs, such as in the Generator room, Printing section, Dehumidification Cutting room, Dehumidification Storage, and Finishing Accessories storage.

c.Install emergency light above the exit in the Generator room, Paint mixing room, Printing section, Dehumidification Cutting room, Dehumidification storage, and at Finishing Accessories storage.

d.replace the door with fire-resistant smoke-sealed doors at the emergency exits.

e.ensure all emergency exits at the factory open in the direction of evacuation, ensure the doors in the Dehumidification Cutting room and Dehumidification storage are open with locking device during working hours to maintain temperature control in these rooms.

f.Repaint the arrow marks and yellow lines on the sewing line floors , ensure every posted evacuation map in the factory reflects the whole factory layout.

8. The factory will conduct evacuation drill at least annually.

9.The factory will take below action for:

a.install fire alarm across the factory including the chemical storage, embroidery room, dehumidification cutting room, and storage area.

b.Ensure fire alarm system installed at the factory at the factory uses a single button as call point that is connected to a centralized fire alarm system that uses a main control panel a main control panel.

c.The factory will provide battery back up for fire alarm.

10.The factory will install visual alarm system for high noise area.

11. The factory will implement first medical response for below:

a. ensure contact information for medical response is posted near each phone, and throughout the factory.

b.ensure to equip full first aid box across the factory.

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Factory has not conducted a Hazard Identification Risk Assessment for its health and safety conditions. [HSE.1]
2. There is a crack on the wall in the sewing section. There has been no Building Test conducted to ensure the building structure is still able to perform as per its original function and strength. [HSE.19]

Local Law or Code Requirement

Government Regulation No 50 Year 2012 Article 11 (Peraturan Pemerintah No 50 tahun 2012 tentang Penerapan Sistem K3);
Government Regulation No 36 Year 2005 Article 8.3 (Peraturan Pemerintah No 36 tahun 2005 tentang Bangunan Gedung; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.19)

Recommendations for Immediate Action

1. Conduct Hazard Identification Risk Assessment on its health and safety condition.
2. Repair the wall in the sewing section and conduct a Building Test.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will conduct a Hazard Identification Risk Assessment as soon as possible .
2. The factory will repair some cracked building, also apply for Building Test conduction to ensure the building structure is still able to perform as per its original function and strength.