



# Better Work Indonesia

## Thematic Synthesis Report: Fire Safety

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International  
Labour  
Organization



International  
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# Executive Summary

The Better Work Indonesia programme, a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC), was launched in 2011. The programme aims to improve competitiveness in the apparel industry by enhancing economic performance at the enterprise level and by improving compliance with Indonesian labor law and the principles of the ILO Declaration on Fundamental Principles and Rights at Work.

The programme engages with participating factories by conducting independent assessments and offering advisory and training services. As part of its mandate of sharing information with all programme stakeholders, and encouraging continuous improvement, Better Work Indonesia produces a public synthesis report per year aggregating information on the performance of participating factories in the reporting period. As of 2013, Better Work will also produce a thematic synthesis report on a chosen theme with relevance to the national garment industry. This will allow the programme to look more in depth at relevant issues. This is the first such thematic report for Better Work Indonesia with fire safety selected as the focus.

Fires in Indonesian garment factories have been frequently in the news this year. As well as the obvious human cost, the financial cost can also be significant and can deeply damage the Indonesian industry as a whole in terms of international reputation and subsequent opportunities. Much remains to be done in Indonesia to strengthen both prevention and response to fires.

Overall there is an encouraging downward trend in non-compliance for most of the questions related to fire safety by the second assessment visit by Better Work Indonesia. The most striking improvement has been in terms of performing an assessment of general occupational safety and health issues in the factory. The main findings are as follows:

- Although most factories (62%) had an adequate number of emergency exits, these were not found to be clearly marked in 43 out of 64 factories assessed. Moreover, these exits were either inaccessible, obstructed and/or unlocked in 39 factories.
- 40 factories (63%) were out of compliance with storage of chemicals and hazardous substances. However, it is worth pointing out that storage of chemicals and hazardous substances does not always pose a direct fire hazard. This is most often a cause of concern when incompatible chemicals are stored near each other. However, only 2 of 25 factories are out of compliance with safeguarding of possible sources of ignition.
- 30 factories lacked adequate fire fighting equipment and 36 did not have a fire detection and alarm system. However, periodic emergency drills were conducted in all of the factories except 3, and an appropriate number of workers were trained to use the firefighting equipment in all but 2.

A number of initiatives are already underway by Better Work Indonesia and others to improve fire safety in the industry but much remains to be done.

The final section of the report contains recommendations for different stakeholders to help ensure the Indonesia garment industry is safe for workers and low-risk and therefore attractive for foreign investors.

# Section I: Introduction and Methodology

## Introduction

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The garment sector in Indonesia is among the largest in the world, and is growing over 8% per year, as enterprises move from China to Indonesia. This sector is expected to continue to be a major contributor to Indonesia's economic future, considering Indonesia's comparative advantages for labor-intensive industries and a sizable domestic market of 240 million people. Due to the global economic downturn in 2008, there was a reduction in the number of factories, production, and exports in the garment sector. However, this trend has been gradually reversing since 2011. Indonesia is currently ranked 12<sup>th</sup> in the world in textile exports.

The Better Work Indonesia programme, a partnership between the International Labour Organization and the International Finance Corporation, aims to enhance enterprise-level performance and promote competitiveness of the garment industry by improving compliance with Indonesian labour law and ILO core labour standards in garment factories.

The programme engages with participating factories by conducting independent assessments and offering advisory and training services. As part of its mandate of sharing information with all programme stakeholders and encouraging continuous improvement, Better Work Indonesia uses aggregate factory assessment data to produce a public synthesis report per year that review the performance of all participating factories in the reporting period.

As of 2013, Better Work will also produce a thematic synthesis report per year on a chosen theme with relevance to the national garment industry. This will allow the programme to look more in depth at relevant issues. This is the first such thematic report for Better Work Indonesia with fire safety selected as the focus.

Fires in Indonesia garment factories have been frequently in the news this year. In 2013 a fire occurred in a Better Work Indonesia factory, thankfully over the weekend, and no people were injured as a result of the fire. But there was significant damage to infrastructure, and as a result workers could not return to work. As well as the obvious human cost, the financial cost of fires can also be significant and can deeply damage the Indonesian industry as a whole in terms of international reputation and subsequent opportunities. The issue of fire safety in the garment industry is also of particular focus internationally this year, following devastating and tragic fires in both Bangladesh and Pakistan.

Much remains to be done in Indonesia to strengthen both prevention and response to fires. The international community is looking to Indonesia for commitment on making the necessary improvements. This report provides an opportunity to present what is being done as well as some recommendations for further improvements.

## Better Work Methodology for Thematic Reports

Better Work carries out factory assessments to monitor compliance with international core labour standards and national labour law. Following an assessment, a detailed report is shared with the factory and with its buyers. An aggregated industry-level report is issued once a year. In its factory and industry-level reports, Better Work highlights *non-compliance* findings. It reports these figures to help factories and other stakeholders easily identify areas in need of improvement. Collecting and reporting these data over time will help factories demonstrate their commitment to improving working conditions.

In its factory assessments and in traditional synthesis reports, Better Work organizes reporting into eight areas, or clusters, of labour standards. Four of the clusters are based on fundamental rights at work (Child Labour, Discrimination, Forced Labour and Freedom of Association and Collective Bargaining) and four are based on national labour law relating to working conditions (Compensation, Contracts and Human Resources, Occupational Safety and Health and Working Time).

The theme explored in the present report is Fire Safety, comprising questions cutting across different subcategories under the **Occupational Safety and Health** cluster:

<b>Compliance Points and Questions</b>
<b>Chemicals and Hazardous Substances</b>
Are chemicals and hazardous substances properly stored?
<b>Emergency Preparedness</b>
Are emergency exits and escape routes clearly marked and posted in the workplace?
Are flammable materials safely stored?*
Are possible sources of ignition appropriately safeguarded?*
Are the emergency exits accessible, unobstructed and unlocked during working hours, including overtime?
Are there enough emergency exits?
Does the employer conduct periodic emergency drills?
Does the workplace have a fire detection and alarm system?
Does the workplace have adequate fire-fighting equipment?
Has the employer appointed and trained a fire management team?*
Has the employer trained an appropriate number of workers to use the fire-fighting equipment?
<b>OSH Management Systems</b>
Does the employer ensure the building is safe and maintain legally required permits?*
Does the employer have the required certificates for the installation/operation of electrical installations and other machines and equipment?
Has the employer performed initial and regular reviews of general occupational safety and health issues in the factory?
<b>Worker Accommodation</b>
Has the employer adequately prepared for emergencies in the accommodation?
Is the accommodation protected against fire?
<b>Worker Protection</b>
Are electrical wires, switches and plugs properly installed, grounded, and maintained?
Does the employer have a certificate for the electrical installations in the factory?
<i>Note: Questions denoted with * are not part of the analysis in Section 2.2 because they were only added to the compliance assessment tool in 2013.</i>

In this thematic report, Better Work presents non-compliance findings at the question level. Answers to each questions are recorded in binary format, and then averaged across factories in consideration. For example, an average 100% non-compliance finding for the question pertaining to storage of

chemicals and hazardous materials means that all participating factories were found to have a violation in that area.

## Section II: Findings

This section describes non-compliance at the question level on issues of fire safety in factories participating in Better Work Indonesia. The findings are divided in two parts. Section 2.1 provides a snapshot of the areas of non-compliance in all factories assessed in 2013. Section 2.2 seeks to identify changes in non-compliance over the entire duration of the programme for those factories that have been assessed more than once.

### 2.1 State of Fire Safety in 2013

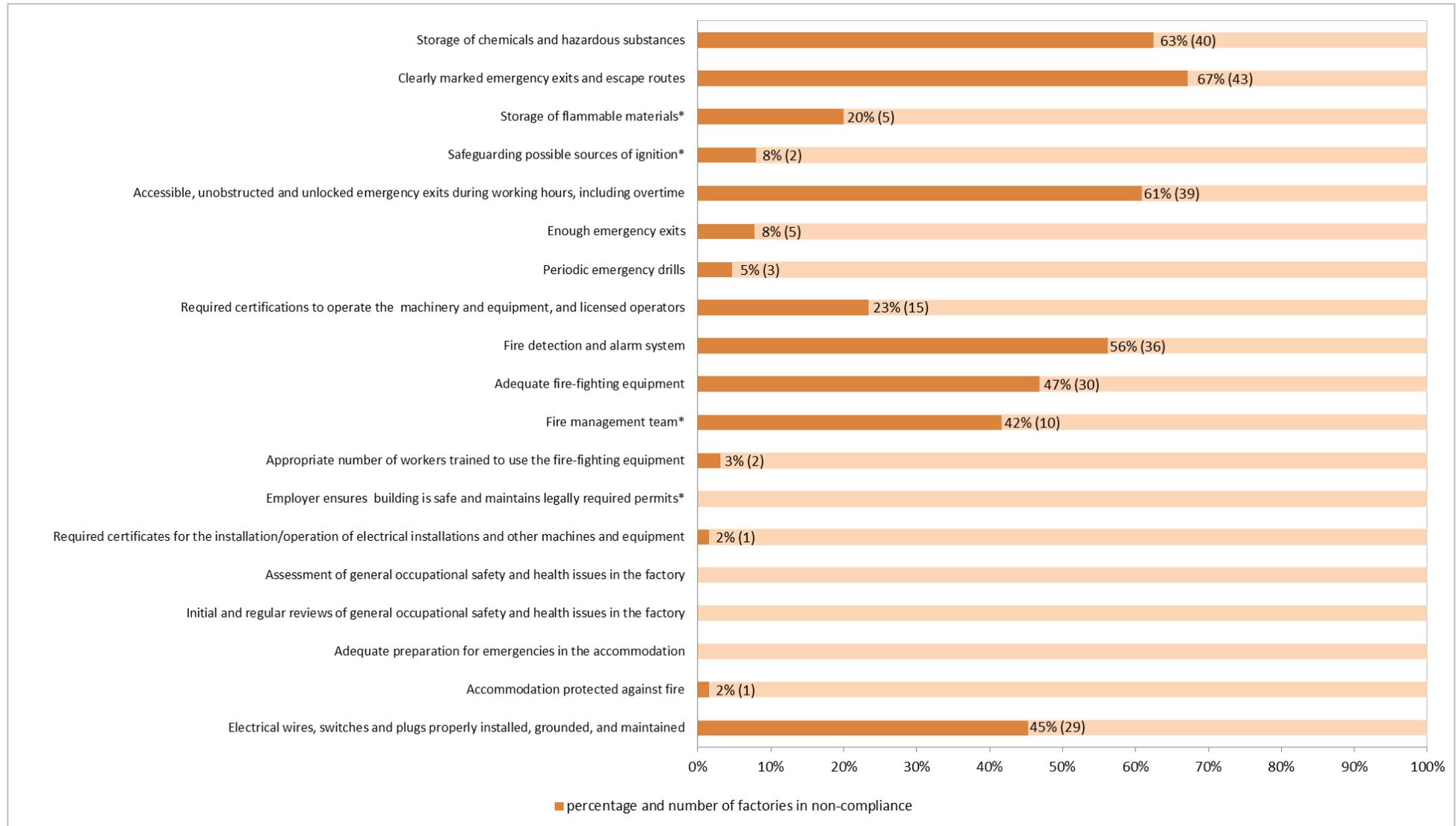
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Chart 1 provides an overview of non-compliance findings at the question level for the 64 assessed factories in 2013 by Better Work Indonesia. Among these, 45 received their first assessment, 16 factories have been assessed twice, and 3 were assessed for a third time. The number of factories that were found to be non-compliant is shown in parentheses.

#### Main findings:

- Although most factories (62%) had an adequate number of emergency exits, these were not found to be clearly marked in 43 out of 64 factories assessed. Moreover, these exits were either inaccessible, obstructed and/or unlocked in 39 factories.
- 40 factories (63%) were out of compliance with storage of chemicals and hazardous substances . However, it is worth pointing out that storage of chemicals and hazardous substances does not always pose a direct fire hazard. This is most often a cause of concern when incompatible chemicals are stored near each other. However, only 2 of 25 factories are out of compliance with safeguarding of possible sources of ignition.
- 30 factories lacked adequate fire fighting equipment and 36 did not have a fire detection and alarm system. However, periodic emergency drills were conducted in all of the factories except 3, and an appropriate number of workers were trained to use the firefighting equipment in all but 2.

**Chart 1 : Fire Safety non-compliance findings in 2013**



Note: Non-compliance for questions denoted with \* refers to the 25 factories that were assessed after these questions were introduced to the compliance assessment tool in August 2013.

## 2.2 Trends in Fire Safety Non-Compliance

This section seeks to identify changes in non-compliance related to fire safety since the establishment of Better Work Indonesia. It includes only the 25 factories that have received two visits. Although 3 of these 25 factories were assessed thrice, data from the third visit is not included in this analysis.

**Chart 2 : Average non-compliance findings for fire safety by visit**

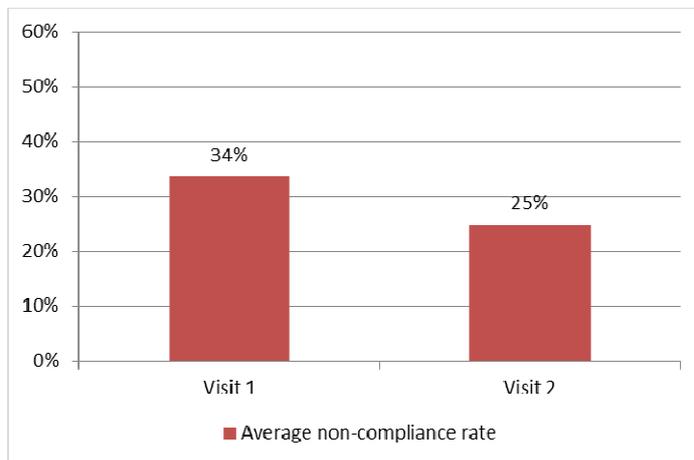


Chart 2 above shows that averaging the non-compliance findings across all the questions related to fire safety, there is a decrease from 34% during the first visit to 25% by the second round of visits.

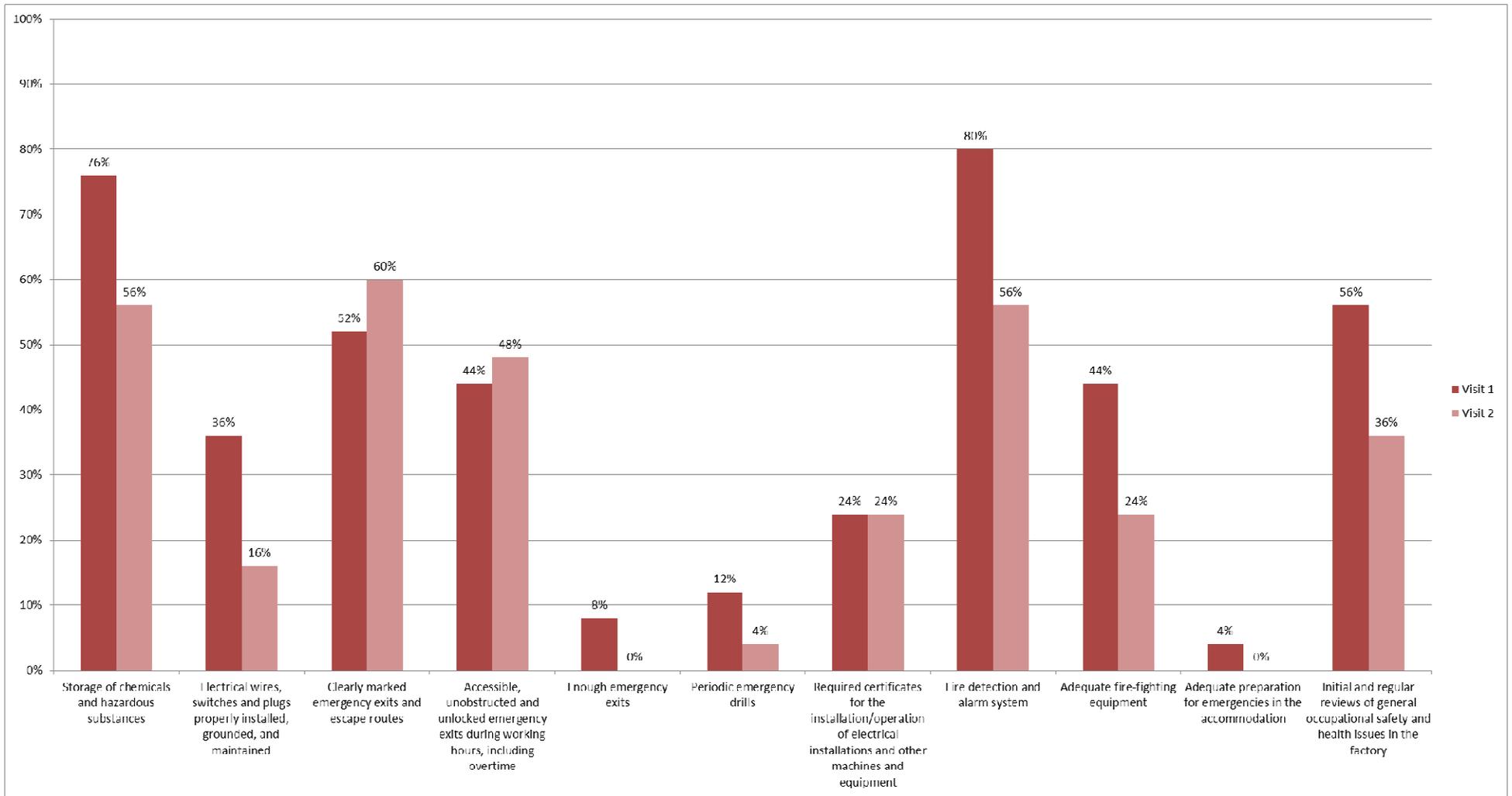
A detailed analysis of non-compliance for each question is shown in Table 1. Chart 2 is a visual representation of the numbers from this table. Given that the figures show non-compliance, higher percentages indicate a greater number of issues. For the purpose of space, the chart only includes those indicators which experienced a change of 5% or more in non-compliance between the first and second visit.

**Table 1 : Percentages and number of factories in non-compliance at the question level, by visit**

	Visit 1		Visit 2	
	Percentage	Number of factories	Percentage	Number of factories
Storage of chemicals and hazardous substances	76%	(19)	56%	(14)
Clearly marked emergency exits and escape routes	52%	(13)	60%	(15)
Accessible, unobstructed and unlocked emergency exits during working hours, including overtime	44%	(11)	48%	(12)
Enough emergency exits	8%	(2)	0%	(0)
Periodic emergency drills	12%	(3)	4%	(1)
Fire detection and alarm system	80%	(20)	56%	(14)
Adequate fire-fighting equipment	44%	(11)	24%	(6)
Appropriate number of workers trained to use the fire-fighting equipment	0%	(0)	0%	(0)
Required certificates for the installation/operation of electrical installations and other machines and equipment	24%	(6)	24%	(6)
Initial and regular reviews of general occupational safety and health issues in the factory	56%	(14)	36%	(9)
Adequate preparation for emergencies in the accommodation	4%	(1)	0%	(0)
Accommodation protected against fire	0%	(0)	0%	(0)
Electrical wires, switches and plugs properly installed, grounded, and maintained	36%	(9)	16%	(4)

*Note: The number of factories is indicated in parenthesis.*

**Chart 3 : Non-compliance at the question level, by visit**



Non-compliance shown in Table 1 and Figure 2 show an encouraging downward trend in non-compliance for most of the questions related to fire safety by the second assessment visit.

The most striking improvement has been in the implementation of fire detection and alarm systems. In the first visit, 80% of factories were found to be non-compliant. By the second visit, only 56% were non-compliant. Brands, namely Walmart, have requested all of their suppliers to adopt their fire safety procedures, and this is the main reason for the decrease in non-compliance. Walmart and Better Work Indonesia conducted a joint training session on highlighting the importance of fire safety in the workplace.

Between the first and second round of visits, five factories acquired adequate fire-fighting equipment. There was significant improvement in the storage of chemicals and hazardous substances, where non-compliance dropped from 76% to 56%.

Factories also made an effort to properly install, ground and maintain electrical wires, switches and plugs. In the first visit 9 factories were found to be out of compliance, which dropped to 4 by the second visit.

Increasing non-compliance was only found in the area of emergency exits. Though only 13 factories did not have emergency and escape routes clearly marked and posted in the workplace during the first visit, by the second visit, this number increased to 15. Emergency exits were inaccessible, obstructed and locked during working hours in 12 factories at the time of the second visit. However, 2 factories made efforts to ensure that they were no longer non-compliant with regards to having an adequate number of emergency exits. Since marking and unblocking/unlocking emergency exits is often not a costly improvement, these non-compliance findings indicate a failure to understand the risks and/or the benefit of preventive measures. In addition, it is common for management to solve this problem in the short term without establishing a system for monitoring it to ensure it does not reappear. The main reasons for this appear to be as follows:

- During the peak season there are limited storage areas, hence any area that has some space (such as an emergency exit) is used to store goods;
- The re-layout of production lines or sections based on orders results in marking being covered or no longer relevant;
- CTPAT requires a secure finishing, packing and finished goods section that has restricted access. Too often these areas have only one exit point and they can become a major bottleneck at a time of an emergency.

Factories are often investing in the equipment (fire/smoke detector) but not in the systems to ensure regular ongoing monitoring and implementation of fire safety measures in the workplace. Managers, supervisors and workers must proactively develop a culture of fire safety in the workplace and ensure fire safety is considered to be an integral part of everyday activities in the workplace. All employees must be vigilant to ensure access is not restricted, electrical fittings are safe and chemicals are correctly stored and managed.

## Section III: Fire Safety Initiatives to Date

Better Work Indonesia has undertaken a number of initiatives over the past 12 months to strengthen fire safety in the apparel industry:

1. Better Work Indonesia collaborated with Walmart to introduce fire safety awareness. In this event Better Work Indonesia invited factories sourcing for Walmart to discuss the brand's policy regarding fire safety for factories. Parallel to this event, Better Work Indonesia reviewed the Compliance Assessment Tool section on fire safety, with detailed guidance from MOMT. Five factories and the Walmart team attended the meeting.
2. Better Work Indonesia conducted fire safety management training for workers in the garment factory at KBN. Twenty-two participants from 12 factories joined the training. The objective of the event was to encourage management to be more aware and understand the potential fire hazards at the factory, as well their legal requirements.
3. Better Work Indonesia conducted fire safety awareness for garment workers. The event was conducted in the village ("kampung") where many garment workers live, near the factories in the KBN Area. The event involved local communities and was attended by more than 200 people. The objective of the event was to increase their awareness about fire safety hazards at home and to decrease fire risk at home.
4. Improved advisory services include a dedicated advisory visit on fire safety, an observation tour on fire safety during every advisory visit, and immediate reporting of fire safety concerns to factory senior management. A number of resources have also been developed including a checklist, presentation, videos (global garment factory fires and good practices), news articles and Good Practice Information Sheets (e.g. on appropriate exit doors and chemical management)
5. Better Work Indonesia enterprise advisors received additional training on fire safety by the MOMT as well as by Better Work Global staff.

For 2014, Better Work is planning to conduct fire safety expert training for garment factories in collaboration with Perusahaan Jasa Keselamatan dan Kesehatan Kerja (PJK3), a training institution who is authorized by the Ministry of Manpower to conduct health and safety training including on fire safety. The objective of this training is to ensure all garment factories have a fire safety expert, as required by the law. Becoming a fire safety expert is a rigorous certification process. It requires 4 stages (D, C, B, and A) and each step is prerequisite. To be a fire safety expert, the participant must accomplish those four stages consecutively. To address this challenge, Better Work Indonesia will conduct this training step by step, focusing on step D-C in 2014 and B-A in 2015.

## Section IV: Conclusions and Policy Recommendations

While steady improvements can be noted in most areas of compliance related to fire safety, there is still much to do. Achieving sustainable change will require the coordinated efforts of many stakeholders in Indonesia.

Better Work Indonesia will continue to strengthen its work on fire safety, including further training of Enterprise Advisors and strengthening of the Compliance Assessment Tool guidance. With the benefit of the data presented above, Better Work can also focus advisory visits on the areas with highest non-compliance (e.g. accessible exits, chemical storage, electrical safety) as well as those where progress has been slow (e.g. regular fire drills, adequate fire fighting equipment). The IFC is also funding a study in 2014 across all Better Work to assess fire risk in each country.

In addition to its own efforts, Better Work Indonesia calls on its national stakeholder partners to prioritise this area as follows.

### Government:

- Emphasize fire safety when issuing permits and licences for construction;
- Strengthen the guidance, inspection and particularly enforcement of fire safety laws (including the need for all factories to attend fire safety training, have appropriate exits doors and automatic fire-fighting equipment such as sprinklers for certain areas);
- Prioritise efforts to address electrical safety as a major cause of fire;
- Strengthen the fire service, staff numbers, training and facilities and ability to support enterprises on their fire safety plans;
- Work with fire service/industry to agree what firefighting coverage is needed at night.

### Trade Union :

- Train union officials so they can adequately fulfil their enterprise level responsibilities related to fire safety
- Take a proactive role in fire prevention strategies in enterprises;
- Assign one member of the Union committee to be in charge of OSH issues, with a focus on fire safety, and communicate this role to all workers;
- Educate workers on the risks, prevention strategies, and emergency responses for fires (including working with management to include this in induction since the worker turnover is too high to rely only periodic trainings alone);
- Provide a functioning channel for workers to report concerns;
- Relay information on fire risks to factory management.

### Industry :

- Assign a representative from the employers' association to work directly with factories on fire safety issues;
- Raise awareness among factories of the need and benefit, in terms of human risks, financial implications, and reputation, of prioritising fire safety;
- Change the industry norm of accepting rolling/slide exit doors and not installing required automatic fire-fighting equipment (e.g. sprinklers);
- Ensure that factories (i) identify and train a responsible person for fire safety, (ii) invest in proper training of workers, and (iii) invest in necessary equipment and maintenance.

Better Work Indonesia looks forward to working on fire safety with national stakeholder partners, to ensure that the Indonesian garment industry is a safe place for its workers and a vibrant and low risk industry for international investment.

# Annexes

## Annex A: Factories Covered in this Report

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PT Avery Dennison Packaging Indonesia	PT Pantjatunggal Knitting Mill
PT Bintang Baru Indonesia	PT Pertiwi Indo Mas
PT Cipta Dwi Busana	PT Pinnacle Apparels
PT Citra Abadi Sejati (Bogor)	PT Poong In Indonesia Co., Ltd
PT Citra Abadi Sejati (Cikarang)	PT Rismar Daewoo Apparel
PT Citra Abadi Sejati (Cileungsi)	PT Royal Fashion
PT C-Site Texpia	PT SAI Apparel Industries
PT Daehan Global (#1)	PT Samwon Busana Indonesia
PT Daenong Global	PT Sandrafine Garment
PT DONG-A DECAL	PT Sansan Saudaratex Jaya
PT Doosan Jaya Sukabumi	PT Saraswati Garmindo
PT Doosan Sinar Sukabumi	PT Semarang Garment
PT Dream Sentosa Indonesia	PT Sentraco Garmindo
PT Dream Wear	PT Shinwon Indonesia
PT Essens Apparel	PT TA Global Indonesia
PT Goldindo Primatama Sweater	PT Taitat Putra Rejeki
PT GRAHA KARYA TEKSTIL	PT Tiga Gunung International
PT Greentex Indonesia Utama	PT Tiga Kyung Seung Garmen
PT Gunung Salak Sukabumi	PT Trigoldenstar Wisesa
PT Hansae Indonesia Utama	PT Trinunggal Komara
PT Hansae Karawang Indonesia	PT Trisco Tailored Apparel Manufacturing
PT Hased Indonesia	PT Trisula Garmindo Manufacturing
PT Ing International	PT Tuntex Garment Indonesia
PT Inkosindo Sukses	PT Ungaran Sari Garment (Diponegoro)
PT Inwoo S&B Indonesia	PT Ungaran Sari Garments (Congol)
PT Kahoiindah Citragarment	PT Ungaransari Garments Pringapus
PT Kukdong International	PT Victory Apparel Semarang
PT Kyungseung Trading Indonesia	PT Westapusaka Kusuma
PT Laxmirani Mitra Garmindo	PT Willbes Global
PT Masterindo Jaya Abadi	PT Woon Indonesia
PT Maxmoda Indo Global	PT Yongjin Javasuka Garment I
PT Mitra Garindo Perkasa	PT Yongjin Javasuka Garment II
PT Molax International	PT. Rismar Daewoo Apparel Semarang
PT Mulia Cemerlang Abadi	PT. Vision Land Semarang
PT Pan Pacific Nesia	PT. Woo Shin Garment Indonesia