



The YKB/Marks & Spencer/PT Dewhirst Health Clinic Partnership

An example of a supplier/manufacturer and an NGO working together successfully in Indonesia

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PT Dewhirst, Bandung, Indonesia



- 100% owned by the Dewhirst Group UK
- Operational for 9 years
- 3 site factory producing 200,000 garments per week (9.6 million garments per year)
- 5,300 employees (95% female)
- One customer – Marks & Spencer UK



PT Dewhirst & the Community

Working actively with employees and the community:

- Supporting the 3 local villages (population 20,000 people)
- Scholarships every year for local children
- Employing the disabled (cooperation with NVRC)
- Extensive student job experience programmes
- Supporting local deaf foundations
- Currently working to establish a 'Marks & Start' Programme in Indonesia (disabled training)



Scholarships for children



Textile student from STTT



Disabled employee

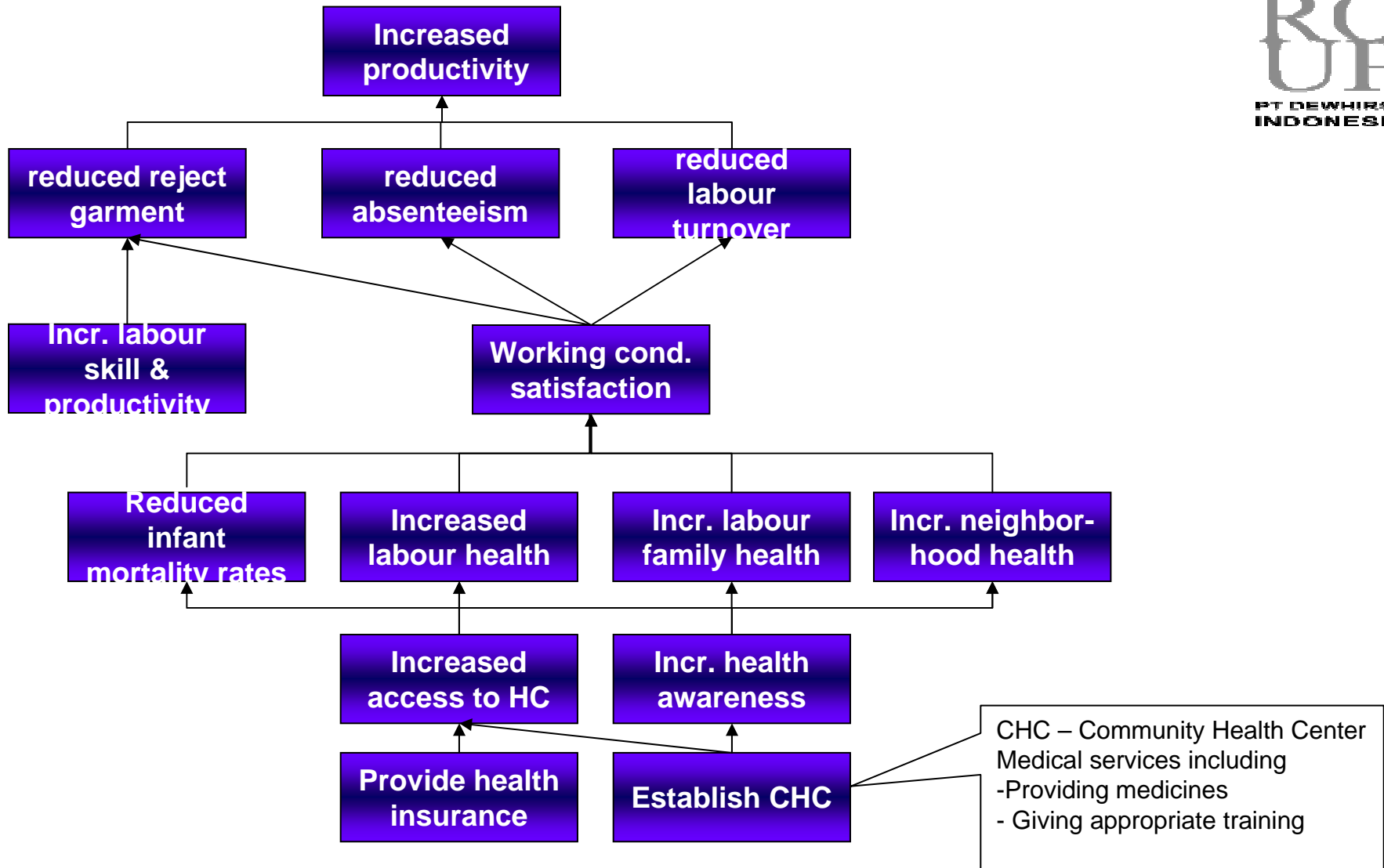
Challenges of Working in the Local Area

In 2001:

1. The majority of people were existing on low incomes
2. Standard of existing health center was very low
3. Government support for health services was very limited
4. Limited interest for health issues shown by local village leaders
5. PT Dewhirst was experiencing
 - High absenteeism for sickness
 - High labor turnover
 - High infant mortality



Identifying the Objective



Identifying the local partner

Why with the NGO -YKB?



- YKB introduced to PT Dewhirst via BSR who did a reproductive health study in the factory
- YKB provided health education programmes to PT Dewhirst for reproductive health issues, and has also done for other companies
- YKB has community health education experience in Jakarta
- YKB proven track record in running own health centers in Jakarta since 1981

Identifying the partner

YOUR M&S



- Proven track record - M&S has been involved in many CSR projects over the years.
- M&S via Muriel Johnson (Social Compliance Manager) interested in working to help partners in new and existing projects that will benefit employees and the community by encouraging others to help themselves

Identifying the partner

YOUR M&S

- Retailers and their customers have a direct impact on the lives of millions of people across the globe.
- M&S is 100% own brand, with influence over 2,000 factories, 10,000 farms and 250,000 workers worldwide
- M&S has the power to make a big difference by trading fairly. As a fair partner, M&S commits to doing everything they can to improve people's livelihoods and help communities flourish –both at home and overseas.
- Health Clinic Partnership is a great example of how a retailer and a supplier working in partnership can have a positive impact on workers and their communities



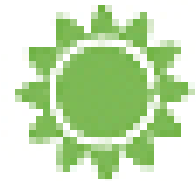
Identifying the partner

YOUR M&S

- Plan A is M&S' five-year, 100-point plan to tackle some of the biggest challenges facing the business and the world.
- Working with customers and suppliers to combat climate change, reduce waste, safeguard natural resources, trade ethically and build a healthier nation.
- It's called Plan A because M&S believes it is now the only way to do business. There is no Plan B.



Plan A
Because there
is no Plan B



Opening of the YKB Health Clinic (September 2003)

▪ PT Dewhirst & YKB submitted detailed financial proposals for establishing and running a clinic using one-time funding. This showed a 10-year plan, using health contributions and community income, with the clinic projected to reach the break-even point after five years.



- M&S gave US\$80,000 as the one-off seed funding for the clinic.
- YKB agree to run the clinic and to

Challenges in Establishing the Clinic



- Local Gangsters wanting a “cut” of the turnover
- New clinic set up to rival the YKB clinic
- Local Government reluctant to issue permits
- Health insurance reluctant to support
- Getting people to register initially
- Establishing trust and transparency of reporting and issues with YKB

Overcoming the Challenges

- Changing Health Insurance provider (to Medika Pratama) and persuading them to increase monthly contributions to the clinic for a “win/win” situation - done by PT Dewhirst.
- Improving communication with local people and organizations – YKB assisted by PT Dewhirst
- Establishing and maintaining regular meetings between YKB clinic personnel and PTD to discuss issues and expectations of each party, and ensuring good quality of service at the clinic



Results to date

1. Break-even point by September 2005
2. Dental services introduced in 2006
3. YKB bought land for permanent clinic 2007
4. Current clinic members: 7,434



Reduce to Increase!



	2001	2003	2006
Absenteesism for sickness	1.5%	0.9%	0.40%
Absenteesism w/o permission	1.57%	0.4%	0.38%
Labour Turn Over	12.5%	7.0%	7.0 %
Rejects produced	1.5%	0.95%	0.80%
Production Utilization	57 %	60.0%	64.0%

Remaining challenges

Infant Mortality in PT Dewhirst

	2002	2003	2004	2005	2006
Number of cases of Infant Mortality	8	11	15	15	18
Number of Total Births	270	327	302	329	334
Total Employees	3100	3400	3600	3900	5350

We intend to investigate root causes and have targeted training.

Challenges to Sustain Performance

- Maintaining clinic service quality
- Keeping clinic income at a sustainable level
- Ensuring that Health insurance provider works closely with the clinic and PT Dewhirst, to support the clinic and give guidance for continuous improvement of service
- Maintaining good government relations
- Maintaining training – ensuring health training is appropriate and relevant



Plans for the Future



- Baby day care facilities
- Home visit counseling services
- Extending clinic service hours
- Introducing birth delivery service
- Continue Relevant Health Training courses (ex. prenatal training/reproductive health)
- Sharing our experience with other factories (ex. the Marks and Spencer Indonesia Supplier – the Indo Brands Group)

