

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**20 Sep 2021**



## Factory Information

FLA Affiliates	Esprit Europe Services GmbH
Country	Indonesia
Number of Workers	1509

## Understanding this Report

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.

## FLA Code Element

## Number of Violations

Compensation (C)	6
Employment Relationship (ER)	28
Forced Labor (F)	1
Freedom Of Association And Collective Bargaining (FOA)	1
Harassment Or Abuse (H/A)	3
Health, Safety And Environment (HSE)	22
Hours Of Work (HOW)	5
Nondiscrimination (ND)	2

**Assessment Information**

Assessor	SCSA
Assessment Date	20 Sep 2021
Assessment Purpose	Factory Assessment (In-Person)

## ASSESSMENT RESULTS

### Compensation (C)

Benchmark ID	C.16.1
Benchmark Details	All compensation records, including wages and benefits whether in cash or in-kind, must be properly documented and their receipt and accuracy must be confirmed by the relevant worker in writing (e.g. signature, thumbprint).
Finding Details	Please see finding details under C.17
Recommendation for Immediate Action	The factory should maintain accurate records for all total hours worked, including overtime, and ensure that workers are paid according to the legal minimum wage for both normal work and overtime work.
Compliance Classifications	Immediate Action Required
Local Law	In accordance to Act of The Republic of Indonesia (UU) No 13 Year 2003, Concerning Manpower AND In accordance to Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW, Concerning Job Creation, Art 78 is amended to read as follows: (1) Entrepreneurs who employ workers / laborers over time work as referred to in Art 77 paragraph (2) must qualify: a. there is an agreement of the worker / laborer concerned; and b. overtime can only be done at most 4 (four) hours in 1 (one) day and 18 (eighteen) hours within 1 (one) week. (2) Entrepreneurs who employ workers / laborers over time (2) work as referred to in paragraph (1) must pay wages work overtime AND In accordance to Government Regulation of The Republic of Indonesia (PP) 36/ 2021, Concerning Wages/ Remuneration, Art 39 Overtime wages must be paid by employers who employ Workers / Laborers over working hours, on weekly breaks, or on official holidays as compensation to the Workers / Laborers concerned in accordance with the provisions of laws and regulations.

Benchmark ID	C.12.1
Benchmark Details	All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc.
Finding Details	The factory has not registered all employees into the Jaminan Kehilangan Pekerjaan (JKP) unemployment benefit scheme under the BPJS Ketenagakerjaan social insurance system.
Recommendation for Immediate Action	The factory should ensure that all workers are registered into the "Jaminan Kehilangan Pekerjaan (JKP)" system, as required by local law.
Compliance Classifications	Immediate Action Required
Local Law	Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation, as well as Government Regulation of The Republic of Indonesia (PP) No 37/2021, Concerning Job Loss Guarantee program, Art 2 (1), both require firms to include Workers / Laborers as Participants in the JKP program.
Benchmark ID	C.22
Benchmark Details	Employers must establish a system through which workers can dispute compensation and receive clarifications in this respect in a timely manner.
Finding Details	The factory lacks a written procedure allowing workers to raise concern regarding wages and benefits. Currently, workers can speak directly with a supervisor who will follow up with HR and/or recruitment staff.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Benchmark ID	C.17
Benchmark Details	Employers shall ensure that all legally required payroll documents, journals and reports are available, complete, accurate and up-to date.
Finding Details	The factory's time and payment recording system does not reflect the actual overtime hours worked by employees. The assessment found discrepancies between the time and payment records provided by the factory and other information obtained. Therefore, the assessment concluded that the time and payment records kept by the factory did not accurately reflect the overtime hours that employees work. For example, production records indicate that workers worked overtime on July 14 and July 17, 2021, while time and payment records showed that workers were off on these days. Attendance records also showed that employees worked more than 1.5 hours of overtime per day in August 2021, while time and payment records stated that employees only worked 1.5 hours of overtime. As a result, the factory's compliance with compensation and hours of work requirements cannot be verified. Factory management reported that mice had chewed the cables of the time recording machines, causing technical problems. Management fixed this issue in early September 2021. Management agreed to double-check the records and address the uncounted hours of work.
Recommendation for Immediate Action	The factory should maintain accurate records for all total hours worked, including overtime, and ensure that workers are paid according to the legal minimum wage for both normal work and overtime work.
Compliance Classifications	Immediate Action Required

Local Law	In accordance to Act of The Republic of Indonesia (UU) No 13 Year 2003, Concerning Manpower AND In accordance to Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW, Concerning Job Creation, Art 78 is amended to read as follows: (1) Entrepreneurs who employ workers / laborers over time work as referred to in Art 77 paragraph (2) must qualify: a. there is an agreement of the worker / laborer concerned; and b. overtime can only be done at most 4 (four) hours in 1 (one) day and 18 (eighteen) hours within 1 (one) week. (2) Entrepreneurs who employ workers / laborers over time (2) work as referred to in paragraph (1) must pay wages work overtime AND In accordance to Government Regulation of The Republic of Indonesia (PP) 36/ 2021, Concerning Wages/ Remuneration, Art 39 Overtime wages must be paid by employers who employ Workers / Laborers over working hours, on weekly breaks, or on official holidays as compensation to the Workers / Laborers concerned in accordance with the provisions of laws and regulations.
Benchmark ID	C.18.1
Benchmark Details	Employers shall not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.
Finding Details	Please see finding details under C.17
Recommendation for Immediate Action	The factory should maintain accurate records for all total hours worked, including overtime, and ensure that workers are paid according to the legal minimum wage for both normal work and overtime work.
Compliance Classifications	Immediate Action Required



Local Law	In accordance to Act of The Republic of Indonesia (UU) No 13 Year 2003, Concerning Manpower AND In accordance to Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW, Concerning Job Creation, Art 78 is amended to read as follows: (1) Entrepreneurs who employ workers / laborers over time work as referred to in Art 77 paragraph (2) must qualify: a. there is an agreement of the worker / laborer concerned; and b. overtime can only be done at most 4 (four) hours in 1 (one) day and 18 (eighteen) hours within 1 (one) week. (2) Entrepreneurs who employ workers / laborers over time (2) work as referred to in paragraph (1) must pay wages work overtime AND In accordance to Government Regulation of The Republic of Indonesia (PP) 36/ 2021, Concerning Wages/ Remuneration, Art 39 Overtime wages must be paid by employers who employ Workers / Laborers over working hours, on weekly breaks, or on official holidays as compensation to the Workers / Laborers concerned in accordance with the provisions of laws and regulations.
Benchmark ID	C.21.1
Benchmark Details	Employers shall provide all legally mandated benefits, including holidays, leave, bonuses, severance payments and 13th month payments to all eligible workers within legally defined time periods.
Finding Details	The factory reported that there had been no terminations at the facility. However, the factory does not have proper policies or procedures regarding termination to ensure that workers receive proper termination and severance payments. The assessment also found that the factory has not paid severance payments for contract workers whose contracts have ended since November 2020.
Recommendation for Immediate Action	1. The factory should create and implement policies and procedures on termination to ensure that all termination and severance payments are paid to workers properly. 2. The factory should pay workers the severance payments whose contracts ended in November 2020.
Compliance Classifications	Immediate Action Required



Local Law	In accordance to Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation AND In accordance to Government Regulation of The Republic of Indonesia (PP) No.35 /2021 Concerning Specific Time Work Agreement, Outsourcing, Working time and Rest times, and Termination of Work Relationship. Article 15 (1) Entrepreneurs are required to provide compensation money to Workers / Laborers whose working relationship is based on PKWT. (2) The compensation money shall be given at the end of the PKWT. (3) The compensation money as referred to in paragraph (1) shall be given to Workers / Laborers who have worked at least 1 (one) month continuously. (4) If the PKWT is extended, the compensation money will be given when the PKWT term ends before the extension and towards the PKWT extension period, the next compensation money will be given after the PKWT term extension ends or is finished. (5) The compensation money does not apply to foreign workers who are employed by the employer in an employment relationship based on PKWT.
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## Employment Relationship (ER)

Benchmark ID	ER.17.5
Benchmark Details	Employers shall have in place procedures to track the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workforce.
Finding Details	The written grievance procedure lacks key elements including procedures for handling different types of grievance, the timing of the process, and forms of grievance resolution.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.9.3

Benchmark Details	Contract/contingent/temporary workers shall only be hired if one of the following conditions is met the permanent workforce of the enterprise is not sufficient to meet unexpected or unusually large volume of orders, exceptional circumstances* may result in great financial loss to the supplier if delivery of goods cannot be met on time, or work that needs to be done and is outside the professional expertise of the permanent workforce.
Finding Details	Workers in almost all production areas, performing jobs that are permanent by nature, are employed under specified period of time contracts (PKWT).
Recommendation for Immediate Action	The factory should review and change workers' status to prevent employees performing core work functions from being employed under fixed-term contracts.
Compliance Classifications	Immediate Action Required
Local Law	In accordance to Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation, Art 59 (1) AND In accordance to Government Regulation of The Republic of Indonesia (PP) 35/ 2021, Concerning Certain time work agreements, Outsourcing, Work Hours and Rest Time and Termination of employment, Art 4, (1) PKWT is based on: a. period of time; Or b. completion of a particular work. (2) PKWT cannot be held for work permanent nature. Art 5 (1) PKWT based on the period as referred to in Art 4 paragraph (1) letter a is made to certain jobs are: a. work expected to be completed in a not too long time; b. seasonal work; Or c. work related to new products, new activities, or additional products is still under trial or probe. (2) PKWT based on the completion of a work as referred to in Article 4 paragraph (1) letter b is made for a particular work i.e.: a. once completed work; Or b. temporary work of its nature.
Benchmark ID	ER.1.2
Benchmark Details	Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions.

Finding Details	(1) The factory has not trained workers on the FLA Code. (2) Five workers who work as housekeepers in the Korean dormitory, including cleaning and cooking tasks, have not received hygiene training.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.2
Benchmark Details	Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.
Finding Details	Supervisors do not receive training on the factory's disciplinary procedures.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.2
Benchmark Details	Employers shall ensure that all legally mandated requirements for the protection or management of special categories of workers, including migrant, juvenile, contract/contingent/temporary, probationary workers, home workers, and pregnant or disabled workers, are implemented. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.

Finding Details	The factory only employs 19 workers with disability out of total 2994 workers, which amounts to less than the 1% required by local law.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	In accordance to Act of the Republic of Indonesia (UU) No 8/2016 concerning people with disabilities Art 53 (2) Private companies are required to employ at least 1% (one percent) of Persons with Disabilities of the number of employees or workers.
Benchmark ID	ER.5.1
Benchmark Details	Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure compliance.
Finding Details	The factory has not provided specific training on the FLA Code elements to relevant supervisors.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.17.1
Benchmark Details	Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.

Finding Details	The factory has not established a workers committee or held elections for worker representatives. No union is present at the facility.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.17.6
Benchmark Details	Employers shall have a system in place to prevent retaliation against or discrimination towards workers who are filing grievances, including grievances regarding harassment, abuse, violations of factory procedures, compensation, or unsafe working conditions
Finding Details	(1) The factory does not have a system in place to prevent retaliation against workers who file grievance. (2) There is no policy to protect workers from retaliation when filing a complaint or grievance.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.15.1
Benchmark Details	Employers shall have in place a procedure for determining termination payouts, including methods for correct assessment of payouts for all modes of termination/retrenchment, taking into account national legal requirements.
Finding Details	The factory does not provide specific training on Covid-19 to any supervisors.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.1
Benchmark Details	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.
Finding Details	(1) The factory lacks a policy and procedure for personnel development. (2) The factory lacks a policy and procedure for retrenchment that ensures proper severance pay. (3) The factory has a policy on nondiscrimination, but lacks procedures to implement it.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.1
Benchmark Details	Employers shall have written disciplinary rules, procedures and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).
Finding Details	The factory's policy on workplace conduct and discipline lacks an element to protect workers who make an appeal in their disciplinary case from retaliation.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.6.1
Benchmark Details	Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond.
Finding Details	The written policy and procedure on personnel development lacks an element to provide ongoing training of all workers with the goal of raising or broadening their skills.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.7.1
Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Finding Details	(1) The policy and procedure on performance reviews lacks a specific list of steps in the review process, steps to provide written feedback and link the review to job grading, and a non-discrimination guarantee. (2) The employer only conducts performance reviews for outstanding workers and workers who are candidates for promotion.



Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.8
Benchmark Details	Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements.
Finding Details	(1) The factory's written policies and procedures do not specifically state that promotion must be conducted fairly. The policy/procedure lack objective criteria for promotion. The promotion procedures do not have clear linkages to job grading, non-discrimination requirements, or prohibitions on the use of demotion or job reassignment as a form of penalty or punishment. Management conducts promotions mostly based on the discretion or subjective evaluation of supervisors. (2) The system for increasing salaries after promotions is not functioning. Some workers who receive promotions receive a salary raise but are still paid salaries that are lower than the stated salary for the new position. (3) The factory lacks a clear process with step-by-step procedures and a written record to conduct promotions/demotions and reassignment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.9.1

Benchmark Details	Employers shall hire contract/contingent/temporary workers only if such hiring is consistent with the national law of the country of production.
Finding Details	Based on the factory information and documents reviewed in the assessment, the factory employs 2,319 workers (out of 2,994 total) under specified period of time contracts (PKWT). These workers work in almost all production areas and perform jobs that are permanent by nature.
Recommendation for Immediate Action	The factory should review and change workers' status to prevent employees performing core work functions from being employed under fixed-term contracts.
Compliance Classifications	Immediate Action Required
Local Law	In accordance to Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation, Art 59 (1) AND In accordance to Government Regulation of The Republic of Indonesia (PP) 35/ 2021, Concerning Certain time work agreements, Outsourcing, Work Hours and Rest Time and Termination of employment, Art 4, (1) PKWT is based on: a. period of time; Or b. completion of a particular work. (2) PKWT cannot be held for work permanent nature. Art 5 (1) PKWT based on the period as referred to in Art 4 paragraph (1) letter a is made to certain jobs are: a. work expected to be completed in a not too long time; b. seasonal work; Or c. work related to new products, new activities, or additional products is still under trial or probe. (2) PKWT based on the completion of a work as referred to in Article 4 paragraph (1) letter b is made for a particular work i.e.: a. once completed work; Or b. temporary work of its nature.
Benchmark ID	ER.4
Benchmark Details	Employers shall inform workers about workplace rules, environmental protection systems, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas.

Finding Details	(1) The factory does not provide any communication to workers on FLA Code elements and Employment Functions. (2) The factory has not communicated the FLA Code to the workers (3) The factory does not provide training to supervisors and managers on revisions to the COVID-19 emergency management plan.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.19.1
Benchmark Details	Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws.
Finding Details	Factory management does not keep records of worker leave or written disciplinary warning letters in workers' personnel files.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.10.1
Benchmark Details	Employers shall not hire contract/contingent/temporary workers as a means to support continuing business needs on a long-term basis.
Finding Details	The facility employs temporary contracted workers under PKWT agreements to staff positions which are permanent in nature from one to three times per worker.

Recommendation for Immediate Action	The factory should review and change workers' status to prevent employees performing core work functions from being employed under fixed-term contracts.
Compliance Classifications	Immediate Action Required
Local Law	In accordance to Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation, Art 59 (1) AND In accordance to Government Regulation of The Republic of Indonesia (PP) 35/ 2021, Concerning Certain time work agreements, Outsourcing, Work Hours and Rest Time and Termination of employment, Art 4, (1) PKWT is based on: a. period of time; Or b. completion of a particular work. (2) PKWT cannot be held for work permanent nature. Art 5 (1) PKWT based on the period as referred to in Art 4 paragraph (1) letter a is made to certain jobs are: a. work expected to be completed in a not too long time; b. seasonal work; Or c. work related to new products, new activities, or additional products is still under trial or probe. (2) PKWT based on the completion of a work as referred to in Article 4 paragraph (1) letter b is made for a particular work i.e.: a. once completed work; Or b. temporary work of its nature.
Benchmark ID	ER.10.2
Benchmark Details	Employers shall not renew contracts for multiple successive short-terms in lieu of providing regular employment.
Finding Details	Based on the factory information and documents reviewed in the assessment, the factory employs 2319 workers (out of 2994 total workers) under specified period of time contracts (PKWT). These workers work in almost all production areas and perform jobs that are permanent by nature.
Recommendation for Immediate Action	The factory should review and change workers' status to prevent employees performing core work functions from being employed under fixed-term contracts.
Compliance Classifications	Immediate Action Required

Local Law	In accordance to Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation, Art 59 (1) AND In accordance to Government Regulation of The Republic of Indonesia (PP) 35/ 2021, Concerning Certain time work agreements, Outsourcing, Work Hours and Rest Time and Termination of employment, Art 4, (1) PKWT is based on: a. period of time; Or b. completion of a particular work. (2) PKWT cannot be held for work permanent nature. Art 5 (1) PKWT based on the period as referred to in Art 4 paragraph (1) letter a is made to certain jobs are: a. work expected to be completed in a not too long time; b. seasonal work; Or c. work related to new products, new activities, or additional products is still under trial or probe. (2) PKWT based on the completion of a work as referred to in Article 4 paragraph (1) letter b is made for a particular work i.e.: a. once completed work; Or b. temporary work of its nature.
Benchmark ID	ER.3.1
Benchmark Details	Employers shall provide an orientation to new employees at the time of hiring, which includes explanations of the employers' rules, compensation package and policies for human resources, grievance systems, industrial relations, including respect of the right to freedom of association, workers' rights and responsibilities, FLA Code of Conduct, health and safety, and environmental protection.
Finding Details	(1) New workers do not receive an orientation training on the FLA Code and Employment Functions. (2) New workers do not receive an orientation training on the factory's extraordinary or temporary COVID-19 Health and Safety precautions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.3

Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.
Finding Details	(1) The factory does not regularly review its on policies and procedure on FLA Code elements and Employment Functions. (2) The factory does not conduct worker consultation or otherwise integrate workers into decision-making processes affecting working conditions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.3.4
Benchmark Details	Records of disciplinary action must be maintained in the worker's personnel file.
Finding Details	The factory does not keep disciplinary records in the workers' personnel files.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.4
Benchmark Details	The disciplinary system shall include a third party witness during imposition, and an appeal process.
Finding Details	The written disciplinary procedure lacks the right to appeal and to have a third-party witness present during disciplinary actions.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.6
Benchmark Details	The workplace shall commit to non-retaliation for all steps of the disciplinary process, including for a worker requesting a witness and filing an appeal of disciplinary action.
Finding Details	No policy or procedure exists to ensure non-retaliation during the disciplinary process, including non-retaliation if the worker requests a witness or files an appeal regarding the disciplinary action.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.16.2
Benchmark Details	When employers are faced with major changes in production, program, organization, structure, or technology and those changes are likely to result in temporary or permanent layoffs, employers shall communicate any alternatives to retrenchment that have been considered and consult any workers' representatives as early as possible with a view to averting or minimizing layoffs.
Finding Details	The factory management lacks a system to consult with workers or a workers' committee to prevent or minimize retrenchment
Recommendation for Immediate Action	



Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.16.3
Benchmark Details	Where temporary or permanent layoffs are unavoidable, a plan should be developed and implemented that mitigates the adverse effects of such changes on workers and their communities.
Finding Details	The factory does not have a mitigation plan in place for layoffs.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.3.2
Benchmark Details	Workers have the right to participate and be heard in any disciplinary procedure against them.
Finding Details	No information gathered during the assessment indicated that workers were allowed to participate or be heard in disciplinary procedures against them.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.3.3

Benchmark Details	Workers should be provided with written documentation that substantiates all the issues covered in orientation briefings.
Finding Details	Management does not provide workers with written documentation on any issues covered in orientation briefings.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

### Forced Labor (F)

Benchmark ID	F.7.1.3
Benchmark Details	Employers shall not utilize, nor shall they use employment agencies or intermediaries that utilize, practices that restrict any worker's freedom of movement, or ability to terminate their own employment, or that create a threat of penalty. Examples of such practices include, but are not limited to imposing financial penalties.
Finding Details	Although the assessment did not find any cases of financial penalties being used against workers, the factory lacks a policy or procedure explicitly protecting workers from financial penalties.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

### Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID	FOA.1.1
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Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning freedom of association and collective bargaining. national laws, rules, and procedures protecting the rights of workers to organize and bargain collectively. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.
Finding Details	The factory has a policy on freedom of association and collective bargaining, but does not have a detailed procedure in place. There is no workers' committee or union at the factory.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

## Harassment Or Abuse (H/A)

Benchmark ID	H/A.10.1.3
Benchmark Details	Body searches shall not be undertaken in public and the person who undertakes the search shall be of the same sex as the person who is being searched.
Finding Details	The factory conducts a body check/pat-down search to all workers upon entering and leaving the production areas. The factory conducts these checks in an open area.
Recommendation for Immediate Action	The factory should not use body searches on a regular basis. When management does conduct body searches, these should not be conducted in open areas.
Compliance Classifications	Immediate Action Required
Local Law	

Benchmark ID	H/A.11
Benchmark Details	Employers shall have a system to discipline supervisors, managers or workers who engage in any physical, sexual, psychological or verbal violence, harassment or abuse, through measures such as compulsory counseling, warnings, demotions, and terminations or a combination thereof regardless of whether such action was intended as a means to maintain labor discipline with a view to preventing the reoccurrence of violence and harassment, and facilitating their reintegration into work, where appropriate.
Finding Details	The factory has no system to discipline a supervisor, manager, or worker who engages in abuse or harassment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	H/A.8.3
Benchmark Details	Employers, shall develop, implement and monitor policy and procedures for eliminating the risk of violence, harassment, and abuse in the workplace. Policies and procedures shall include a clear statement that violence, harassment, and abuse will not be tolerated, procedures for the investigation of allegations, and measures to protect any complainants, victims, and witnesses.
Finding Details	The factory has only a brief written policy on harassment or abuse. The factory lacks a a proper and detailed procedure that includes a system to discipline supervisors, managers, and workers who engage in any form of harassment or abuse.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
<b>Health, Safety And Environment (HSE)</b>	
Benchmark ID	HSE.30.1
Benchmark Details	Employers shall develop, maintain, and regularly review health, safety, and environmental policies to ensure that they comply with all national laws, regulations and the FLA Workplace Code concerning health, safety, and environmental standards, regulations and procedures.
Finding Details	(1) The factory has a policy on environmental protection, but lacks a detailed procedure. (2) The factory has policies on health and safety in place, but lacks a detailed procedure.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.5.1
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: posting evacuation plans; the installation and maintenance of fire alarms; the installation and maintenance of emergency lighting; ensuring aisles/exits are not blocked and that workers are not blocked within their workstations; employee education and training; and evacuation procedures and fire drills.
Finding Details	(1) The evacuation route for the sewing line is too narrow to be safe. (2) The factory only provides 1 emergency exit in the finishing and packing area, where at least 22 workers are present. (3) The management dormitory lacks an emergency exit sign. (4) The evacuation route markings in production building B are peeling off.

Recommendation for Immediate Action	The factory should ensure that all employees have access to at least two exits, remove all blockages from aisles and exits, equip all emergency exits with emergency exit signs, and repaint or re-mark evacuation routes.
Compliance Classifications	Immediate Action Required
Local Law	In Accordance to The Safety Act of Republic of Indonesia (UU) No.1/1970 Concerning Work Safety requirements, Chapter III, Art 3 (d) give chance or way to do self-rescue when the fire or other dangerous event happens AND In Accordance to Ministerial Regulation of Public Work and Housing of The Republic of Indonesia, No 14/PRT/M/2017, Concerning Building easy requirements, Attached II. 11) The door must be free from all kinds of obstacles preventing the door from opening or closing completely in front of or behind the door leaf. SNI 03-1746-2000. 4.1.9.1. The means of escape must be maintained continuously, free of all obstacles or obstructions for full use in the event of a fire or other emergency.
Benchmark ID	HSE.5.1.6
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: evacuation procedures and fire drills
Finding Details	The factory does not conduct an assessment or review after evacuation drills.
Recommendation for Immediate Action	The factory should conduct and document an assessment after an evacuation drill in order to learn how to improve the evacuation process.
Compliance Classifications	Immediate Action Required

Local Law	In Accordance to Ministerial Decree of Manpower and Transmigration of The Republic of Indonesia (KEPMEN) No. KEP.186/MEN/1999, Concerning Fire preventive unit at workplace Art 2 (1). The management or company is obliged to prevent, reduce and extinguish fires, firefighting exercises in the workplace. (2). Obligation to prevent, reduce and extinguish fires in the workplace as referred to in paragraph (1) includes; (e) organizing firefighting training and rehearsals periodically.
Benchmark ID	HSE.5.1.4
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following: ensuring aisles/exits are not blocked and that workers are not blocked within their workstations
Finding Details	During the assessment, the material warehouse's emergency exit was blocked by a truck.
Recommendation for Immediate Action	The factory should ensure that all employees have access to at least two exits and that aisles exits are clear at all times.
Compliance Classifications	Immediate Action Required
Local Law	In Accordance to The Safety Act of Republic of Indonesia (UU) No.1/1970 Concerning Work Safety requirements, Chapter III, Art 3 (d) give chance or way to do self-rescue when the fire or other dangerous event happens AND In Accordance to Ministerial Regulation of Public Work and Housing of The Republic of Indonesia, No 14/PRT/M/2017, Concerning Building easy requirements, Attached II. 11) The door must be free from all kinds of obstacles preventing the door from opening or closing completely in front of or behind the door leaf. SNI 03-1746-2000. 4.1.9.1. The means of escape must be maintained continuously, free of all obstacles or obstructions for full use in the event of a fire or other emergency.
Benchmark ID	HSE.25.1.1
Benchmark Details	All dormitories shall be kept secure, clean, and have safety provisions (e.g. fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting).



Finding Details	The management dormitory lacked emergency lights, a fire alarm, an evacuation map, and markings for the evacuation route.
Recommendation for Immediate Action	The factory should ensure that dormitories meet local laws and regulations. The dormitory should have emergency lights, a fire alarm, an evacuation map, and route markings equipped.
Compliance Classifications	Immediate Action Required
Local Law	<p>In Accordance to Government Regulation of The Republic of Indonesia (PP) No 36/2005 on Implementation of regulation law No 28 /2002 Regarding Building requirement on evacuation route, Art 59 (1) Every building, except residential Single and modest row house, should provide a means of evacuation system includes warning of danger for the user, the exit emergency and evacuation path that can guarantee ease of use of buildings for evacuation of the building safely in the event of a disaster or state emergency</p> <p>AND - In Accordance to Ministerial Decree of Manpower and Transmigration of The Republic of Indonesia (KEPMEN) No. KEP.186/MEN/1999 ,Concerning Fire preventive unit at workplace, Art 2 (1). The management or company is obliged to prevent, reduce and move fires, firefighting exercises in the workplace. 2. Obligation to prevent, reduce and fire in the workplace as referred to in paragraph (1) includes: (b) As preventive of fire, employer is responsible to provide instrument of detection, alarm, fire extinguisher and evacuation map</p> <p>AND - In Accordance to Ministerial Regulation of Manpower and Transmigration of The Republic of Indonesia (PERMEN) No.7 of 1964, Concerning Condition of Health, Cleanness and lighting in workplace Emergency light for exit, stairwell, etc. Art 13 (1) Emergency lighting must be so installed that it is impossible to cause danger. (2) Exits, such as doors, corridors, etcetera, must be provided with emergency lighting equipment and with signs, painted with luminous, reflecting or fluorescence material.</p>
Benchmark ID	HSE.13
Benchmark Details	All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility.

Finding Details	During the assessment, temperatures in Building 2 exceeded the local law's requirement. For instance, the temperature reached approximately 35.5 degrees Celsius at 2pm. The local law temperature is 30 degrees Celsius.
Recommendation for Immediate Action	The factory should ensure that the temperature in work areas does not exceed the maximum set by local law.
Compliance Classifications	Immediate Action Required
Local Law	In Accordance to The Safety Act of Republic of Indonesia (UU) No.1/1970 Concerning Work Safety requirements, Chapter III, Art 3 (j) Conduct the good temperature and humidity AND In Accordance to Ministerial regulation of Health of the Republic of Indonesia No. 70/ 2016 Concerning Environmental health standards and requirements of Industry working condition. Chapter II, Industrial working environment health standards, Page 17 Industrial Work Environment Climate Threshold (Medium at maximum 31.5).
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	(1) At least 25% of the sewing machines lacked needle guards, at least 20% lacked lower pulley guards, and 10% lacked upper pulley guards and eye guards. (2) The majority of workers operating sewing machines were not using the appropriate guards.
Recommendation for Immediate Action	The factory should ensure that all guards are well installed, regularly conduct inspections to ensure that they are present, and educate workers on their importance to workplace safety.
Compliance Classifications	Immediate Action Required

Local Law	In Accordance to The Safety Act of Republic of Indonesia (UU) No.1/1970 Concerning Work Safety requirements, Chapter III, (1) a, Prevent and decrease the numbers of accident and f. Give self-safety equipment for the workers, Art 9 (1) The manager has the duty to show and explain to each new worker about: (a). The conditions, dangers and anything that might occurs in their workplace; (b).All the safety and its equipments which is as a must in all workplaces; (c) . Self-protection equipments for the concerned workers; (d). Ways and safe attitudes in doing their job AND In accordance to Ministerial regulation of Manpower of The Republic of Indonesia (PERMEN) No.38 /2016, concerning Power and Production Machine, Article 8 (1) Power and Production Machinery must be equipped with Safety Equipment. (2) All moving and dangerous parts of Power and Production Machinery must be equipped with protective equipment and Art 80 The moving parts of the sewing machine must be completely closed except for those that are open for sewing.
Benchmark ID	HSE.6.1
Benchmark Details	All safety and medical equipment (e.g. fire fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to workers.
Finding Details	(1) In the finishing and packaging building (Building A), stacks of finished goods blocked at least 2 fire extinguishers during the assessment. (2) The factory inspects the fire extinguishers once every 2 years rather than every year as required by local law.
Recommendation for Immediate Action	The factory should ensure that all fire extinguishers are visible, accessible, clearly marked, and free from blockages. In addition, the fire extinguishers should serviced by certified personnel annually.
Compliance Classifications	Immediate Action Required

Local Law	In accordance to Ministerial regulation of Manpower of Republic of Indonesia (PERMEN) PER 04/MEN/1980 Concerning Use and maintenance of fire extinguishers. Art 4. Fire extinguisher shall be visible, reachable, and has marking. AND Art 11, (1) Any light fire extinguisher shall be checked 2 (two) times a year, namely: (a). Examination within 6 (six) months; (b). Examination within 12 (twelve) months.
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	(1) 1 production building (out of 2) does not have the "SLF" building inspection certificate. (2) The factory provided no evidence that training sessions allow for proper distancing. (3) The factory has not posted information related to room capacity posted to ensure 1 meter distancing at all relevant locations. (4) The factory has not posted any policy or information related to maximum capacity. (5) The factory lacks procedures to quarantine workers that return from high risk regions. (6) The factory has not implemented a restriction or reduction on the number of people in each room. The number of people in each room has remained similar to pre-pandemic levels.
Recommendation for Immediate Action	The factory should comply with all national laws, regulations and procedures concerning health, safety, and the environment. The factory should also properly obtain the SLF building inspection certificate.
Compliance Classifications	Immediate Action Required
Local Law	In accordance to Government Regulation of Republic of Indonesia (PP) No 36 Year 2005 on Implementation regulation of law No 28 Year 2002 on Building, Chapter III, Requirement for Building, first part, General, Art.8, (1) Every building must meet administrative requirements and technical requirements in accordance with the function of the building. Art 119, with the enactment of this Government Regulation, in period of at least five (5) years of building the building that had been established prior to the issuance This Government Regulation shall have a certificate of acceptance function.

Benchmark ID	HSE.14.3
Benchmark Details	Employers shall ensure safety instructions are either displayed or posted near all machinery or are readily accessible to the workers in language(s) spoken by workers.
Finding Details	The factory has not posted safety instructions on the boiler machine.
Recommendation for Immediate Action	The factory should display safety instructions in the language(s) spoken by workers near all machinery.
Compliance Classifications	Immediate Action Required
Local Law	In Accordance to The Safety Act of Republic of Indonesia (UU) No.1/1970 Concerning Work Safety requirements, Chapter III, Art 3 (1) a, Prevent and decrease the numbers of accident and Art 4 (1) By this law regulation, it is established the work safety requirements in planning, making, transporting, circling, trading, installing, using, and keeping materials, goods, technical product and production instrument which contains and can cause the dangerous of accident.
Benchmark ID	HSE.29
Benchmark Details	Employers shall provide all necessary protection for workers when working at heights, confined spaces, and other high-risk areas.
Finding Details	The factory lacks a procedure for work performed in confined spaces.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.17.2

Benchmark Details	Employers shall train workers in proper lifting techniques, and items such as lifting belts shall be provided.
Finding Details	The factory has not trained workers on proper lifting techniques.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.10.1
Benchmark Details	Material Safety Data Sheets (MSDS) for all chemicals and hazardous substances used in the workplace must be available at the usage and storage sites of the chemicals and hazardous substances, in the local language and the language spoken by workers, if different from the local language.
Finding Details	(1) The chemical softener lacked a material safety data sheet (MSDS) and there were no signs around the area which the chemical was used. (2) At least two chemicals had MSDSs available only in English, rather than the local language.
Recommendation for Immediate Action	Factory management should make MSDSs for all chemicals, rendered in the local language, available in the chemical usage areas.
Compliance Classifications	Immediate Action Required

Local Law	In Accordance to The Safety Act of Republic of Indonesia (UU) No.1/1970, regarding Occupational Safety Law, Chapter III, Art 4.1: By means of regulations, occupational safety requirements are established in the planning, production, transport, circulation, trade, installation, use, utilization, maintenance and storage of materials, goods, technical products and production apparatus which may cause an accident AND In accordance to Ministerial Decree of Manpower and Transmigration of The Republic of Indonesia (KEPMEN) KEP.187/MEN/1999, Concerning Hazardous chemicals control at workplace, Art No.3, Hazardous chemical control referred to in Art 2 includes: (a).Provision of material safety data sheet (LDKB) and label AND Ministerial regulation of Industry the republic of Indonesia No 87/M-IND/Per/9/2009 Concerning Global harmonization system classification and labels on chemicals, Art 10 (1) Writing labels and LDKB as referred to in Art 5 paragraph (1) and Art 9 must use the Indonesian language.
Benchmark ID	HSE.5.4
Benchmark Details	The emergency evacuation plan (EEP) includes procedures for notifying local community authorities in case of accidental discharge or release of chemical/waste products or any other environmental emergency.
Finding Details	The factory lacks an environmental emergency system to response to unexpected environmental emergencies such as a chemicals spill or gas leakage.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.30.2.5



Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed: procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies
Finding Details	The factory lacks a procedure for reporting workplace incidents and environmental emergencies.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.30.2.4
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed: procedures that enable workers to raise health, safety, and environmental concerns.
Finding Details	The factory lacks written procedures allowing workers to raise concerns regarding health, safety, or environmental issues.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.30.2.6

Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed:protections to workers who allege health, safety, and environmental violations;
Finding Details	In its procedures on HSE, the factory does not protect workers who raise concerns about health, safety, or and environmental matters from retaliation.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.7
Benchmark Details	Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors, noise, dust) to health and safety hazards, including medical waste.
Finding Details	(1) The factory does not provide sufficient protective equipment for boiler operators 1 out of 2 boiler operators used a protective apron during the assessment. (2) The factory does not provide sufficient protective equipment for the cutting department. 2 out of the 7 protective gloves were observed to be broken or damaged. (3) The factory does not provide face masks to workers. Employees must purchase their own face masks to protect from COVID-19.
Recommendation for Immediate Action	The factory should provide proper protective aprons to all boilers operators, provide all necessary PPE in good condition and replace damaged PPE, and provide complimentary face masks.
Compliance Classifications	Immediate Action Required

Local Law	In accordance to Ministerial regulation of Manpower and Transmigration of Republic of Indonesia No. PER.08/MEN/VII/2010, on Personal Protective equipment (PPE), Art No. 2 (1) Employers must provide PPE to workers in the workplace. (2) PPE referred to in paragraph (1) shall be in accordance with the Indonesian National Standard (SNI) or standards apply. (3) PPE referred to in paragraph (1) shall be free of charge. Article No.3 (1) PPE referred to in Article 2.
Benchmark ID	HSE.5.2
Benchmark Details	Workers shall be trained in evacuation procedures.
Finding Details	Some areas at the production workshop lacked maps of the evacuation route.
Recommendation for Immediate Action	The factory should post evacuation routes in every workshop and post clear, understandable directions about exiting the facility in case of an emergency.
Compliance Classifications	Immediate Action Required
Local Law	In Accordance to Government Regulation of The Republic of Indonesia (PP) No 36/2005 on Implementation of regulation law No 28 /2002 Regarding Building requirement on evacuation route, Art 59 (1) Every building, except residential Single and modest row house, should provide a means of evacuation system includes warning of danger for the user, the exit emergency and evacuation path that can guarantee ease of use of buildings for evacuation of the building safely in the event of a disaster or state emergency AND In Accordance to Ministerial Decree of Manpower and Transmigration of The Republic of Indonesia (KEPMEN) No. KEP.186/MEN/1999, Concerning Fire preventive unit at workplace, Art 2 (1). The management or company is obliged to prevent, reduce and move fires, firefighting exercises in the workplace. 2. Obligation to prevent, reduce and fire in the workplace as referred to in paragraph (1) includes: (b) As preventive of fire, employer is responsible to provide instrument of detection, alarm, fire extinguisher and evacuation map.
Benchmark ID	HSE.16

Benchmark Details	Workers shall not suffer any negative consequences for refusing to work with machinery, equipment or tools that are not properly guarded or reasonably considered unsafe.
Finding Details	Management does communicate to workers their right to refuse to work under unsafe conditions.
Recommendation for Immediate Action	The factory should communicate to workers that they have the right to refuse to work under unsafe condition and develop policies to make this right effective.
Compliance Classifications	Immediate Action Required
Local Law	In Accordance to The Safety Act of Republic of Indonesia (UU) No.1/1970 Concerning Work Safety requirements, Chapter VIII, Art 12 (e). state the labour objection of the job in which the work safety and healthy requirements and self-protection equipment's are not available yet except in any special cases that is decided by the official supervisors as long as they still can responsible for it.
Benchmark ID	HSE.14.2
Benchmark Details	Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use.
Finding Details	The factory has not conducted any safety training for workers with high-risk responsibilities in confined spaces. There are about four workers who fall under this category.
Recommendation for Immediate Action	The factory should provide training for designated workers who perform work tasks in confined spaces.
Compliance Classifications	Immediate Action Required

Local Law	In Accordance to The Safety Act of Republic of Indonesia (UU) No.1/1970 Concerning Work Safety requirements, Chapter III, Art 3 (1) a, Prevent and decrease the numbers of accident and Art 9 (1) The manager has the duty to show and explain to each new worker about: (a). The conditions, dangers and anything that might occurs in their workplace; (b). All the safety and its equipments which is as a must in all workplaces; (c).Self-protection equipments for the concerned workers; (d). Ways and safe attitudes in doing their job.
Benchmark ID	HSE.17.1
Benchmark Details	Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.
Finding Details	The factory has not yet implemented a proactive program to reduce repetitive motion stress or injuries.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	In Accordance to The Safety Act of Republic of Indonesia (UU) No.1/1970 Concerning Work Safety requirements, Chapter III, Art 3: (h). Prohibit and control the cause of illness as the result of work physic or psychically, poisoning, infection and contagion; (m). Achieve the harmony among, workers, tools, environment, ways, and the process of working AND In Accordance to Ministerial regulation of Health of the Republic of Indonesia No. 70/ 2016 Concerning Environmental health standards and requirements of Industry working condition. Art 4 (1) Industrial work environment health requirements include: a. requirements for physical factors; b. requirements of biological factors; c. manual load handling requirements; and d. health requirements in the media environment.

## Hours Of Work (HOW)

Benchmark ID	HOW.22.2
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Benchmark Details	Accurate time records shall be maintained by employers, including overtime, breaks, and leave.
Finding Details	Please see finding details under C.17.
Recommendation for Immediate Action	The factory should maintain accurate records for all total hours worked, including overtime, and ensure that workers are paid according to the legal minimum wage for both normal work and overtime work.
Compliance Classifications	Immediate Action Required
Local Law	In accordance to Act of The Republic of Indonesia (UU) No 13/2003 concerning Manpower AND In accordance to Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation, Art 78 is amended to read as follows: (1) Entrepreneurs who employ workers / laborers over time work as referred to in Article 77 paragraph (2) must qualify: a. there is an agreement of the worker / laborer concerned; and b. overtime can only be done at most 4 (four) hours in 1 (one) day and 18 (eighteen) hours within 1 (one) week. (2) Entrepreneurs who employ workers / laborers over time (2) work as referred to in paragraph (1) must pay wages work overtime AND Art 79 (1) Entrepreneurs are obliged to provide: a period of rest. AND In accordance to Government Regulation of The Republic of Indonesia (PP) No 78/2015, concerning Wage, Chapter II, wage policy Art No.3 (1) Wage policy aimed at achieving earnings meet decent livelihood for employees /workers. (2) The remuneration policy referred to in Paragraph (1) shall include: b. Overtime wages.
Benchmark ID	HOW.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.

Finding Details	(1) The worker time records reviewed in the assessment revealed that about 20% of employees from the Sewing, QC, Finishing and Packing area worked more than 60 hours, including workweeks of up to 77 hours, during the week of Feb 8-13, 2021. (2) In certain isolated cases, employees worked up to 14 hours in a single workday. (3) The assessment concluded that the time and payment records kept by the factory did not accurately reflect the overtime hours that employees work.
Recommendation for Immediate Action	(1) The factory should ensure that workers do not work more than 60 hours in a week. (2) The factory should ensure that workers do not work more than 4 hours of overtime in a day. (3) Factory management should maintain complete and accurate records of hours worked and payment.
Compliance Classifications	Immediate Action Required
Local Law	In accordance to Act of The Republic of Indonesia (UU) No 13/2003 concerning Manpower AND In accordance to Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation, Art 78 is amended to read as follows: (1) Entrepreneurs who employ workers / laborers over time work as referred to in Article 77 paragraph (2) must qualify: a. there is an agreement of the worker / laborer concerned; and b. overtime can only be done at most 4 (four) hours in 1 (one) day and 18 (eighteen) hours within 1 (one) week. (2) Entrepreneurs who employ workers / laborers over time (2) work as referred to in paragraph (1) must pay wages work overtime AND Art 79 (1) Entrepreneurs are obliged to provide: a period of rest. AND In accordance to Government Regulation of The Republic of Indonesia (PP) No 78/2015, concerning Wage, Chapter II, wage policy Art No.3 (1) Wage policy aimed at achieving earnings meet decent livelihood for employees /workers. (2) The remuneration policy referred to in Paragraph (1) shall include: b. Overtime wages.
Benchmark ID	HOW.21
Benchmark Details	Other than in exceptional circumstances, the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.

Finding Details	The assessment determined that employees worked more than 60 hours during the week of Feb. 8-13, 2021, including workweeks of up to 77 hours.
Recommendation for Immediate Action	Factory management should ensure that workers do not work more than 60 hours in any week, as per FLA Code requirements.
Compliance Classifications	Immediate Action Required
Local Law	In accordance to Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation AND In accordance to Government Regulation of The Republic of Indonesia (PP) No.35 /2021 Concerning Specific time work agreement, Outsourcing, Working time and Rest times, and Termination of work relationship, Art 22. Employers who employ Workers / Laborers during working hours as referred to in Art 21 paragraph (2) are obliged to provide weekly rest periods to Workers / Laborers which include:(a). Weekly rest 1 (one) day for 6 (six) working days in 1 (one) week; or (b). Weekly break of 2 (two) days for 5 (five) working days in 1 (one) week.
Benchmark ID	HOW.22.5
Benchmark Details	Time records maintained shall be authentic and accurate.
Finding Details	Please see finding details under C.17.
Recommendation for Immediate Action	The factory should maintain accurate records for all total hours worked, including overtime, and ensure that workers are paid according to the legal minimum wage for both normal work and overtime work.
Compliance Classifications	Immediate Action Required



Local Law	In accordance to Act of The Republic of Indonesia (UU) No 13/2003 concerning Manpower AND In accordance to Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation, Art 78 is amended to read as follows: (1) Entrepreneurs who employ workers / laborers over time work as referred to in Article 77 paragraph (2) must qualify: a. there is an agreement of the worker / laborer concerned; and b. overtime can only be done at most 4 (four) hours in 1 (one) day and 18 (eighteen) hours within 1 (one) week. (2) Entrepreneurs who employ workers / laborers over time (2) work as referred to in paragraph (1) must pay wages work overtime AND Art 79 (1) Entrepreneurs are obliged to provide: a period of rest. AND In accordance to Government Regulation of The Republic of Indonesia (PP) No 78/2015, concerning Wage, Chapter II, wage policy Art No.3 (1) Wage policy aimed at achieving earnings meet decent livelihood for employees /workers. (2) The remuneration policy referred to in Paragraph (1) shall include: b. Overtime wages.
Benchmark ID	HOW.2
Benchmark Details	Workers shall be entitled to at least 24 consecutive hours of rest in every seven- day period. If workers must work on a rest day, an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following.
Finding Details	The assessment revealed that during the period of Dec. 21, 2020 - Jan. 8, 2021, about 5% of employees in the sewing and packing area worked 19 consecutive days without a 24-hour period of rest.
Recommendation for Immediate Action	Management should ensure that employees receive one day off each week, as per local law requirement and FLA Code.
Compliance Classifications	Immediate Action Required

Local Law	In accordance to Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation AND In accordance to Government Regulation of The Republic of Indonesia (PP) No.35 /2021 Concerning Specific time work agreement, Outsourcing, Working time and Rest times, and Termination of work relationship, Art 22. Employers who employ Workers / Laborers during working hours as referred to in Art 21 paragraph (2) are obliged to provide weekly rest periods to Workers / Laborers which include:(a). Weekly rest 1 (one) day for 6 (six) working days in 1 (one) week; or (b). Weekly break of 2 (two) days for 5 (five) working days in 1 (one) week.
<b>Nondiscrimination (ND)</b>	
Benchmark ID	ND.12
Benchmark Details	Employers shall take measures to reasonably accommodate workers with (chronic) illnesses, including HIV/AIDS-related illnesses, which could include rearrangement of working time, the provision of special equipment, opportunities for rest breaks, time-off for medical appointments, flexible sick leave, part-time work and return-to-work arrangements.
Finding Details	The factory does not have a system in place to accommodate workers with chronic illness.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ND.8.1.1
Benchmark Details	Where such legal protective provisions are lacking, employers shall take reasonable measures to ensure the safety and health of pregnant women and their unborn children.

Finding Details	Factory management conducts risk assessments for pregnant women's work activities. This risk assessment only includes the risk presented by working in a standing position, neglecting factors such as chemical use and lifting. The risk assessment does not adequately address the risks facing pregnant workers and unborn children.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

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