

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

30 Sep 2021



Factory Information

FLA Affiliates	The s. Oliver Group
Country	Indonesia
Number of Workers	51

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)	12
Employment Relationship (ER)	19
Freedom Of Association And Collective Bargaining (FOA)	1
Harassment Or Abuse (H/A)	3
Health, Safety And Environment (HSE)	18
Hours Of Work (HOW)	5

Assessment Information

Assessor	SCSA
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Assessment Date	30 Sep 2021
Assessment Purpose	Factory Assessment (In-Person)

ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.21.2
Benchmark Details	All benefits shall be calculated correctly
Finding Details	Due to inconsistencies in the factory's time and payment records, the assessment could not verify that the factory calculates benefits correctly.
Recommendation for Immediate Action	Completely and accurately record all hours worked and payments. Maintain these records for review.
Compliance Classifications	Immediate Action Required
Local Law	Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation; Government Regulation of The Republic of Indonesia (PP) No.35 /2021 Concerning Specific time work agreement, Outsource, working time and rest times, and termination of work relationship.
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	The assessment revealed inconsistencies in the factory's time and payment records. For example, production records showed that workers worked on 5 June 2021 while time records showed that they did not. As a result, the assessment could not verify the workers' actual working hours and payment.

Recommendation for Immediate Action	Completely and accurately record working hours and compensation for all employees. Maintain these records for review.
Compliance Classifications	Immediate Action Required
Local Law	Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation; Government Regulation of The Republic of Indonesia (PP) 36/ 2021, Concerning Wages/ Remuneration, Art 39
Benchmark ID	C.7
Benchmark Details	All payments to workers, including hourly wages, piecework, fringe benefits and other incentives shall be calculated, recorded, and paid accurately.
Finding Details	Due to inconsistencies in the factory's time and payment records, the assessment could not verify that the factory calculates payments correctly.
Recommendation for Immediate Action	Completely and accurately record all hours worked and payments. Maintain these records for review.
Compliance Classifications	Immediate Action Required
Local Law	Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation; Government Regulation of The Republic of Indonesia (PP) 36/ 2021, Concerning Wages/ Remuneration
Benchmark ID	C.6
Benchmark Details	All wages, including payment for overtime, shall be paid directly and in full within legally defined time limits. When no time limits are defined by law, compensation shall be paid at least once a month.
Finding Details	Due to inconsistencies in the factory's time and payment records and to the lack of records for subcontracted workers, the assessment could not verify that all payments were on time and in full.

Recommendation for Immediate Action	Completely and accurately record all hours worked and payments, including for subcontracted workers. Maintain these records for review.
Compliance Classifications	Immediate Action Required
Local Law	Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation; Government Regulation of The Republic of Indonesia (PP) 36/ 2021, Concerning Wages/ Remuneration
Benchmark ID	C.5
Benchmark Details	Contract/contingent/migrant/temporary workers shall: Receive at least the minimum wage for regular workers or the prevailing industry wage for regular workers, whichever is higher; Receive all legally mandated benefits; and Receive at least the same compensation as regular workers performing the same job functions or tasks with similar levels of experience or seniority.
Finding Details	Due to the lack of records for subcontracted workers, the assessment could not verify that any subcontracted worker receives minimum wage. In the case of the subcontracted security guards, the workers' employment contracts revealed that they receive a wage of IDR 4,276,350 (USD 297) per month rather than the legal minimum wages of IDR 4,416,186.54 (USD 307) per month.
Recommendation for Immediate Action	Ensure that all employees, including outsourced workers, receive at least the minimum wage for regular workers or the prevailing industry wage and all legally mandated benefits. Maintain complete payment records for all workers.
Compliance Classifications	Immediate Action Required
Local Law	Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation; 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; Government Regulation of The Republic of Indonesia (PP) No 36/2021, Concerning Remuneration

Benchmark ID	C.9.3
Benchmark Details	Employees shall be compensated for overtime hours at such premium rate as is legally required in the producing country
Finding Details	Due to inconsistencies in the factory's time and payment records, the assessment could not verify that the factory makes overtime payments correctly.
Recommendation for Immediate Action	Completely and accurately record all hours worked and payments. Maintain these records for review.
Compliance Classifications	Immediate Action Required
Local Law	Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation; 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; Government Regulation of The Republic of Indonesia (PP) 36/ 2021, Concerning Wages/ Remuneration
Benchmark ID	C.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning the payment of compensation to workers.
Finding Details	(1) The factory does not participate in all social insurance programs, specifically the JKP unemployment insurance program. Furthermore, the factory could not provide wage records for outsourced workers. As a result, the assessment could not verify that these workers are enrolled and participating in any social insurance programs. (2) Workers at the factory do not receive the full set of mandatory social insurances (BPJS Ketenagakerjaan).
Recommendation for Immediate Action	Ensure that all workers, including those employed by outsourcing agencies, receive the full set of social insurances required by law.
Compliance Classifications	Immediate Action Required

Local Law	Act of The Republic of Indonesia (UU) No 24/2011 and Government Regulation (PP) No 86/2013 Concerning Registration of Social Insurance, Registration participants and Payment fee, Art 15 (1) and Art 3; Presidential Regulation of The Republic of Indonesia No.12/ 2013 Concerning Health Insurance; Art 6 (3) Paragraph (2); Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation; Government Regulation of The Republic of Indonesia (PP) No 37/2021, Concerning Job Loss Guarantee program, Art 2 (1); Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation, Art 78; Government Regulation of The Republic of Indonesia (PP) 36/ 2021, Concerning Wages/ Remuneration, Art 39; Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation, Art 79 (1); Government Regulation of The Republic of Indonesia (PP) 36/ 2021, Concerning Wages/ Remuneration and Art 40 (3)
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	Due to inconsistencies in the factory's time and payment records, the assessment could not verify workers' actual working hours.
Recommendation for Immediate Action	Completely and accurately record working hours and compensation for all employees. Maintain these records for review.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation of The Republic of Indonesia (PP) 36/ 2021, Concerning Wages/ Remuneration, Rights of Workers/Labourers on Wage Information. Article 52 (1); Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation
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	The assessment revealed inconsistencies in the factory's time and payment records. For example, production records showed that workers worked on 5 June 2021 while time records showed that they did not. The assessment also found contradictions between records indicating that workers were on leave for public holidays and other records indicating that they worked on those days. Furthermore, the assessment found inconsistencies in records indicating the number of hours worked, with different records showing different numbers of hours for the same workers on the same day.
Recommendation for Immediate Action	Completely and accurately record all time and payment records in a single record-keeping system.
Compliance Classifications	Immediate Action Required
Local Law	Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation; 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, Part Three; Government Regulation of The Republic of Indonesia (PP) No 36/2021, Concerning Remuneration
Benchmark ID	C.2
Benchmark Details	Employers shall pay workers at least the legal minimum wage or the prevailing industry wage, whichever is higher, for regular working hours (not including overtime). Workers should also be informed about the legal minimum wage.

Finding Details	<p>(1) Due to inconsistencies in the factory's time and payment records, the assessment could not verify that workers receive minimum wage or the prevailing industry wage. Furthermore, the factory could not provide payroll records for the 7 security guards employed by an employment agency. The security guards' employment contract, however, revealed that they receive a wage of IDR 4,276,350 (approx. USD 297) per month rather than the legal minimum wages of IDR 4,416,186.54 (USD 307) per month.</p> <p>(2) Due to inconsistencies noted between records & information gathered and provided time record & payment records, workers' actual working hours and payment status could not be accurately verified. For instance, production records showed that workers worked on Saturday 6/5/2021 however, time records showed that workers were off on that day.</p>
Recommendation for Immediate Action	Ensure that all workers, including outsourced workers, receive either the legal minimum wage or the prevailing industry wage, whichever is higher. Completely and accurately record all payments and maintain these records for review.
Compliance Classifications	Immediate Action Required
Local Law	Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation; Government Regulation of The Republic of Indonesia (PP) No.35 /2021; Government Regulation of The Republic of Indonesia (PP) No 36/2021, Concerning Remuneration
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	Under local law, workers employed under fixed-term contracts (PKWT) are entitled to a compensation payment at the end of their contract term. The factory did not make any such payments to eligible PKWT workers whose contracts ended between November 2020 and the date of the audit.
Recommendation for Immediate Action	Make all compensation payments still owed to workers whose contracts have expired. Make these payments to all eligible workers in the future.

Compliance Classifications	Immediate Action Required
Local Law	Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation; 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
Benchmark ID	C.15.1
Benchmark Details	Employers shall provide workers a pay statement in languages understood by workers each pay period and not less frequently than once a month,
Finding Details	Security guards employed by the outsourcing agency do not receive paystubs.
Recommendation for Immediate Action	Ensure that all workers, including those employed by outsourcing agencies, receive paystubs.
Compliance Classifications	Immediate Action Required
Local Law	Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation; 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, Part Three, Overtime; Government Regulation of The Republic of Indonesia (PP) 36/ 2021, Concerning Wages/ Remuneration, Art 39
Employment Relationship (ER)	
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	See finding ER.10.1
Recommendation for Immediate Action	Review and change workers' employment status to prevent the use of fixed-term workers to support continuing business. Ensure that any use of fixed-term contracts complies with local law on fixed-term employment.
Compliance Classifications	Immediate Action Required
Local Law	The Republic of Indonesia (UU) No 13 Year 2003 concerning Manpower; Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation Art 59
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	See finding ER.10.1
Recommendation for Immediate Action	Review and change workers' employment status to prevent the use of fixed-term workers to support continuing business. Ensure that any use of fixed-term contracts complies with local law on fixed-term employment.
Compliance Classifications	Immediate Action Required

Local Law	Act of The Republic of Indonesia (UU) No 13 Year 2003 concerning Manpower; Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation Art 59
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 channel for workers to report if they are experiencing symptoms of Covid-19.
Recommendation for Immediate Action	Established a channel for workers to report if they are experiencing symptoms of Covid-19 so that the factory can take proper steps in response.
Compliance Classifications	Immediate Action Required
Local Law	The Safety Act of Republic of Indonesia (UU) No 1/1970, Concerning Safety Requirement on Workplace, Art 3; Government Regulation of The Republic of Indonesia (PP) No 50/2012 Concerning Implementation of Management system occupational Health and Safety; Ministerial Decree of health of the republic of Indonesia No HK.01.07/Menkes/328/2020, Concerning Corona virus disease prevention and control guide 2019 (Covid-19) in the office and industrial workplace in supporting business sustainability in a pandemic situation; Ministerial Circular Letter of Manpower No M/9/HK.04/VII/2021, Concerning Optimizing the Implementation of Health Protocols in the Workplace and Provision of Health Equipment and Facilities for Workers/Labourers by Companies during the Corona Virus Disease (Covid-19) Pandemic.
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 does not have proper policies and procedure related to personnel development. (2) The factory does not have a policy or procedure on retrenchment. (3) The factory's procedure on compensation does not include an element addressing disputes between workers and management or worker grievances around compensation. (4) The factory's job descriptions for compliance personnel does not state the position's supervisor. The factory lacks job descriptions for all other positions.
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 disciplinary procedure is not thorough enough to ensure that workers receive fair treatment. The procedure only includes a brief summary of disciplinary actions without clear criteria for applying these actions or for escalation.
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 factory does not have policies and procedures on personnel development that encourage ongoing training with the goal of raising or broadening workers' skills so they can advance in their careers.
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 factory has no policies or procedures on performance reviews to ensure a consistent process, linkages to job grading, nondiscrimination, written feedback, and compliance with legal requirements. (2) The factory has no system for workers to access to their evaluations or to provide feedback on them.
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 has no policies or procedures with regard to promotion, demotion, and job reassignment. In the case of fixed-term contract workers, the factory conducts a brief performance review to determine whether to renew the worker's contract. (2) The factory has no policies or procedures regarding salary increases and/or improved benefits associated with promotions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	The factory has not provided supervisors and managers with training or updates on revisions to the emergency management plan stemming from COVID-19.

Recommendation for Immediate Action	Keep all workers, managers, and supervisors informed regarding workplace standards and rules, environmental protection systems, health and safety information, laws regarding workers' rights to freedom of association, and any other legally required information, along with any changes to this information stemming from the COVID-19 pandemic.
Compliance Classifications	Immediate Action Required
Local Law	Ministerial Decree of health of the republic of Indonesia No HK.01.07/Menkes/328/2020, Concerning Corona virus disease prevention and control guide 2019 (Covid-19) in the office and industrial workplace in supporting business sustainability in a pandemic situation; Ministerial Circular Letter of Manpower No M/9/HK.04/VII/2021, Concerning Optimizing the Implementation of Health Protocols in the Workplace and Provision of Health Equipment and Facilities for Workers/Labourers by Companies during the Corona Virus Disease (Covid-19) Pandemic
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	(1) The factory has not posted the affiliate brand's code of conduct. (2) The factory could not provide the required permits from the local police (the Kepolisian Negara Republik Indonesia) for the activities of the security guards employed by an outsourcing agency. (3) The factory does not keep records of employees' paid leave time or copies of disciplinary warning letters in personnel files.
Recommendation for Immediate Action	Ensure that the employment agency that employs the factory's security guards obtains all proper permits/licenses. Keep documentation of these permits on file at the factory.
Compliance Classifications	Immediate Action 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 factory employs 33 workers (out of 196 total) under fixed-term contracts (PKWT). These 33 employees work in almost all production areas and perform job functions that are permanent by nature.
Recommendation for Immediate Action	Review and change workers' employment status to prevent the use of fixed-term workers to support continuing business. Ensure that any use of fixed-term contracts complies with local law on fixed-term employment.
Compliance Classifications	Immediate Action Required
Local Law	Act of The Republic of Indonesia (UU) No 13 Year 2003 concerning Manpower; Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation Art 59
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	See finding in ER.10.1
Recommendation for Immediate Action	Review and change workers' employment status to prevent the use of multiple, successive fixed-term contracts. Ensure that any use of fixed-term contracts complies with local law on fixed-term employment.
Compliance Classifications	Immediate Action Required
Local Law	Act of The Republic of Indonesia (UU) No 13 Year 2003 concerning Manpower; Act of the Republic of Indonesia (UU) No 11/2020 of OMNIBUS LAW Concerning Job Creation Art 59
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	The factory does not provide an orientation training on COVID-19 for new hires.
Recommendation for Immediate Action	Include information on COVID-19 and related health and safety precautions in orientation trainings.
Compliance Classifications	Immediate Action Required
Local Law	Ministerial Decree of health of the republic of Indonesia No HK.01.07/Menkes/328/2020, Concerning Corona virus disease prevention and control guide 2019 (Covid-19) in the office and industrial workplace in supporting business sustainability in a pandemic situation; Ministerial Circular Letter of Manpower No M/9/HK.04/VII/2021, Concerning Optimizing the Implementation of Health Protocols in the Workplace and Provision of Health Equipment and Facilities for Workers/Labourers by Companies during the Corona Virus Disease (Covid-19) Pandemic
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	Factory management does not consult workers when making decisions concerning employment or 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 maintain disciplinary records in workers' personnel files.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.1.1
Benchmark Details	The disciplinary system shall be applied in a fair and nondiscriminatory manner and include a management review of the actions by someone senior to the manager who imposed the disciplinary action.
Finding Details	The factory's disciplinary procedure is minimal and lacks required elements. Factory management does not conduct any oversight of disciplinary actions. As a result, the assessment could not verify whether supervisors apply discipline fairly.
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	The factory has no procedure or system in place to ensure non-retaliation during the disciplinary process.
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	Factory management does not consult workers when making decisions concerning employment or working conditions. The assessment found, for example, that the factory carried out a retrenchment process in 2020 without any input from workers.
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 plan to mitigate the adverse effects of layoffs.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID	FOA.7
Benchmark Details	Employers shall comply with all relevant provisions where national laws provide special protection to workers or worker representatives engaged in a particular union activity (such as union formation) or to worker representatives with a particular status (such as founding union members or current union office holders).
Finding Details	Two members of the factory's worker-management committee resigned and have not been replaced. The assessment found that the committee does not operate effectively. For example, the factory changed worker output incentives without discussing the matter at a committee meeting.
Recommendation for Immediate Action	Ensure that the worker-management committee is fully staffed. Utilize the committee to solicit worker feedback on policies and procedures affecting working conditions.
Compliance Classifications	Immediate Action Required
Local Law	Act of The Republic of Indonesia No 13 Year 2003 concerning Manpower, Art: 106

Harassment Or Abuse (H/A)

Benchmark ID	H/A.10.1.3
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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 requires workers to undergo pat-downs twice per day (upon entering and leaving the production facility).
Recommendation for Immediate Action	Reduce the use of pat-downs so that they are not routine.
Compliance Classifications	Immediate Action Required
Local Law	Manpower Act 13/2003 Art 86
Benchmark ID	H/A.2
Benchmark Details	Employers shall not use monetary fines and penalties as a means to maintain labor discipline, including for poor performance or for violating company rules, regulations, and policies.
Finding Details	The factory employs seven security guards through an outsourced agent. Based on contract agreement Letter Art 5.4, the outsource agent would not pay the wages and would deduct 2 time of basic daily wages if the employees are absent without permission.
Recommendation for Immediate Action	It is recommended that factory shall ensure all the wage deductions shall be appropriate and in line with the prevailing law.
Compliance Classifications	Immediate Action Required

Local Law	<p>Act of the republic of Indonesia No 13 /2003 concerning Manpower, Art 93. (1) No wages will be paid if workers/ labourers do not perform work. (2) However, the ruling as referred to under subsection (1) shall not apply and the entrepreneur shall be obliged to pay the worker/ labourer's wages if the worker/ labourer does not perform work because of the following reasons: a. The workers/ labourers are taken ill so that they cannot perform their work; b. The female workers/ labourers are ill on the first and second day of their menstrual period so that they cannot perform their work; c. The workers/ labourers have to be absent from work because they get married, marry off their children, have their sons circumcised, have their children baptized, or because the worker/ labourer's wife gives birth to a baby, or suffers from a miscarriage, or because the wife or husband or children or children-in-law(s) or parent(s) or parent-in-law(s) of the worker/ labourer or a member of the worker/ labourer's household dies. d. The workers/ labourers cannot perform their work because they are carrying out or fulfilling their obligations to the State; e. The workers/ labourers cannot perform their work because they are practicing or observing religious obligations ordered/ required by their religion; f. The workers/ labourers are willing to do the job that they have been promised to but the entrepreneur does not employ or require them to do the job, because of the entrepreneur's own fault or because of impediments that the entrepreneur should have been able to avoid; g. The workers/ labourers are exercising their right to take a rest; h. The workers/ labourers are performing their trade union duties with the permission from the entrepreneur; and i. The workers/ labourers are undergoing a study or an education program required by their enterprise.</p>
Benchmark ID	H/A.8.3
Benchmark Details	<p>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.</p>
Finding Details	<p>The factory's policy and procedure prohibiting sexual abuse and/or harassment is minimal. The policy only briefly covers physical abuse, failing to address potential verbal and psychological abuse/harassment.</p>

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Health, Safety And Environment (HSE)

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	The emergency exit gates at the workshop and warehouse lack "Emergency Exit" signs. The factory has not posted evacuation maps in the workshop or the warehouse.
Recommendation for Immediate Action	Install "Emergency Exit" signs at designated emergency exits. Post evacuation maps throughout the workspace.
Compliance Classifications	Immediate Action Required

Local Law	In accordance to The Safety Act of Republic of Indonesia (UU) No 1/1970, Concerning Safety Requirement on Workplace, Art 3 In accordance to Government Regulation of The Republic of Indonesia (PP) No 36/2005 on Implementation of regulation law No 28/2002 Concerning Building requirement on evacuation route. Art 30 (1) Emergency evacuation access as referred to in Article 27 paragraph (2) shall be provided within the building including the danger warning system for users, emergency exits, and evacuation routes in case of disaster Fire and / or other disaster, except for residential property. (2) Provision of evacuation access as referred to in paragraph (1) shall be achievable with ease and equipped with clear directions. In accordance to Ministerial regulation of Manpower of The Republic of Indonesia (PERMEN) No 7/1964 Concerning Condition of Health, Cleanness and lighting in workplace. Art 13(4) Exits, such as doors, corridors, etcetera, must be provided with emergency lighting equipment and with signs, painted with luminous, reflecting or fluorescence material.
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 a review or assessment after evacuation drills to improve the evacuation process.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.5.1.3
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: installation and maintenance of emergency lighting

Finding Details	The emergency exit gates at the workshop and warehouse lack "Emergency Exit" signs that stay lighted during power outages.
Recommendation for Immediate Action	Install lighted "Emergency Exit" signs at designated emergency exits and ensure that they function properly.
Compliance Classifications	Immediate Action Required
Local Law	In accordance to Ministerial regulation of Manpower of The Republic of Indonesia (PERMEN) No 7/1964 Concerning Condition of Health, Cleanness and lighting in workplace. Art 13(4) Exits, such as doors, corridors, etcetera, must be provided with emergency lighting equipment and with signs, painted with luminous, reflecting or fluorescence material.
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	There is no wiring diagram provided at the electrical panels. In addition, the wiring installation does not follow the requirement of SNI or Safety rules set under the local law. For example, there were thin wires twisted into pairs, automatic switches and breakers blocked by paper, and no missing installation images on the electric panels.
Recommendation for Immediate Action	Comply with all applicable laws on installing of the electricity wires and appliances to prevent or minimize hazardous conditions to workers in the facility.
Compliance Classifications	Immediate Action Required

Local Law	The Safety Act of Republic of Indonesia (UU) No 1/1970, Concerning Safety Requirement on Workplace, on Electrical Shock; Government Regulation of The Republic of Indonesia (PP) No 50/2012 Concerning Implementation of Management system occupational Health and Safety; Ministerial regulation of Manpower of The Republic of Indonesia (PERMEN) 12/ 2015 Concerning Electric Safety and Health work at workplace
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	The factory has not implemented a lock-out/tag-out procedure.
Recommendation for Immediate Action	Comply with all applicable laws and safety standards regarding machine safety, including by implementing a lock-out/tag-out procedure for all relevant equipment.
Compliance Classifications	Sustainable Improvement Required
Local Law	The Safety Act of Republic of Indonesia (UU) No 1/1970, Concerning Safety Requirement on Workplace, on Electrical Shock; Government Regulation of The Republic of Indonesia (PP) No 50/2012 Concerning Implementation of Management system occupational Health and Safety; Ministerial regulation of Manpower of The Republic of Indonesia (PERMEN) 12/ 2015 Concerning Electric Safety and Health work at workplace.
Benchmark ID	HSE.4.1
Benchmark Details	Employers shall at all times be in possession of all legally required and valid permits and certificates related to health, safety, and environmental issues, such as: Purchase and storage of chemicals; Fire safety inspections; Machinery inspections; Waste disposal; Environmental licenses/permits; Sanitation permits, including those required for canteens; and Vehicle inspection and driver permits for all employer provided transportation.

Finding Details	The factory could not provide an “SLO” Operational Permit for the diesel engine. The factory also could not provide a B3 Permit for waste management and storage.
Recommendation for Immediate Action	Obtain all permits required by local law. Keep all permits on file for review.
Compliance Classifications	Immediate Action Required
Local Law	In accordance to Act of The Republic of Indonesia (UU) No 30/2009 Concerning Electricity, Art 44 (4) Every electric power installation that operates must have a certificate of operation worthiness and Art 44 (7) , which reads to the provisions on safety , operational feasibility certificate , the Indonesian National Standard , and Certificates of Competency regulated by Government Regulation and In accordance with The Indonesian Government Regulation No. 14/2012 on Business Activities of Electricity Supply. In accordance to Government Regulation of Republic of Indonesia (PP) No 101/ 2014 Concerning Management on Hazardous and Toxic Waste, Art 12 (1) Every person who generates B3 waste is obligated to have B3 Waste Storage and In accordance to Ministerial Regulation of Environments and Forestry of the Republic of Indonesia (PERMEN) No 18/ 2009 Concerning licensing procedure management of hazardous waste and Toxic, Art 2 (1) Types of B3 waste management activities that must be completed with a permit consists of activities: a. transportation; b. temporary storage; c. collection; d. utilization; e. processing; and f. hoarding.
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) The factory building does not have a building inspection certificate on file. (2) The factory has not taken any actions to remediate environmental monitoring issues raised by the local environmental authority. (3) The factory conducts trainings (for example, a training held on 6 September 2021 on the production floor) without maintaining proper social distancing. (4) The factory has not communicated to workers that they should stay home when they have potential symptoms of COVID-19. In fact, the factory requires workers with a fever or cough to appear at the factory for a temperature check before being allowed time off. (5) The factory has no procedure to quarantine workers that return from regions with high risk of COVID-19. (6) The factory has not made any arrangements regarding break times to reduce the risk of transmission in delays and queues. (7) The factory has not reduced the number of workers in each room to minimize the risk of transmission.
Recommendation for Immediate Action	(1) Arrange for a building inspection and obtain proper building certification for all buildings. (2) Conduct follow-up on the local environmental agency's remediation. (3) Ensure proper social distancing in all trainings and meetings/assemblies. (4) Communicate to workers that they should stay home if they have potential symptoms of COVID-19. (5) Implement a procedure to quarantine workers that return from regions with high risk of COVID-19. (6) Adjust arrival, departure, and break times to minimize queues. (7) Reduce the number of people in each room at the factory to minimize the risk of COVID-19 transmission.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation of Republic of Indonesia (PP) No 36/2005 Concerning Implementation regulation of law No 28 Year 2002; Ministerial Decree of health of the republic of Indonesia No HK.01.07/Menkes/328/2020, Concerning Corona virus disease prevention and control guide 2019 (Covid-19) in the office and industrial workplace in supporting business sustainability in a pandemic situation; Ministerial Circular Letter of Manpower No M/9/HK.04/VII/2021, Concerning Optimizing the Implementation of Health Protocols in the Workplace and Provision of Health Equipment and Facilities for Workers/Labourers by Companies during the Corona Virus Disease (Covid-19) Pandemic.

Benchmark ID	HSE.28
Benchmark Details	Employers shall create a system to ensure that all necessary Health and Safety protections are provided for external contractors; including protection when working within , confined spaces, maintenance issues, and general Health and Safety Issues.
Finding Details	The factory does not provide safety information to contractors who are responsible for refilling the diesel in the main tank and contractors responsible for building maintenance.
Recommendation for Immediate Action	Ensure that all external contractors, particularly those whose work involves confined spaces, receive proper safety information and training.
Compliance Classifications	Immediate Action Required
Local Law	In accordance to The Safety Act of Republic of Indonesia (UU) No 1/1970, Concerning Safety Requirement on Workplace, Art 3 AND In accordance to Government Regulation of The Republic of Indonesia (PP) No 50/2012 Concerning Implementation of Management system occupational Health and Safety, Art 6 and Art 9
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	(1) Confined spaces at the factory do not have labels or signs to identify them. (2) The factory's procedure on work in confined spaces lacks necessary elements, including ensuring a safe atmosphere, keeping rescue equipment on hand, and having a trained observer present. (3) The factory does not provide fall protection equipment to employees who work in elevated areas.
Recommendation for Immediate Action	(1) Clearly label all confined spaces with warning signs. (2) Review procedures for working in confined spaces and ensure all such work is done safely. (3) Provide all necessary fall protection equipment to employees who work in elevated areas.

Compliance Classifications	Sustainable Improvement Required
Local Law	In accordance to The Safety Act of Republic of Indonesia (UU) No 1/1970, Concerning Safety Requirement on Workplace, Art 3 AND In accordance to Government Regulation of The Republic of Indonesia (PP) No 50/2012 Concerning Implementation of Management system occupational Health and Safety.
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 does not provide all workers whose job activities include lifting with training on proper techniques.
Recommendation for Immediate Action	Provide training on proper technique to all workers whose job activities include lifting.
Compliance Classifications	Immediate Action Required
Local Law	In accordance to The Safety Act of Republic of Indonesia (UU) No 1/1970, Concerning Safety Requirement on Workplace, Art 3 AND In accordance to Government Regulation of The Republic of Indonesia (PP) No 50/2012 Concerning Implementation of Management system occupational Health and Safety, Art 6 and Art 9
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 does not have procedure for reporting accidents, death, injuries and other health and safety incidents and/or 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 does not have a policy or procedure in place for workers to raise health, safety, and environmental concerns.
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	The factory has not conducted a risk assessment for the facility.
Recommendation for Immediate Action	Conduct a risk assessment for the facility regularly. Maintain documentation of the assessment and its results.

Compliance Classifications	Immediate Action Required
Local Law	In accordance to The Safety Act of Republic of Indonesia (UU) No 1/1970, Concerning Safety Requirement on Workplace AND In accordance to Government Regulation of The Republic of Indonesia (PP) No 50/2012 Concerning Implementation of Management system occupational Health and Safety, Art 6 (1) SMK3 as referred to in Article 3 paragraph (1) include: a. determination of K3 policy; b. OHS planning; c. implementation of the OHS plan; d. OHS performance monitoring and evaluation; and e. review and improvement of SMK3 performance AND Art 9 (3) In preparing the K3 plan as referred to in paragraph (2), the entrepreneur must consider: a. the results of the initial review; b. identification of potential hazards, assessment, and risk control.
Benchmark ID	HSE.30.2
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system 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 does not perform a root cause analysis for accidents 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 Safety Requirement on Workplace, Art 3 AND In accordance to Government Regulation of The Republic of Indonesia (PP) No 50/2012 Concerning Implementation of Management system occupational Health and Safety.
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 fall protection equipment to workers who work in elevated areas. (2) The factory does not provide face masks to workers free of charge.
Recommendation for Immediate Action	(1) Provide fall protection equipment to all workers who work in elevated areas. (2) Provide COVID-19-related PPE, especially face masks, to all workers at no cost.
Compliance Classifications	Immediate Action Required
Local Law	In accordance to Ministerial Regulation of Manpower of The Republic of Indonesia (PERMEN) No. PER.08/MEN/VII/2010 Concerning Personal Protective equipment (PPE), Art 2 (1) Entrepreneurs are obliged to provide PPE for workers / laborers in the workplace. (2) PPE as referred to in paragraph (1) must comply with the Indonesian National Standard (SNI) or the applicable standard. (3) PPE as referred to in paragraph (1) must be provided by entrepreneurs free of charge In accordance to Ministerial Decree of health of the republic of Indonesia No HK.01.07/Menkes/328/2020, Concerning Corona virus disease prevention and control guide 2019 (Covid-19) in the office and industrial workplace in supporting business sustainability in a pandemic situation AND In accordance to Ministerial Circular Letter of Manpower No M/9/HK.04/VII/2021, Concerning Optimizing the Implementation of Health Protocols in the Workplace and Provision of Health Equipment and Facilities for Workers/Labourers by Companies during the Corona Virus Disease (Covid-19) Pandemic
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	(1) The factory has not communicated to workers their right to refuse to work under unsafe conditions. (2) No policies are in place to guarantee workers' right to refuse the work under unsafe conditions. (3) No policies are in place to protect workers from retaliation or consequences if they refuse to work in unsafe conditions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.9.2
Benchmark Details	Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances.
Finding Details	The factory does not provide training on chemical safety to workers who use spot cleaner.
Recommendation for Immediate Action	Provide proper training to all workers who handle chemicals.
Compliance Classifications	Immediate Action Required
Local Law	In accordance to Ministerial Regulation of Manpower of The Republic of Indonesia (PERMEN) No. PER.08/MEN/VII/2010, Concerning Personal Protective equipment (PPE), Art 7 (1) Entrepreneurs or Management are required to carry out PPE management in the workplace. (2) PPE management as referred to in paragraph (1), includes: c. training.
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 taken proactive steps to reduce stress or injuries due to repetitive motion.
Recommendation for Immediate Action	Implement an ergonomic program to take proactive steps to reduce the risk of repetitive-motion injury.
Compliance Classifications	Immediate Action Required
Local Law	The Safety Act of Republic of Indonesia (UU) No 1/1970, Concerning Safety Requirement on Workplace, Art 3; Government Regulation of The Republic of Indonesia (PP) No 50/2012 Concerning Implementation of Management system occupational Health and Safety

Hours Of Work (HOW)

Benchmark ID	HOW.22.2
Benchmark Details	Accurate time records shall be maintained by employers, including overtime, breaks, and leave.
Finding Details	The assessment found that the factory's time and payment records were not accurate and consistent.
Recommendation for Immediate Action	Completely and accurately record working hours and compensation for all employees. Maintain these records for review.
Compliance Classifications	Immediate Action Required

Local Law	In accordance to Government Regulation of The Republic of Indonesia (PP) No.35 /2021 Concerning Specific time work agreement, Outsource, working time and rest times, and termination of work relationship. Art 28 (1) To carry out Overtime, there must be an order from the Employer and the approval of the Worker/Labourer concerned in writing and/or through digital media. (2) The orders and approvals as referred to in paragraph (1) may be made in the form of a list of Workers/Labourers willing to work overtime signed by the relevant Worker/Labourer and the Employer. (3) The entrepreneur as referred to in paragraph (2) must make a list of the implementation of overtime work which includes the name of the Worker/Labourer who works overtime and the length of the Overtime Working Time.
Benchmark ID	HOW.7
Benchmark Details	Employers are allowed to calculate regular hours of work as an average over a period of longer than one week, where national laws, regulations and procedures provide for such a possibility, but only when all formal and procedural requirements attached to such calculation (for instance, obtaining official permission from the relevant authorities or limits to the period during which such calculations can be made) are met. However, the basis for such calculation shall not exceed 48 hours per week.
Finding Details	The 7 security guards employed by an outsourcing agency typically work a regular schedule of 12 hours a day, 4 days per week. This total of 48 hours per week exceeds the legal limit of 40 regular hours per week.
Recommendation for Immediate Action	Control all workers' regular and overtime hours, including those of outsourced workers, to comply with local law.
Compliance Classifications	Immediate Action Required

Local Law	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 21 (1) Every Entrepreneur is obliged to implement the working time provisions.(2) The working time as referred to in paragraph (1) include: a. 7 (seven) hours 1 (one) day and 40 (forty) hours 1 (one) week for 6 (six) working days in 1 (one) week; or b. 8 (eight) hours 1 (one) day and 40 (forty) hours 1 (one) week for 5 (five) working days in 1 (one) week and Art 22, Employers who employ Workers / Laborers during working hours as referred to in Article 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.14
Benchmark Details	Employers shall provide workers taking annual leave their normal or average wages for the full period of annual leave in advance, unless specified differently under national laws, regulations and procedures.
Finding Details	The factory does not maintain payroll and benefits records for workers employed by an outsourcing/employment agency. These workers include 2 cleaning service workers, 5 drivers, and 7 production workers who are also paid on a piece-rate basis, all employed through one agency, and 7 security guards employed through another agency. As a result, the assessment could not verify that these workers receive proper annual leave or leave pay.
Recommendation for Immediate Action	Ensure that all workers, including those employed by third parties, receive annual leave and proper compensation during annual leave. Maintain records to document their leave.
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 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) 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	HOW.16
Benchmark Details	Employers shall provide workers with sick leave as required under national laws, regulations and procedures.
Finding Details	Due to the lack of payroll and benefits records for workers employed by an outsourcing/employment agency, the assessment could not verify that these workers receive proper sick leave.
Recommendation for Immediate Action	Ensure that all workers, including those employed by third parties, receive proper sick leave. Maintain records to document their leave.
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 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) 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	HOW.22.5
Benchmark Details	Time records maintained shall be authentic and accurate.
Finding Details	The assessment found that the factory's time and payment records were not accurate and consistent.
Recommendation for Immediate Action	Completely and accurately record working hours and compensation for all employees. Maintain these records for review.
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 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) 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.

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