

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

04 Oct 2021



Factory Information

FLA Affiliates	
Country	Indonesia
Number of Workers	3099

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)	21
Freedom Of Association And Collective Bargaining (FOA)	1
Harassment Or Abuse (H/A)	1
Health, Safety And Environment (HSE)	23
Hours Of Work (HOW)	3

Assessment Information

Assessor	Donny Triwandhani
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Assessment Date	04 Oct 2021
Assessment Purpose	Factory Assessment (In-Person)

ASSESSMENT RESULTS

Compensation (C)

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	<p>1. Eight out of 70 selected sampled workers are compensated based on a monthly wage "All-In"-system. They work in sample, QA, mechanic and warehouse departments. These workers do not receive overtime wages when working beyond 8 regular hours per day and 40 hours per week, and their regular working hours are 2 hours longer per day than the regular production workers. Their monthly basic wage is IDR 1,850,000, which is slightly higher than 2021 local minimum wage of IDR 1,842,460 and with a monthly incentive from IDR 750,000 to IDR 1,700,000. However, the incentive of one worker from the sample section amounted to IDR 750,000 and did not equal the legally entitled overtime amount as per legal rate (first hour of overtime shall be compensated at 150% of the hourly rate and the second and all consecutive hours at 200% of the hourly rate). The wage deficiency between the received compensation and the actual legally entitled overtime wage is IDR 57,185 per month for almost all months in this worker. 2. Working activities without compensation were observed during break time as the workers try to reach their daily target; such as: -During 1st day of the assessment all workers in the 10 sewing lines of building B were working during break time. Their scheduled break time is from 11:00am to 11:45am but by 11:38am they were found working. Workers from other sewing lines were entering the work station at 11:45am while their break time end at 12:15pm. -During 2nd day of the assessment, it was observed at 10:05 am around 70% of workers in sewing department were working while there is scheduled short break time at 10:00am to 10:15am.</p>

Recommendation for Immediate Action	1. Comply with the regulation regarding “all-in workers” (overtime exempt workers). Only qualified staff can and should be paid under this arrangement. Compensate all workers in compliance with local law. 2. Ensure the workers do not work during their break time to meet the daily target, or pay the extra hours worked by workers.
Compliance Classifications	Immediate Action Required
Local Law	Circular letter SE-2/M/BW/1987; Government Regulation No.36 Year 2021 Article 39; Decision of the Minister of Manpower and Transmigration No. KEP 102/MEN/VI on Overtime work and Overtime pay (2004), Article 4(1)
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	Please review C.7 for details
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	
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	Please review C.21.1 for details.
Recommendation for Immediate Action	
Compliance Classifications	

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 does not reflect the join date of workers in pay slips, therefore length of service cannot be verified.
Recommendation for Immediate Action	Reflect join date of workers in pay slips for workers to easily identify their length of service.
Compliance Classifications	Immediate Action Required
Local Law	Regulation of the Minister of Manpower No. KEP-06/MEN (1990) Article 1
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	1. The factory does not provide severance pay for workers under a fixed-term contract (PKWT -Perjanjian Kerja Waktu Tertentu) when their contract ends as mandated by new Government Regulation. 2. The factory does not pay unused annual leave when they resign without proper notice.
Recommendation for Immediate Action	1. Provide required compensation to the fixed-term contract (PKWT) workers when their contract ends. 2. Pay unused annual leave to all terminated workers.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No.35 Year 2021 Article 15 and 16; Labor Law No. 13 (2003), Art. 156 Article 3 a.

Benchmark ID	C.15.1.6
Benchmark Details	Employers shall provide workers a pay statement each pay period and not less frequently than once a month, which shall show all deductions.
Finding Details	The pay slips do not separately show unpaid leave days and the amount of deduction for unpaid leave. The basic wage is reduced when there is a deduction for an absence which creates confusion for workers, and they can't easily identify how much the wage deduction is.
Recommendation for Immediate Action	Ensure pay slips clearly reflect accurate wage deduction of unpaid leave.
Compliance Classifications	Immediate Action Required
Local Law	Regulation of the Minister of Manpower No. KEP-06/MEN (1990) Article 1 and 2

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	<p>The factory lacks implementation and communication of grievance procedures and mechanisms, including that: -Two of out of three available suggestion or grievance boxes are not easily accessible for the workers. One suggestion box is located at the end side in Mold room and only workers in this room know and have access to the suggestion box. However, production materials blocked this box. Another box is placed in the area for production solid waste and only several workers who handle the solid waste know this suggestion box. The third grievance box is in area crowded in the walking path workers arriving and going out the factory gate. - Based on provided empty papers which has been placed next to the third grievance box, workers are expected to provide information of name, ID number and department. As result, the nature of the confidential grievance channel is not met. According to management, there is no grievance record obtained from suggestion boxes. - The number for grievance through SMS or hot line used is the personal mobile phone number of HR Manager instead of specific number dedicated for grievances. There is no record as evidence that grievances through this hotline number are recorded and responded.</p>
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.9.3
Benchmark Details	<p>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.</p>
Finding Details	Please review ER.10.1 for details.
Recommendation for Immediate Action	

Compliance Classifications	
Local Law	
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	The ongoing training to workers does not include Recruitment, Hiring, Compensation and benefit calculation, Termination & Retrenchment, and Industrial Relation. In addition, the training on Harassment & Abuse, Forced Labor, Non-discrimination, Child Labor, Working Hours, Overtime, and Grievance Mechanisms was conducted only for 540 workers instead of all 2,932 workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	According to management, there are 14 disabled workers hired. This does not comply with local law which requires the factory to hire one person with disability per 100 workers. Thus, for a factory of 3848 total employees, the factory must employ at least 38 workers with disabilities.
Recommendation for Immediate Action	Establish a program to provide training and employ more workers with disabilities.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 4 of 1997 concerning persons with disabilities Article 14
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	There is no specific training to the relevant supervisors that includes all FLA's Code elements and Employment Functions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	Please review ER.17.5 for details.

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. There are no policies on forced labor and nondiscrimination but there are no procedures. 2. There are no policies and procedures governing all aspects of retrenchment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	There are no written 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	N/A
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. There are no policies and procedures on performance review. 2. Performance review is conducted only for staff level, not for all workers. The employees do not receive the results of the performance review, and they are not provided in with feedback and right to agree/disagree the result.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	There is policy on promotion, demotion and job reassignment, but there are no procedures.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	Please review ER.10.1 for details.
Recommendation for Immediate Action	
Compliance Classifications	
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	1. The FLA Code is not available at the factory. 2. There is no regular communication to workers on all FLA's Code elements and Employment Functions.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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 FLA-affiliated company's written workplace standards is not made available in local language of workers. The only one available FLA-affiliated company code of conduct poster was posted in English language, and the poster was obstructed by pile of carton boxes in sewing department.
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	Around 3,343 out of 3,848 total employees (86.88%) are employed under a PKWT fixed-term contract, even though they are working permanent jobs.
Recommendation for Immediate Action	Convert all contracted workers (hired under a PKWT) workers to permanent worker status who perform jobs of permanent nature.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No 35 year 2021 Chapter II Article 4 (2).

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	Please review ER.10.1 for details.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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 orientation training for new workers does not include Recruitment, Hiring & Personnel Development, Termination & Retrenchment and Industrial Relation & Freedom of Association.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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 have a regular review system to ensure factory policies and procedures are updated according to local law and FLA Workplace Code requirements. For instance, an overtime policy was established in August 2015 and no update has been made since then. The factory is still using the previous legal limit of overtime hours as a reference. 2. The worker involvement component is missing across all Employment Functions. This indicates that the factory has not established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.18.3.4
Benchmark Details	Records of disciplinary action must be maintained in the worker's personnel file.
Finding Details	The records of disciplinary actions are maintained in a separate folder instead of in workers' personnel files.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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 disciplinary procedures as well as the implementation do not include the option of presence of a third-party witness and appeal process during application of disciplinary actions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	There is no written commitment to non-retaliation from factory management for disciplinary process including if a worker requests a witness and filing an appeal of disciplinary action.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	The factory does not provide copy of written documentation that substantiates all the issues covered in orientation to the workers.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	N/A

Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID	FOA.1.1
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 does not have detailed procedures on Freedom of Association and Collective Bargaining, there are only policies.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A

Harassment Or Abuse (H/A)

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	There are no written procedures on harassment or abuse, including 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	N/A

Health, Safety And Environment (HSE)

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	There are policies regarding environmental protection, but there are no such procedures.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	HSE.6.2
Benchmark Details	A sufficient number of workers shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training.

Finding Details	The first aid training was conducted on May 6, 2021 only for 13 workers and on December 17, 2020 for 17 workers. There is no ongoing first aid training provided for an adequate amount workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Act No. 1 on Safety (1970), Art. 9(3)
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	<p>1. The material receiving area including production material and solid production waste occupied the emergency assembly point, and factory does not clearly identify other areas as assembly points for emergency evacuations. According to management, the new assembly point is on the empty land that is a garden in front of office building, but there is no clear sign of assembly point posted.</p> <p>2. Due to changing lay out and new additional emergency exit doors; the arrow signs marked in the floor do not always lead to the nearest emergency exit doors such as in ground floor building A and B (material warehouse, finished goods and mold departments).</p> <p>3. The factory does not have procedures or post signs on the prohibition smoking within 15 meters (~50 ft.) of all closed areas.</p>
Recommendation for Immediate Action	<p>1. Ensure the emergency assembly points are clear of any obstructions and clearly marked with visible signs.</p> <p>2. Ensure the arrow signs on the floor are leading to nearest emergency exit doors.</p> <p>3. Establish procedures and post signs of prohibition smoking within 15 meters (~50 ft.) of all closed areas.</p>

Compliance Classifications	Immediate Action Required
Local Law	Ministry of Public Works Regulation No. 29/PRT/M/2006 on Guidelines of Technical Requirements for Buildings, Annex I Sec. III.3.4
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	There is no an assessment after the drill to learn how to improve the evacuation process.
Recommendation for Immediate Action	Conduct assessment after the evacuation drill to learn how to improve the evacuation process, and maintain the record.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No. 36 on Building (2005), Article 59 (5)
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	There are no emergency lights installed in primary aisles /corridors in building A, B, C and D. In addition, there are no emergency lights installed on the stairway to the mezzanine in the material warehouse of building A, or in most of the exit doors in building C and D such as in CNC and tooling room, laminating department, module 01, trimming room, brawire, hook & eye room. These doors are only equipped with an illuminated exit sign.
Recommendation for Immediate Action	Ensure all exit doors and corridors are equipped with emergency lights.

Compliance Classifications	Immediate Action Required
Local Law	Regulation of the Minister of Labour No. 7 (1964), Article 13(1) - (4)
Benchmark ID	HSE.5.1.2
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 fire alarms;
Finding Details	The fire alarm system at the factory is not equipped with a backup battery.
Recommendation for Immediate Action	Install a backup battery on fire alarm system.
Compliance Classifications	Immediate Action Required
Local Law	Regulation of the Minister of Manpower No. PER-02/MEN on Automatic Fire Alarm Installations (1983), Art. 45(3)
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	<p>1. Several emergency exits and evacuation routes are not clearly accessible since: - The emergency exit doors in building D near trimming room and near cutting section in building A are obstructed with solid production waste. - The evacuation route from exit door near cutting section building is also obstructed by large amount of solid production waste. - The aisle at the back of sewing section in building A is obstructed by carton boxes containing accessories material for sewing. - Two wood pallets are placed standing near the stairways at exit door from 2nd floor of sewing department building A. If these wood pallets fall down / collapse, it will block the exit door. 2. There is long metal pipe for holding electrical cable on the mezzanine in material warehouse of building A that obstructed the walkway or secondary aisle. Workers need to lower their head in order to pass through. The height of metal pipe is about 1.5 meter from the floor. 3. Due to the changing lay out and new additional emergency exit doors; the arrow signs marked in the floor do not always lead to the nearest emergency exit doors such as in ground floor building A and B (material warehouse, finished goods and mold departments). 4. Excess solid production waste was obstructing evacuation route from exit door near cutting section building.</p>
Recommendation for Immediate Action	<p>1. Ensure all emergency exits and evacuation routes are clear of any obstructions. 2. Rearrange the electrical cable holder on mezzanine in material warehouse of building A so that not obstructing walkway or secondary aisle. 3. Ensure the arrow signs on the floor are leading to nearest emergency exit doors. 4. Ensure solid production waste is disposed by waste collectors on regular basis.</p>
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No. 36 on Building (2005), Article 59 (3); Regulation No. PER-01/MEN (1980), Article 5(1); Regulation of the Minister of Manpower No. 7 (1964), Article 3(5) - (6)
Benchmark ID	HSE.9.1
Benchmark Details	All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner, in accordance with applicable laws and international standards.

Finding Details	1. The large fuel tank size of 5000 liters for electric generator is not provided with secondary containment. 2. Spare electrical cables and some LED light fittings are stored in a room for large fuel tank, and the spare cables are placed underneath the fuel tank.
Recommendation for Immediate Action	1. Provides adequate secondary containment for the fuel tank. 2. Ensure not to store materials of utility department such as spare electrical cables and LED light fitting in the room dedicated for fuel tank .
Compliance Classifications	Immediate Action Required
Local Law	Decree No. KEP-01/BAEPEDAL/09 on the Storage of hazardous materials (1995) Appendix 5D, Article 2.2 (b5);
Benchmark ID	HSE.19
Benchmark Details	All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.
Finding Details	Onsite medical clinic does not have adequate space. Only one bed is ready for worker to use while another bed was folded up. As a result, there is no privacy when there are male and female patients laying down on the bed side by side, and there is no curtain provided.
Recommendation for Immediate Action	Ensure adequate space available in clinic for at least 2 beds ready for use with curtain installed for privacy between 2 patients.
Compliance Classifications	Immediate Action Required
Local Law	N/A
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	1. Inadequate lighting due to broken light in male toilet near eating area. 2. Annual electrical safety inspection was conducted by local labor office on August 24, 2021 and found several findings in building B and D. The factory is required to rearrange the electric load sharing (PHB) due to overheating, as the temperature to 42 degree Celsius (while the normal heat is between 31 to 37 degree Celsius) in molding 7 building B and the heat reached between 41 to 52 degree Celsius in MDP panel, molding and URD MP-01 of building D. However, there is no record as evidence that the problem has been fixed and it has been reported to local labor department. 3. The exhaust fans of the cooling sponge pad in mold room does not have electrical switch to turn on/off. Instead, the workers need to plug /unplug electricity cable for exhaust fan to electrical outlet.
Recommendation for Immediate Action	1. Install adequate lighting in toilets. 2. Fix overheated electrical panels, maintain the record as an evidence, and send the progress report to local labor office. 3. Install electrical switch to operate exhaust fans of cooling sponge pad in mold room.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No. 36 on Building (2005), Article 36 and 38; Labor Minister Decree No. KEP-75/MEN (2002), Article 2.
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	1. The traffic lanes and walk paths are not clearly marked on the ground. 2. The door to access the cargo lift on the mezzanine in material warehouse was left open, risking an accident of worker falling down. 3. The protection guard available on band knife machines is not lowered down to cover the knife where they are used to prevent accident. 4. There is no LOTO (lockout- tagout) devices available for all relevant equipment.

Recommendation for Immediate Action	1. Mark the floor to segregate traffic lanes and walk paths. 2. Ensure the door to access cargo lift is kept closed when the position of the lift is not at the same floor. 3. Ensure to post instruction to lower down knife protection guard when the machine is not used, and communicate it to the cutting operators. 4. Provides LOTO (lockout-tagout) devices.
Compliance Classifications	Immediate Action Required
Local Law	Regulation No. PER-01/MEN on Safety and Health in The Building Construction (1980), Article 29; Regulation No. PER-04/MEN (1985), Article 4.
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. One fire hydrant near temporary production storage area is blocked by some construction material irons. In addition, one fire extinguisher in front of generator is blocked by carton boxes and pipes. 2. The fire brigade team is not provided with the appropriate equipment to fight fires such as helmet, gloves, boots and a self-contained breathing apparatus (SCBA). 3. There is no fire sprinkler nor thermatic fire extinguisher installed at the factory buildings.
Recommendation for Immediate Action	1. Ensure all fire hydrants and fire extinguishers are clear of obstructions. 2. Provides fire brigade team with PPEs to fight fires such as helmet, gloves, boots and a self-contained breathing apparatus (SCBA). 3. Install fire sprinkler or thermatic fire extinguishers at least in chemical warehouse, hazardous waste storage room, material and finished goods warehouse.
Compliance Classifications	Immediate Action Required

Local Law	Regulation of the Minister of Manpower and Transmigration No. PER-04/MEN (1980), Article 4(1); Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 3 (d); Ministerial Decree of Public Works No. 10/KPTS on Technical Security Provisions of Fire Hazard in Buildings and Environment (2000), Annex Chapter V, Article 4 (1).
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 has not obtained permits to extract ground water from 2 wells.
Recommendation for Immediate Action	Obtain permits to extract ground water for all wells from local authority.
Compliance Classifications	Immediate Action Required
Local Law	Ministerial Decree of Energy and Mining No. 1451 K/10/MEM (2000), Art. 11
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.

Finding Details	<p>1. Internal team conducted the fire risks assessment, but there is no evidence that results are considered and addressed properly as the factory has not filled action plan area and target date. 2. There is major renovation on warehouse building therefore there is inadequate storage places, including the below instances: -Spare electrical cables and some fitting LED lamps are stored in a room for large fuel tank size of 5000 liters for generator, some spare cables placed underneath fuel tank. In addition, large carton box was found temporarily placed next to the fire hydrant water pump. - Solid production waste and production materials / goods are placed next to the emergency assembly points and eating area on both the 1st and 2nd floor, and obstructing assembly points and seating facilities for workers in the canteen. 3. The factory has not conducted asbestos assessment, therefore there is no information on whether any material in the factory contains asbestos and needs a label on it. 4. Based on generator inspection by local labor office on March 18, 2021, the manifold or muffler in electric generator is not provided with a heat retainer. In addition, the chimney has not been connected to the top so that the danger of exhaust gases has not been controlled. 5. The factory has not posted information on room capacities to allow for at least 1 meter of distance between individuals, at all relevant locations. 6. The maximum occupancy is not posted at the entrance of all worker common areas to limit the number of workers inside at a given time.</p>
Recommendation for Immediate Action	<p>1. Ensure the results of fire risk assessment are considered and addressed properly. 2. Provide adequate spaces and properly store materials of utility department (electrical cables and some fitting LED lamps), solid production waste and production materials, so that it is not obstructing the emergency assembly points and workers' eating areas, and access to fuel tank. 3. Conduct asbestos assessment and put label on any material in the factory containing asbestos, if needed. 4. Install heat retainer on manifold of electric generator and ensure to connect the chimney to the top so that the danger of exhaust gases can be controlled as per recommendation from local authority. 5. Post information on room capacities to allow for at least 1 meter distance between individuals, at all relevant locations. 6. Post maximum occupancy at the entrance of all worker common areas to limit the number of workers inside at a given time.</p>
Compliance Classifications	Immediate Action Required

Local Law	Regulation No. PER-01/MEN (1980), Article 5(1); Regulation No. PER-01/MEN on Safety and Health in The Building Construction (1980), Article 43; Environmental Management and Protection Act No 32 Year 2009 Article 13
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	There is no safety induction provided for contractor and visitors.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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. The high work areas (such as: water storage and boiler chimney) are not properly marked with safety precaution (such as: fall hazard sign and usage of PPE sign.) 2. No safety rod available nearby electrical panel as rescue equipment to push and or pull electrocuted person. 3. The factory does not have procedure for entering confined spaces (safe atmosphere, rescue equipment ready to use, trained observer present) because the factory does not determine where the location of confined spaces in the premises are.

Recommendation for Immediate Action	1. Mark sign of safety precaution (such as: fall hazard sign and usage of PPE sign) in all high work areas. 2. Provides safety rod nearby electrical panel as rescue equipment to push and or pull electrocuted person. 3. Establish procedure for entering confined spaces (safe atmosphere, rescue equipment ready to use, trained observer present), and mark the location of confined spaces with warning signs "DANGER – PERMIT REQUIRED CONFINED SPACE, DO NOT ENTER"
Compliance Classifications	Immediate Action Required
Local Law	PUIL 2000 Article 9.9.1.1 and Section E.10 Safety Workplace
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	1. Ergonomic training was conducted on July 22, 2021 only for 107 workers from warehouse, packing and incoming warehouse, not for all workers. 2. There is no specific lifting technique training provided for workers in packing and loading departments. In addition, there is no lifting belt provided.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Attachment I PP No. 50 Year 2012 section C.1.b paragraph 2
Benchmark ID	HSE.18.2
Benchmark Details	Medical staff shall be fully licensed and recognized under applicable national rules and regulations.
Finding Details	Two out of three nurses in the onsite clinic do not have Hyperkes (Hygiene, Factory, Health and Safety) certificate.

Recommendation for Immediate Action	Ensure all nurses take course and obtain Hyperkes (Hygiene, Factory, Health and Safety) certificate.
Compliance Classifications	Immediate Action Required
Local Law	Labor Minister Regulation No. PER-01/MEN/1979 on Obligation of HYPERKES (Hygiene, Factory, Health and Safety) Training for the Company's Paramedics, Article 1
Benchmark ID	HSE.23.1
Benchmark Details	Safe and clean drinking water shall be freely available at all times, within reasonable distance of the workplace. Drinking water shall be of a reasonable temperature. The means to drink water (e.g. cups) must be safe and sanitary and available in an appropriate number.
Finding Details	Around 60% workers at production are taking drinking water using empty mineral water bottle while the said bottle was made under PET code 1 which was not allowed for refill.
Recommendation for Immediate Action	Inform workers not to use plastic bottle except with PP 5 plastic material, also train the workers on how to identify plastic bottle material and the impact to human health. This is also to prevent workers by unintentional or intention use empty mineral water bottle of other workers (since no marking on the bottle) risking spreading disease including Covid-19.
Compliance Classifications	Immediate Action Required
Local Law	Permerindag No. 705 Year 2003 Requirements of Technical Industrial Packaged Drinking Water Article 9.1.c
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 does not have an appropriate system to respond to any unexpected environmental emergency such as chemical spills, gas leaks or chemical waste water.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Environmental Management and Protection Act No 32 Year 2009 Article 13
Benchmark ID	HSE.8
Benchmark Details	Workers shall be provided with training on the use and maintenance of personal protective equipment. Training shall be upon hire with periodic refresher training offered to all workers. Management will ensure use of PPE as necessary.
Finding Details	Not all workers exposed to high noise are wearing ear protection. Two of three workers in bra-wire room did not wear the earmuff. This is due to the supervisor not taking the earmuff from the PPE cabinet and providing it to workers and workers are not aware of how to replace PPE. Moreover, around 3 out of 6 workers in hook and eye room were not wearing the provided earplug.
Recommendation for Immediate Action	Ensure all workers subject to high noise are wearing ear protection.
Compliance Classifications	Immediate Action Required
Local Law	Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 3 & 6.
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	There is no procedure and communication on workers' right to refuse to perform work under unsafe conditions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	There are no specific trainings for maintenance workers on work in height and confined space.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 4 (i&p)
Hours Of Work (HOW)	
Benchmark ID	HOW.22.1
Benchmark Details	Employers shall have in place policies for managing all working hour, overtime, and leave records in normal and exceptional circumstances.
Finding Details	The available policy and procedures on hours of work do not include exceptional circumstances.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	HOW.5
Benchmark Details	Employers shall maintain necessary records identifying all women workers and all workers under the age of 18 entitled to legal protection concerning work hours.
Finding Details	The working hour records do not identify pregnant or lactating workers to help ensure they receive their entitled legal protections concerning working hours.
Recommendation for Immediate Action	Ensure to establish a system to identify pregnant women or nursing women in work hour records.
Compliance Classifications	Immediate Action Required
Local Law	N/A
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	Overtime hours exceeding the legal limit with total weekly work hours more than 60 hours on selected 70 sampled workers: - 9 workers from sewing, QC and packing worked daily excessive overtime more than 4 hours (up to 8.5 hours) and weekly excessive overtime more than 18 hours (up to 34.5 hours) causing the total weekly hours reached to 74.5 hours in June 2021. - 7 workers from sewing, QC, foam cup and packing worked daily excessive overtime more than 4 hours (up to 6.5 hours) and weekly excessive overtime more than 18 hours (up to 29 hours) causing the total weekly hours reached to 69 hours in July 2021. - 7 workers from cutting, sewing, QC and packing worked daily excessive overtime more than 4 hours (up to 7.5 hours) and weekly excessive overtime more than 18 hours (up to 31 hours) causing the total weekly hours reached to 71 hours in August 2021.
Recommendation for Immediate Action	Limit the total daily overtime only 4 hours and weekly overtime only 18 hours, and total weekly work hours up to 60.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No.35 Year 2021 Article 26.

x