

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

25 Jul 2022



Factory Information

FLA Affiliates	Outerknown,Reformation
Country	Indonesia
Number of Workers	1586

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 & Collective Bargaining	1
Health, Safety And Environment (HSE)	14
Hours Of Work (HOW)	2

Assessment Information

Assessor	Donny Triwandhani
Assessment Date	25 Jul 2022

Assessment Purpose	Factory Assessment (In-Person)
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ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.21.2
Benchmark Details	All benefits shall be calculated correctly
Finding Details	<p>There is no adequate evidence that annual leave is provided for all workers who have been working 12 months consecutively and over, since:</p> <ul style="list-style-type: none"> - Based on records viewed in the HR computer system, annual leave tracking records for periods of 2021 to 2022 for workers who were hired between February 3, 2020 to June 10, 2021 only showed 12 workers. There are at least 4 out of the selected sample workers not on the list of annual leave records, although they have worked over 12 months, and those are contracted workers who signed the first employment contract on May 26, 2020, May 26, 2021 and June 9, 2021 and are still actively working at the factory. In addition, no legal benefit of annual leave was mentioned in the recent employment contract of those 4 contract workers. - Most contract workers are not aware of their rights to annual leave. - There is no communication of annual leave balance to workers.
Recommendation for Immediate Action	Provides annual leave to all workers who have been working 12 months consecutively and over, and communicates to workers the right of annual leave including available annual leave balance and date of expiration.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 13 on Manpower (2003), Article 79(2c)
Benchmark ID	C.8
Benchmark Details	All workers shall be credited with all-time worked for an employer for purposes of calculating length of service and determine the benefits to which workers are entitled.

Finding Details	Please review C.17 for details
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	
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	<p>At least 8 admin cutting workers are compensated based on a monthly wage "All-In"-system. These workers do not receive overtime wages when working beyond regular hours of 8 hours per day and 40 hours per week, and their regular working hours are at least 0.5 hours longer per day than the regular production workers. Their monthly wages including food and transportation allowances are slightly higher than the local 2022 minimum wage of IDR 4,641,854 and range from IDR 4,707,767 to IDR 6,046,954. Although these workers receive higher allowances, the amount from these allowances does not equal the legally entitled overtime amount as per the legal rate (the 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). For instance: a cutting admin received a total wage of IDR 4,707,767 and worked 20 hours overtime in June 2022, she should have received a total of IDR 5,528,267 if she was paid as per law. Thus, a wage deficiency of IDR 820,500 occurred.</p>
Recommendation for Immediate Action	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. Ensure that cutting workers regular working hours are in line with all other occupations working hours.
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 (2004), Article 11
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	The factory provides both food and transportation allowances to workers who are paid monthly all in. However, there are no parameters such as a performance review used to decide why one worker received a much higher allowance than other workers. For instance: Cutting admin worker A received IDR 16,906 (USD 1.09) monthly food allowance and IDR 16,906 (USD 1.09) monthly transportation allowance. While another cutting admin worker received IDR 685,000 (USD 44.19) monthly food allowance and IDR 685,000 (USD 44.19) monthly transportation allowance.
Recommendation for Immediate Action	Ensure to provide equal benefits to all workers at the same position for the equal job unless if the significant different amount of benefit is based on position level, performance review result, and years of service. This is to avoid discrimination.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 13 on Manpower (2003), Article 6
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 payroll journal does not reflect the correct workers' years of service while the pay slip for workers does not reflect the joining date or hiring date. For instance: a worker from sewing line 5B has been working 25 months or 2.08 years at the factory with 4 signed consecutive contracts since May 26, 2020. However, the latest payroll journal for June 2022 showed her years of service as only 0.14 years instead of 2.08 years. As result, legal benefits such as annual leave and severance payment could not be correctly calculated due to inaccurate length of service.
Recommendation for Immediate Action	Ensure payroll journal accurately reflects each workers' actual length of service, and reflect join date in their pay slip.
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	No compensation money or severance pay is provided to each worker under a fixed-term contract for each time their contract ends. Based on the available records, compensation money is provided only when workers resign or if their contract is not renewed.
Recommendation for Immediate Action	Provide compensation money to the fixed-term contract (PKWT) workers each time when their contract ends.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No.35 Year 2021 Article 15 and 16

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>1. There is an Inadequate grievance procedure and mechanism implemented since: - Based on available opening records of 6 grievance boxes from the last 12 months, there is no grievance received at all. However, the assessment found 1 grievance letter in building B when one of the boxes was opened at the time of assessment. The issue raised was about bribery in sewing line 14. - The grievance boxes are not located in private or secure areas for workers to submit grievances. The locations of boxes are in drinking water station rooms and they can be seen from the work floor, while the grievance training record mentioned the location of the grievance box is in the toilets which are not consistent with actual practice. - The grievance procedures stated the grievance box will be opened on every Saturday while Saturday is an off day. 2. The available grievance procedures do not include procedures to track the number, types, timing, and resolution of grievances, and the processes to communicate the resolution of grievances to the workforce. 3. The last training on grievance was on October 2021 and the training was in form of an announcement from the HR chief through a public announcement system near reception in the lobby area while all workers were still working in the production area. The briefing is lacking effectiveness.</p>
Recommendation for Immediate Action	1. Provides grievance boxes in areas where more secure and private for workers such as in toilets and praying room, and ensure to record, follow up, and communicate the resolution of grievances to workers.
Compliance Classifications	Immediate Action Required
Local Law	N/A
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	There is a lack of effectiveness of training since the training conducted in the period of September 2021 to March 2022 was in form of an announcement from the HR chief through a public announcement system near reception in the lobby area while all workers were still working in the production area. In addition, it does not cover some Employment Functions since the briefing only covers Minimum Wage and Working Hours, Forced Labor, Nondiscrimination, Harassment & Abuse, Grievance, Health & Safety and Environmental Management System. It does not include Recruitment, Hiring and Personal Development, Termination and Retrenchment, Industrial Relation include Freedom of Association, and there is no actual training conducted.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.18.2
Benchmark Details	Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.
Finding Details	There is no training for managers and supervisors on the workplace disciplinary system. As a result, managers and supervisors are not fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.
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	There are only 9 workers with disabilities out of a total of 2,134 employees which is not in full compliance with a local law that requires the factory to hire one person with disabilities per 100 employees. Thus, for a factory with 2,134 employees in total, the factory has to hire at least 21 workers with disabilities, as per legal requirements.
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.8 Year 2016 About Persons with Disabilities on Article 53 (2)
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 for 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.17.6
Benchmark Details	Employers shall have a system in place to prevent retaliation against or discrimination towards workers who are filing grievances, including grievances regarding harassment, abuse, violations of factory procedures, compensation, or unsafe working conditions
Finding Details	There is no system in place to prevent retaliation against or discrimination towards workers who are filing grievances, including grievances regarding harassment, abuse, violations of factory procedures, compensation, unsafe working conditions, and raise health, safety or environmental concerns, since the factory does not have policy and procedures on anti-retaliation.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	There are no policies and procedures governing all aspects of termination and retrenchment.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.9.2
Benchmark Details	Employers shall have in place written policies and procedures regulating the recruitment and hiring of contract/contingent/temporary workers.
Finding Details	There are no policies and procedures for the recruitment and hiring of contract/contingent/temporary workers.
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 policies and procedures on personnel development.
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. The factory does not conduct performance reviews for all workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.4
Benchmark Details	Employers shall inform workers about workplace rules, environmental protection systems, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas.
Finding Details	1. The factory does not have the FLA Workplace Code of Conduct. 2. The factory does not provide regular communication to workers on all FLA's Code elements and Employment Functions. The announcement from the HR chief through the public announcement system does not include Recruitment, Hiring and Personal Development, Termination and Retrenchment, Industrial Relations and Freedom of Association.
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	According to the factory's PIC of Compliance, the factory does not have FLA-affiliated company's(ies') written workplace standards.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	<p>1. Based on employment records, around 747 out of 2,134 workers (35% of the workers) are employed under a specified period contract (PKWT), even though they are working permanent jobs in the cutting, sewing, quality control, finishing, and packing departments. The workers are hired with repeated short-period contracts. 2. The employment contract on at least 4 out of the selected sample workers showed incorrect regular working days. The factory implements 5 regular working days, from Monday to Friday since 2018 but these workers' current contracts signed in 2022 showed the regular days are 6 days from Monday to Saturday. In addition, there is no legal benefit of annual leave mentioned in those 4 employment contracts. Factory management stated HR staff mixed up using the old or unused template of the employment contract.</p>

Recommendation for Immediate Action	1. Convert all workers who perform jobs of permanent nature but are currently hired under a PKWT contract to permanent worker status. 2. Ensure all work agreements for specified period contracts (PKWT) are accurate with details of all legally required benefits included.
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	
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	There is no record that new workers are provided with proper orientation training. According to workers, they were explained minimum wage and working hours and asked to read the CBA (Collective Bargaining Agreement) at the time of signing the work agreement for a specified period contract (PKWT). Copy of CBA is not provided to workers to them to read at home.

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 policies and procedures on the review process. As result, the factory does not conduct a regular review process to make sure that all policies and procedures are updated according to changes in local law, regulations/FLA code, and internal/external audit results. 2. 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. Workers are neither systematically integrated nor consulted in decision-making processes.
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 workers' personnel files.
Recommendation for Immediate Action	Maintain the records of disciplinary actions in workers' personnel files.

Compliance Classifications	Immediate Action Required
Local Law	N/A
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	Fair disciplinary practices are not fully implemented since: - At least 4 sewing operators in the periods December 2021 to May 2022 received warning letter type 1 for not meeting the production target, while there is no disciplinary action for not achieving the production target stipulated in the Collective Bargaining Agreement (CBA). - The issued warning letters do not cite the article of misconduct regulated in CBA. - The workers are not provided with the right to appeal the disciplinary action and the ability to have a third-party witness during the imposition of disciplinary actions.
Recommendation for Immediate Action	Implement fair and proper disciplinary action by: - Only issuing warning letters for misconducts that are stipulated in CBA. Workers not achieving production targets should be given coaching, not sanctioned disciplinary action. - Including the article of misconduct regulated in CBA in warning letters. - Providing workers with the right to appeal the disciplinary action and the ability to have a third-party witness during the imposition of disciplinary action.
Compliance Classifications	Immediate Action 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 available disciplinary procedures do not include workers' right to appeal the disciplinary action and workers' ability to have a third party witness during the imposition 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	The factory does not have policies and procedures for anti-retaliation. As a result, the factory also has not established a written factory commitment to non-retaliation for the 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	New workers do not receive written documentation that substantiates all the issues covered in orientation.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A

Freedom of Association & Collective Bargaining

Benchmark ID	FOA.19.3
Benchmark Details	Where a union exists in the workplace, employers shall make available a copy of the collective bargaining agreement to all workers and other interested parties.
Finding Details	The factory has not made copies of the latest Collective Bargaining Agreement (CBA) which is valid from March 25, 2022. As a result, workers do not have a copy of the CBA. In addition, the latest CBA has not been posted and communicated to workers.
Recommendation for Immediate Action	Print copies of the latest Collective Bargaining Agreement (CBA) and provide it to each worker, and also post CBA on notice boards and communicate it to workers.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 13 on Manpower (2003), Article 126 (2 -3)

Health, Safety And Environment (HSE)

Benchmark ID	HSE.5.1
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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 factory does not have procedures to prohibit smoking or post signs of the prohibition on smoking within 15 meters (~50 ft.) of all closed areas.
Recommendation for Immediate Action	Post signs of the prohibition of smoking within 15 meters (~50 ft.) of all closed areas.
Compliance Classifications	Immediate Action Required
Local Law	N/A
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 lights above the exits are not checked for light intensity. All 5 randomly selected emergency lights were low light intensity when they were tested.
Recommendation for Immediate Action	Implement regular check light intensity on all emergency lights, and ensure have the power of at least 5 lux.
Compliance Classifications	Immediate Action Required
Local Law	Regulation of the Minister of Labour No. 7 (1964), Article 14(2) - (3) - (4) - (5)
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	There is no fire alarm point in B3 (Hazardous and toxic waste) material warehouse.
Recommendation for Immediate Action	Install fire alarm point in B3 (Hazardous and toxic waste) material warehouse.
Compliance Classifications	Immediate Action Required
Local Law	Regulation of the Minister of Manpower No. PER-02/MEN on Automatic Fire Alarm Installations (1983), Article 44(1)
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	At least 2 cables, at the accessories warehouse and at sewing line 4, are noticed to be repaired or connected with electrical tapes for temporary fix instead of permanent fix.
Recommendation for Immediate Action	Ensure not to use electrical tapes for permanent fixed of cables' splices or connection.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No. 36 on Building (2005), Art. 36
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 marked. 2. The available needle guards on approximately 30% of sewing machines are lifted up by the operators or installed too high. There is a risk of needle prick. 3. The factory does not have procedures for lockout-tagout. As result, there is no implementation of a complete lockout-tagout maintenance safety system for all relevant equipment.
Recommendation for Immediate Action	1. Mark traffic lanes and walk paths from the main gate. 2. Ensure all machinery safety guards are properly installed and used by workers. 3. Implement a complete lockout-tagout maintenance safety system for all relevant equipment.
Compliance Classifications	Immediate Action Required
Local Law	Regulation No. PER-04/MEN (1985), Article 4 ; Regulation No. PER-01/MEN on Safety and Health in The Building Construction (1980), Article 43
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. At least 7 fire extinguishers, 4 in the fabric warehouse and 3 in the sewing area, are not available at their point. Those fire extinguishers reportedly are still being serviced by the suppliers. 2. There is no fire hydrant that can be used directly by the factory. Two fire hydrant points are available in front of the factory's fences provided by the Industrial Zone. However, the factory does not have its own hose reels for them to be used on the fire hydrant. 3. There is no sprinkler system or replacement such as a thematic fire extinguisher installed at the factory for important areas such as warehouse, finished goods warehouse, chemical warehouse, and temporary hazardous waste storage. 4. Eyewash station in front of the electrical generator room is not function.

Recommendation for Immediate Action	1. Ensure adequate fire extinguishers are available in the building with the distance between fire extinguishers not exceeding 15 meters; Ensure defects on the light fire fighting equipment found during inspections must be immediately repaired or the said device must be immediately replaced with a good one. 2. Ensure there is a fire hydrant with adequate hose reels available. 3. Install sprinkler or thematic as sprinkler replacement the areas as per risk identified on Fire Risk Assessment. 4. Ensure all eyewash stations are functioning.
Compliance Classifications	Immediate Action Required
Local Law	Regulation of the Minister of Manpower and Transmigration No. PER-04/MEN (1980), Article 4(5) and 11(2); Ministerial Decree of Public Works No. 10/KPTS on Technical Security Provisions of Fire Hazard in Buildings and Environment (2000), Annex Chapter V, Article 3 (3); Manpower Minister's Regulation No.PER- 15 /MEN/VIII/ on first aid in workplace (2008), Article (8)
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	There is no asbestos assessment conducted in the factory and no label was used for any material in the factory containing asbestos.
Recommendation for Immediate Action	Engage with 3rd party experts to conduct an asbestos assessment and put labels on any material in the factory containing asbestos.
Compliance Classifications	Immediate Action 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	The confined spaces are not marked with a sign "do not enter without permit" to ensure that there is no unauthorized entry. There is no procedure established for entering confined spaces.
Recommendation for Immediate Action	1. Establish procedures for entering confined spaces that include guidelines before workers enter the space, there must be an air test conducted in sequence for oxygen, gas, and flammable fume level and air contaminant that has hazard potency, with calibrated equipment. 2. Create a list of confined spaces and mark them with a sign "do not enter without permit" or "authorized person only" to ensure that there is no unauthorized entry.
Compliance Classifications	Immediate Action Required
Local Law	OHS Guidance for confined spaces by Directorate of OHS Norm Supervisory, September 2006 Article 2.1.2.
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	There are no procedures for workers to raise health, safety and environment concerns.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	Please review ER.17.6 for details
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	
Benchmark ID	HSE.7
Benchmark Details	Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors, noise, dust) to health and safety hazards, including medical waste.
Finding Details	1. One mechanic does not have safety shoes while another mechanic was not wearing the provided safety shoes. 2. The respirator available in the chemical storage room is not kept in a plastic zip-lock to prevent dust.
Recommendation for Immediate Action	1. Provides safety shoes for all mechanics, and ensure they wear them when working. 2. Store respirators in a plastic zip lock to prevent dust, and ensure to record the usage duration.
Compliance Classifications	Immediate Action Required
Local Law	Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 2; Act No. 1 on Safety (1970), Article 9(1) - (2); Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 7

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	There is no training for all workers regarding PPE usage and maintenance. The PPE training conducted on August 27, 2021, was only for 8 selected workers from the sewing, finishing, mechanic, and general departments.
Recommendation for Immediate Action	Conduct PPE training that include PPE usage and maintenance. for all workers.
Compliance Classifications	Immediate Action Required
Local Law	Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 7
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 that allows workers to refuse to work under unsafe conditions. As a result, the workers have not been communicated their rights 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 is no safety training to designated workers with special/high-risk responsibilities (confined space, lockout/tagout, work at height).
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Act No. 1 on Safety (1970), Article 9(1) - (2)

Hours Of Work (HOW)

Benchmark ID	HOW.19.1
Benchmark Details	Employers can only suspend work in accordance with national laws, regulations and procedures.
Finding Details	There are cases workers were given days off, such as a day off up to 17 days in March 2021, up to 8 days in May 2021, and up to 6 days in October 2021, without being paid during low production orders from buyers affected by Covid-19 pandemic and also due to restriction by the local authority for the factory to limit capacity. The factory had agreements related to days off without pay with the union and worker representatives.
Recommendation for Immediate Action	1. Ensure workers are still receiving wages during days off although wages can be re-negotiated based on Ministry of Manpower Circular No. M/3/HK.04/III/2020 for labor-intensive industrial companies that are affected by COVID-19, but the wage should not be halted altogether. 2. Ensure going forward the days off are paid a full wage as Ministry of Manpower Circular No. M/3/HK.04/III/2020 has been revoked on April 6, 2022.
Compliance Classifications	Immediate Action Required

Local Law	Ministry of Manpower Circular No. M/3/HK.04/III/2020 on Protection of the Interests of Employees and Ensuring Business Continuity; Government Regulation No. 36 Years 2021 Concerning Wages Article 40 (2d); Ministry of Manpower Circular No. M/2/HK.04/IV/2022
Benchmark ID	HOW.11.1
Benchmark Details	Employers shall provide workers with paid annual leave as required under national laws, regulations and procedures.
Finding Details	Please review C.21.2 for details
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	

