

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**02 Nov 2022**



## Factory Information

FLA Affiliates	Esprit Europe Services GmbH
Country	Indonesia
Number of Workers	1596

## 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)	5
Employment Relationship (ER)	15
Freedom Of Association And Collective Bargaining (FOA)	1
Harassment Or Abuse (H/A)	2
Health, Safety And Environment (HSE)	17
Hours Of Work (HOW)	3

## Assessment Information

Assessor	Donny Triwandhani
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Assessment Date	02 Nov 2022
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Assessment Purpose	Factory Assessment (In-Person)
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## 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	Workers work in break times without being compensated. These hours are also not included in time records. During the second-day assessment that approximately 50% of workers in the sewing and ironing sections were observed working around 12:30 pm while their scheduled break time is from 12:00 pm to 1:00 pm.
Recommendation for Immediate Action	(1) Compensate for all overtime work including work during break times. (2) Ensure not to let supervisors and workers work during break time. (3) Closely monitor the implementation.
Compliance Classifications	Immediate Action Required
Local Law	Decision of the Minister of Manpower and Transmigration No. KEP 102/MEN/VI on Overtime work and Overtime pay (2004), Article 4(1); Government Regulation No. 36 Year 2021 Article 39
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	Based on the wage records of terminated workers and confirmed by payroll staff, the factory does not calculate and pay unused annual leave for terminated workers.
Recommendation for Immediate Action	Calculate and pay unused annual leave for terminated workers.

Compliance Classifications	Immediate Action Required
Local Law	Labor Law No. 13 (2003), Article 156
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	Based on the wage records of terminated workers from January 2022 to September 2022, around 383 out of 688 terminated workers have not come back to the factory to collect their last wages, with the highest pay up to IDR 2.614.900. The factory is still keeping workers' wages until terminated workers come to collect the payment in cash with a factory ID badge and uniforms returned. In most cases that workers who have not collected their last wage are workers who quit the job without any notice. Factory compliance team confirmed that wages of some terminated workers in the past few years are still being kept by the accounting department. There is no effort done by the factory to send terminated workers' wages by bank transfer as normal payment system at the factory.
Recommendation for Immediate Action	Pay all terminated and resigned workers their last wage in a timely manner using a normal payment system (bank transfer).
Compliance Classifications	Immediate Action Required
Local Law	Regulation of the Minister of Manpower No. KEP-06/MEN (1990) Article 1 and 2; Government Regulation No. 36 Year 2021 Article 55 (4)
Benchmark ID	C.15.1.1
Benchmark Details	Employers shall provide workers a pay statement each pay period and not less frequently than once a month, which shall show earned wages.

Finding Details	<p>During the assessment, wage and time records for all workers were provided for review. All hours of work reflected in time records are consistent with the hours of work and payment in payroll records. However, the pay slip provided for workers does not include overtime hours and overtime pay for overtime more than 2 hours per day. The workers are only shown the separate payment record for additional overtime more than 2 hours and are required to sign the payment record without being given a copy to check the payment details. For instance: the June 2022 pay slip of a worker from the finishing section showed overtime only 58 hours with overtime pay of IDR 1,225,928 while the payroll record reflected a total of 104 overtime hours with overtime pay of IDR 2,2294,995. According to payroll staff, the additional overtime wage is paid on the 9th while the normal salary payment is on the 10th of each month. Factory compliance stated they are in the process of upgrading payroll system in order to be able to generate pay slip for workers that calculate and reflect all overtime hours and their compensation.</p>
Recommendation for Immediate Action	Ensure pay slip for workers reflect all overtime hours and compensation.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No. 36 Year 2021 Article 53 (2)
Benchmark ID	C.15.1.7
Benchmark Details	Employers shall provide workers a pay statement each pay period and not less frequently than once a month, which shall show final total wage.

Finding Details	During the assessment, wage and time records for all workers were provided for review. All hours of work reflected in time records consistent with the hours of work and payment in payroll records. However, the pay slip provided for workers does not include overtime hours and overtime pay for overtime more than 2 hours per day. The workers are only shown the separate payment record for additional overtime more than 2 hours and they are required to sign the record without being given a copy for them to check the details of payment. For instance: June 2022 pay slip of a worker from finishing section showed overtime only 58 hours with overtime pay of IDR 1,225,928 while the payroll record reflected total of 104 overtime hours with overtime pay of IDR 2,2294,995. According to payroll staff, the additional overtime wage is paid on 9th while normal salary payment is on 10th each month. Factory compliance stated they are in process upgrading payroll system in order to be able generate pay slip for workers that calculate and reflect all overtime hours and its compensation.
Recommendation for Immediate Action	Ensure pay slip for workers includes final total wage.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No. 36 Year 2021 Article 53 (2)

## Employment Relationship (ER)

Benchmark ID	ER.11.2
Benchmark Details	Employers must ensure the following minimum terms and conditions are met in the employment of contract/contingent/migrant/temporary workers: Contract/contingent/migrant/temporary workers shall be provided an employment agreement in their native language setting out the employment terms and conditions. for migrant workers, a copy of their employment contract in their native language shall be provided prior to departure from their country of origin;
Finding Details	The workers hired under the specified period contract (PKWT) do not receive a copy of the work agreement.

Recommendation for Immediate Action	Provide a copy of the work agreement to workers.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 13 on Manpower (2003), Article 54 (3)
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 for workers does not include Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Grievance, and Disciplinary system.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.5.1
Benchmark Details	Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure compliance.
Finding Details	The specific training for supervisors does not include FLA Code, National Law & Regulation, Recruitment, Hiring & Personnel Development, Termination & Retrenchment, and Grievances.
Recommendation for Immediate Action	



Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.17.1
Benchmark Details	Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.
Finding Details	There is no adequate system for handling complaints and grievances, since: (1) There are no records of grievance follow-up and communication of the resolution to the workers. (2) Hotline number posted on notice boards is different than it is in grievance procedures. (3) The number for the hotline posted on the notice board as well as the mobile phone are private numbers and property of the HR Manager, therefore it is not fully dedicated to grievances. As stated by HR Manager, there is no grievance submitted to the hotline number received so far. (4) The grievance boxes are only checked once a month, which poses a risk that it is too late to respond to issues that are urgently needed to be solved.
Recommendation for Immediate Action	(1) Maintain the records, follow up on the grievances, and communicate the resolution of grievances to workers. (2) Maintain one hotline contract number and communicate it to workers. (3) Provides the hotline number and mobile phone fully dedicated to grievances. (4) Check and open the grievance boxes at least on weekly basis, and maintain the records of opening the box.
Compliance Classifications	Immediate Action 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	There are policies and procedures governing all aspects of termination, but available policies and procedures do not include retrenchment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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 on the recruitment and hiring of contract/contingent/temporary workers.
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	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	
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	The performance review is conducted to each worker, but the workers do not have access to their evaluations and the right to provide feedback on them.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.9.1
Benchmark Details	Employers shall hire contract/contingent/temporary workers only if such hiring is consistent with the national law of the country of production.

Finding Details	Based on employment records, around 1,527 out of 2,429 workers (63% of the workers) are employed under the 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 temporary contracts.
Recommendation for Immediate Action	Convert all workers who perform jobs of permanent nature but are currently hired under a PKWT contract to permanent worker status.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No 35 year 2021 Chapter II Article 4 (2)
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 communicates the factory's Code of Conduct (COC) to workers, but the internal COC does not cover Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Grievance, and Disciplinary system. Thus, it does not include all FLA's Code elements and Employment Functions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.10.2

Benchmark Details	Employers shall not renew contracts for multiple successive short-terms in lieu of providing regular employment.
Finding Details	Based on employment records, around 1,527 out of 2,429 workers (63% of the workers) are employed under the 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 temporary contracts.
Recommendation for Immediate Action	Convert all workers who perform jobs of permanent nature but are currently hired under a PKWT contract to permanent worker status.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No 35 year 2021 Chapter II Article 4 (2)
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	Orientation training for new workers does not include Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Grievance, and Disciplinary system.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.3

Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.
Finding Details	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	
Benchmark ID	ER.18.3.4
Benchmark Details	Records of disciplinary action must be maintained in the worker's personnel file.
Finding Details	The disciplinary actions are maintained in a separate folder, not in workers' personnel files.
Recommendation for Immediate Action	Maintain disciplinary actions in workers' personnel files.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	ER.3.3
Benchmark Details	Workers should be provided with written documentation that substantiates all the issues covered in orientation briefings.
Finding Details	The 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	

## Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID	FOA.15
Benchmark Details	Worker representatives shall have the facilities necessary for the proper exercise of their functions, including access to workplaces and office space where required by law.
Finding Details	There is no office space or other facilities provided for the union.
Recommendation for Immediate Action	Provide an office space dedicated for the union.
Compliance Classifications	Immediate Action Required
Local Law	N/A

## Harassment Or Abuse (H/A)

Benchmark ID	H/A.10.1.2
Benchmark Details	Body searches and physical pat downs shall only be undertaken when there is a specific, legitimate reason to do so and upon consent of workers, unless a state official with the power to do so (e.g. police officer) has ordered the search.
Finding Details	It was observed that security guards on duty perform routine body search three (3) times a day as workers leave the building before break time, enter the building after the break, and after the shift ends.

Recommendation for Immediate Action	Ensure physical pat-downs are not used as a general practice. As per FLA requirements, physical pat-downs shall only be undertaken when there is a legitimate reason to do so and upon the consent of workers.
Compliance Classifications	Immediate Action Required
Local Law	N/A
Benchmark ID	H/A.10.1.3
Benchmark Details	Body searches shall not be undertaken in public and the person who undertakes the search shall be of the same sex as the person who is being searched.
Finding Details	It was observed that security guards on duty perform routine body search three (3) times a day as workers leave the building before break time, enter the building after the break, and after the shift ends.
Recommendation for Immediate Action	Ensure physical pat-downs are not used as a general practice. As per FLA requirements, physical pat-downs shall only be undertaken when there is a legitimate reason to do so and upon the consent of workers considering privacy.
Compliance Classifications	Immediate Action Required
Local Law	
<b>Health, Safety And Environment (HSE)</b>	
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 factory does have not government-certified persons for level I and level II Basic Firefighters.
Recommendation for Immediate Action	Ensure to have government-certified persons for level I and level II Basic firefighters.
Compliance Classifications	Immediate Action Required
Local Law	Decision of Minister of Manpower No. KEP-186/MEN/1999 on Fire Prevention Units at Workplaces (1999), Article 6
Benchmark ID	HSE.5.3
Benchmark Details	Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.
Finding Details	Inadequate evacuation drill since: (1) The drill does not include counting special category workers such as pregnant and disabled workers in the assembly point. (2) There is no record that the drill was also participated by visitors, suppliers, drivers, and service/food providers that happen to be at the factory. (3) There are no designated responsible persons to handle visitors, suppliers, service/food providers, and special category workers to ensure they are safely evacuated.
Recommendation for Immediate Action	Conduct adequate evacuation drill that: (1) Including counting special category workers such as pregnant and disabled workers in the assembly point. (2) Involving all visitors, suppliers, drivers and service/food providers that happen to be at factory. (3) Assigning responsible persons to handle visitors, supplier, service/food providers, and special category workers to ensure they are safely evacuated.
Compliance Classifications	Immediate Action Required
Local Law	Act No. 1 on Safety (1970), Article 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	The factory does not have procedures or post signs to prohibit smoking within 15 meters (~50 ft.) of all closed areas.
Recommendation for Immediate Action	Establish procedures and post signs to prohibit smoking within 15 meters (~50 ft.) of all closed areas.
Compliance Classifications	Immediate Action Required
Local Law	N/A
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 assessment after the drill to learn how to improve the evacuation process.
Recommendation for Immediate Action	Conduct assessment after the drill to learn how to improve the evacuation process.
Compliance Classifications	Immediate Action Required
Local Law	N/A
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 point or button in the canteen is blocked by some sacks of defective garments.
Recommendation for Immediate Action	Ensure all fire alarm points are clear of any obstructions.
Compliance Classifications	Immediate Action Required
Local Law	N/A
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) There is no fencing securing a large fuel (diesel) container to prevent unauthorized access. This large diesel container is located next to the chemical room in front of the material unloading bay. (2) There is no proper spill response equipment in the chemical storage room. There are only small pieces of foam placed in a plastic container, which can not properly contain chemical spillage.
Recommendation for Immediate Action	(1) Install fencing for securing a large diesel container to prevent unauthorized access. (2) Provide adequate spill response equipment in the chemical storage room.
Compliance Classifications	Immediate Action Required
Local Law	Decision of Minister of Manpower No. KEP-186/MEN/1999 on Fire Prevention Units at Workplaces (1999), Article 2
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	(1) Lactation room access is within the clinic room which exposes lactated mother who does breast pump with cross contamination of airborne diseases. (2) There is no curtain or segregation between 2 beds. As a result, both male and female patients can lie down on the bed side by side without a privacy curtain.
Recommendation for Immediate Action	(1) Ensure that the lactation room is not within the clinic room, and at a minimum includes: (a) availability of specific rooms with a minimum size of 3x4 m2 and/or adjusted by the number of women who are breastfeeding; (b) there is a door that can be locked, which is easily opened/closed; (c) floor tile/cement / carpet; (d) ventilation and sufficient air circulation; (e) free of potential hazards in the workplace including pollution-free; (f) a fairly quiet environment away from the noise; (g) indoor lighting and not dazzling enough; (h) humidity ranged between 30-50%, maximum 60%, and (i) available sink with running water for hand washing and washing equipment. (2) Provides curtain or segregation between 2 beds in the clinic.
Compliance Classifications	Immediate Action Required
Local Law	Regulation of Ministry of Health No. 15 on Specific Procedures for Providing Nursing and/or Milking Facilities (2013), Article 10
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 3 electrical cables, 1 underneath sewing line 3 and 2 cables for switches the lights above sewing line 1, are noticed to be repaired or connected with electrical tapes for permanent fixed instead of temporary fixed.
Recommendation for Immediate Action	Use proper splices or connections to connect wires on a permanent basis.
Compliance Classifications	Immediate Action Required

Local Law	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 marked. (2) There is no laser safety glasses available for laser cutting operator. (3) There is no list of all relevant equipment that required lockout-tagout (LOTO) for maintenance safety system. In addition, the available LOTO warning signs and locking devices look new and have never been used.
Recommendation for Immediate Action	(1) Mark /paint walking paths and traffic lines from the main gate on the ground. (2) Provide laser safety glasses for the laser cutting operator. (3) Maintain a list of all relevant equipment that required lockout-tagout (LOTO) and implement the system.
Compliance Classifications	Immediate Action Required
Local Law	Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 2
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	The fire brigade team is not provided with appropriate equipment to fight fires such as breathing apparatus, fire blankets, fire Helmets, hoods & face protection, goggles & safety glasses, and gloves.
Recommendation for Immediate Action	Provide the fire brigade team with appropriate equipment to fight fires such as breathing apparatus, fire blankets, fire Helmets, hoods & face protection, goggles & safety glasses, and gloves.
Compliance Classifications	Immediate Action Required

Local Law	Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 3
Benchmark ID	HSE.18.2.1
Benchmark Details	An appropriate number of medical staff shall be on duty during all working hours, including any type of overtime, as required under national law.
Finding Details	Only one nurse is hired at the in-house clinic and she works only until 5:30 pm while workers worked overtime until 9:30 pm and sometimes later.
Recommendation for Immediate Action	Ensure the medical facility with an available nurse in operation during all working hours, including overtime.
Compliance Classifications	Immediate Action Required
Local Law	N/A
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) There is no asbestos risk assessment conducted to ensure the factory has taken proper steps so that workers are not exposed to asbestos. (2) Due to there being no asbestos assessment conducted in the factory, there is no label used for any material in the factory containing asbestos.
Recommendation for Immediate Action	(1) Conduct asbestos assessment on the buildings. (2) Ensure that workers are not exposed to asbestos by labeling all materials made from asbestos, if it is found during asbestos assessment, with warning signs, and then replace asbestos materials on the roof with other nonhazardous materials.
Compliance Classifications	Immediate Action Required
Local Law	Manpower Minister Regulation No 3 Year 1985 Article 5

Benchmark ID	HSE.14.3
Benchmark Details	Employers shall ensure safety instructions are either displayed or posted near all machinery or are readily accessible to the workers in language(s) spoken by workers.
Finding Details	There is no sign of PPE requirements for the laser cutting operator posted near the laser cutting machine.
Recommendation for Immediate Action	Post a sign of PPE requirement for the laser cutting operator near the laser cutting machine.
Compliance Classifications	Immediate Action Required
Local Law	Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 5
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) There are procedures for entering confined spaces, but the factory does not maintain a list of the location of confined spaces on the premises. As result, confined spaces are not marked with a sign "do not enter without permit" to ensure that there is no unauthorized entry. (2) As per available confined space procedures, the confined space will be checked before entering to make sure safe and there are no toxic gases, dangerous goods, or electricity that can endanger workers. However, there is no air quality measurement tool available for detecting if there are toxic gases. (3) The high work areas (such as water storage and boiler chimney) are not properly marked with safety precautions (such as: fall hazard signs and usage of PPE signs., (4) There is no safety rod provided on every electrical panel as rescue equipment to push and or pull electrocuted person.

Recommendation for Immediate Action	(1) Maintain a list of the location confined spaces in the premises, and mark all confined spaces with a sign "do not enter without permit" to ensure that there is no unauthorized entry. (2) Have an air quality measurement tool for detecting if there are toxic gases in confined spaces. (3) Mark all elevated work areas such as water tanks and boiler chimneys with safety precautions such as fall hazard signs and usage of PPE signs. (4) Provide safety rods at every electrical panel as rescue equipment to push and or pull electrocuted persons.
Compliance Classifications	Immediate Action Required
Local Law	OHS Guidance for confined spaces by Directorate of OHS Norm Supervisory, September 2006 Article 2.1.2; PUIL 2000 Article 9.9.1.1
Benchmark ID	HSE.30.3
Benchmark Details	Environmental policies shall include procedures to minimize environmental impacts with respect to energy, air emissions, water, waste, hazardous materials, and other significant environmental risks.
Finding Details	The environmental protection policy does not include a statement of the factory management's general support of energy and water efficiency, and a commitment to minimize impacts with respect to air emissions, waste, hazardous materials and other applicable environmental risks.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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) There is a hole on the finger side of the mesh metal cutting glove used by 2 out of 7 cutting operators. (2) The respirators available in the chemical storage room and spot cleaning room are not kept in a plastic zip-lock to prevent dust.
Recommendation for Immediate Action	(1) Provide new mesh metal cutting gloves to cutting operators that have defects/broken gloves. (2) Store respirators in a plastic zip lock to prevent dust, and ensure to record of the usage duration.
Compliance Classifications	Immediate Action Required
Local Law	Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 7 and 8
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 safety trainings for designated workers with special/high-risk responsibilities on LOTO (lockout/tagout), work at heights, and confined spaces, but the training on working with laser for the laser cutting operator has not been conducted.
Recommendation for Immediate Action	Conduct training on working with laser for the laser cutting operator.
Compliance Classifications	Immediate Action Required
Local Law	Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 7

## Hours Of Work (HOW)

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 correctly calculate annual leave for workers who have years of service below 2 years. For instance: a worker was hired on July 13, 2021 which is over 12 months of employment, but the number of annual leave she is entitled as per the September 2022 record is calculated as only 5 days annual leave instead of 12 days.
Recommendation for Immediate Action	Calculate workers' annual leave days entitlement correctly.
Compliance Classifications	Immediate Action Required
Local Law	Law No 11 Year 2020 Article 79 (3); Law No. 13 on Manpower (2003), Article 79(2c)
Benchmark ID	HOW.16
Benchmark Details	Employers shall provide workers with sick leave as required under national laws, regulations and procedures.
Finding Details	There is a case of sick leave without pay. A worker from line 15 B was ill since August 27, 2022 and she submitted a sick certificate from the medical treatment center that suggested 5 days of rest. However, based on the pay slip, her wage is deducted for her sick leave days. According to the payroll supervisor, the legitimization of her sick certificate was in question. However, the payroll or HR department does not conduct clarification to the medical treatment center that issued the sick certificate.
Recommendation for Immediate Action	Ensure to pay all sick leave days.

Compliance Classifications	Immediate Action Required
Local Law	Law No. 13 on Manpower (2003), Article 93(2) - (3)
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	Based on selected 65 sample workers' time and payroll records of the past 12 months, around 30% of workers in December 2021, 20% of workers in January 2022 and 17% of workers in June 2022, worked excessive overtime more than the legal limit of 4 hours /day for up to 7.5 hours and over 20 hours /week up to 28 hours /week. As result, their weekly hours reached 68 hours. They are from the sewing, finishing, QC, and warehouse departments.
Recommendation for Immediate Action	Limit the total daily overtime within 4 hours with total weekly work hours within 60 hours.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No. 35 Year 2021 Article 26

