

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**22 Jun 2023**



## Factory Information

FLA Affiliates	Hanesbrands
Country	Indonesia
Number of Workers	2717

## 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)	3
Employment Relationship (ER)	14
Harassment Or Abuse (H/A)	2
Health, Safety And Environment (HSE)	13
Hours Of Work (HOW)	2
Nondiscrimination (ND)	1

## Assessment Information

Assessor	Donny Triwandhani
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Assessment Date	22 Jun 2023
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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	<p>1. Approx. 97 workers at the factory are compensated using a monthly wage system known as the "All-in" system. These workers mostly work as supervisors and administrators in the QA, QC, IE, mechanic, technician, PPIC, sewing, packing, cutting, and warehouse departments. These workers' regular working hours are at least 2 hours longer per day than those of the regular production workers. These "All-in" workers do not receive overtime wages when they work more than 7 hours in a day or 40 hours in a week. The lowest monthly basic wage among these workers is IDR 2,070,000, which is slightly higher than the 2023 local minimum wage (IDR 2,066,439). They may also earn a monthly attendance incentive from IDR 100,000 to IDR 200,000 and a temporary incentive from IDR 630,000. Records revealed that 9 of these workers received monthly basic wages of IDR 2,070,000 and received incentives totaling 730,000 to IDR 830,000. Their total incentive pay did not equal the amount of overtime pay to which they would have been entitled (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). In almost all months among these 9 workers, the difference between their actual earnings and their legally-required overtime wages is IDR 175,060 to IDR 653,660. 2. If workers receive approval from their supervisor and the HR department to leave work for personal reasons before they have worked a half day, these workers are not paid for any hours worked that day. The entire day is considered absent. 3. The assessment observed approximately 20% of sewing workers continuing to work during the designated break time from 10:00am to 10:15am, in an effort to reach their daily production targets.</p>

Recommendation for Immediate Action	1. Comply with the regulation regarding “all-in workers” (overtime exempt workers). Compensate all workers in compliance with local law. Only qualified staff can and should be paid under this arrangement. The criteria for overtime exempt employee is as follows: (a) Those who are in structural positions in company. (b) Those who have obligations, responsibilities, and are authorized to company policies. (c) They are paid more than other workers. (d) They get better facilities than other workers. 2. Pay workers for all hours worked. 3. Ensure that workers do not work during their break time. When workers do work during designated break times, pay workers for this time.
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.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 list the workers' date of hiring on pay slips. As a result, workers' tenure at the factory cannot be easily verified.
Recommendation for Immediate Action	List the date of hiring on workers' pay slips.
Compliance Classifications	Immediate Action Required
Local Law	Regulation of the Minister of Manpower No. KEP-06/MEN (1990) Article 1
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	Workers' pay slips do not itemize unpaid leave days and the amount of pay deducted for unpaid leave. The basic wage is simply reduced on the pay slip when there is a deduction for an absence. This practice creates confusion for workers, who cannot easily identify how much has been deducted for unpaid leave.
Recommendation for Immediate Action	Ensure that pay slips clearly reflect accurate wage deductions when pay is reduced for 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.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, HR personnel, or supervisors on the workplace code and disciplinary system. As result, they are not fully familiar with the workplace disciplinary system.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.2

Benchmark Details	Employers shall ensure that all legally mandated requirements for the protection or management of special categories of workers, including migrant, juvenile, contract/contingent/temporary, probationary workers, home workers, and pregnant or disabled workers, are implemented. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.
Finding Details	There are only 11 workers with disabilities out of a total of 3,219 employees. This is not in full compliance with local law, which requires the factory to hire one person with disabilities per 100 employees. Thus, for a factory with 3,219 employees in total, at least 32 employees should be 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.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 covers all FLA Code elements and Employment Functions. All trainings are attended by workers together with their supervisors.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.17.1



Benchmark Details	Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.
Finding Details	The factory's grievance procedures and implementation are not adequate: (1) According to the grievance procedures, the suggestion box is opened once a month. Opening the grievance box only once a month poses a risk of waiting too late to respond to sensitive issues. (2) There are no records kept to record the box being opened and checked. (3) One of the suggestion boxes is posted on the bridge between two buildings, in an open, busy area. This does not provide a private space for workers to submit confidential grievances.
Recommendation for Immediate Action	(1) Open the grievance boxes to check for and collect grievances at least weekly. (2) Maintain records of when the box is opened and the results. (3) Post suggestion boxes in more private and secure areas so that workers can submit grievances without being observed.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	ER.17.6
Benchmark Details	Employers shall have a system in place to prevent retaliation against or discrimination towards workers who are filing grievances, including grievances regarding harassment, abuse, violations of factory procedures, compensation, or unsafe working conditions
Finding Details	The factory does not have a system or procedures to prevent retaliation or discrimination against workers who file grievances, including grievances regarding harassment, abuse, violations of factory procedures, compensation, unsafe working conditions, health & safety and environmental concerns.



Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.7.1
Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Finding Details	1. The factory's performance review procedures do not specify nondiscrimination, written feedback, or recording the worker's agreement/disagreement with the result. 2. Workers at the operator level do not have access to their evaluation records or the ability to provide feedback on evaluations. Only supervisor-level workers receive access to their review and an opportunity for feedback.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.8
Benchmark Details	Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements.

Finding Details	Promotion at the factory is not conducted in a fair and transparent way: 1. The factory does not issue promotion letters to workers who have been promoted to higher position, such as from operator to mover or supervisor. 2. Workers who pass the 3-month probationary period are not provided with an appointment letter to confirm their permanent employment status. 3. The factory's HR team explained that all contract workers at the factory have been converted to permanent status. However, these workers' work agreements do not clearly state their permanent employment status.
Recommendation for Immediate Action	1. Issue a promotion letter to workers before moving them to higher job positions. 2. Issue an appointment letter to workers after they pass the 3-month probationary period to confirm their permanent employment status. 3. Ensure that work agreements for permanent workers clearly state their permanent employment status.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 13 on Manpower (2003), Article 63 (1-2)
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	The factory's orientation training for new workers does not cover recruitment, hiring & personnel development, or termination & retrenchment.
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 facility does not store records of disciplinary actions in workers' personnel files.
Recommendation for Immediate Action	Maintain the records of disciplinary actions in the relevant workers' personnel files.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	ER.18.1.1

Benchmark Details	The disciplinary system shall be applied in a fair and nondiscriminatory manner and include a management review of the actions by someone senior to the manager who imposed the disciplinary action.
Finding Details	Workplace rules about discipline are not fairly and consistently applied: 1. The assessment reviewed warning letters that refer to Article XV of the factory's regulations. Article XV is related to safety and protective equipment, but the violations described in the warning letters were not related to safety and protective equipment. 2. The assessment reviewed warning letters stating that if within 6 months the worker does not show improvement of work discipline, or if the worker repeats the violation in question, then more severe sanctions or termination can be imposed without any responsibility on the company's part. This is not in line with local law, which requires severance payment for termination.
Recommendation for Immediate Action	Ensure that workplace rules about discipline are fairly applied by: 1. Referring to the correct article in the factory regulation when describing the violation in warning letters. 2. Not threatening termination for minor violations and implementing of system of progressive discipline through the application of escalating disciplinary action (moving from verbal warnings to written warnings to suspension and finally to termination).
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	ER.18.4
Benchmark Details	The disciplinary system shall include a third party witness during imposition, and an appeal process.
Finding Details	The factory's disciplinary procedures do not include workers' right to appeal the disciplinary action or to have a third party witness during the imposition of disciplinary actions. In practice, the factory does not implement these rights.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.6
Benchmark Details	The workplace shall commit to non-retaliation for all steps of the disciplinary process, including for a worker requesting a witness and filing an appeal of disciplinary action.
Finding Details	The factory does not have a written commitment to non-retaliation from management in the disciplinary process, including non-retaliation if a worker requests a witness or files an appeal of disciplinary action.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.3.3
Benchmark Details	Workers should be provided with written documentation that substantiates all the issues covered in orientation briefings.
Finding Details	New workers are not provided with written documentation that substantiates all the topics covered in orientation.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

## 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	The factory's security guards perform routine body searches four times a day: when workers arrive before the shift starts; when workers leave the building before break time; when workers enter the building after the break; and when workers leave the facility when the shift ends. Furthermore, workers going in and out of the toilets are sometimes checked by security guards.
Recommendation for Immediate Action	Ensure that physical pat-downs are not used as a general practice. As per the FLA Code, physical pat-downs should 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	
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	Please review H/A.10.1.2 for details. The factory's security guards perform routine body searches four times a day, in public at the front gate of each production building.
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. When pat-downs are used, they must be performed in private.

Compliance Classifications	Immediate Action Required
Local Law	
<b>Health, Safety And Environment (HSE)</b>	
Benchmark ID	HSE.5.1
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: posting evacuation plans; the installation and maintenance of fire alarms; the installation and maintenance of emergency lighting; ensuring aisles/exits are not blocked and that workers are not blocked within their workstations; employee education and training; and evacuation procedures and fire drills.
Finding Details	1. The factory does not have procedures to prohibit smoking within 15 meters (~50 ft.) of all closed areas, nor are there 'no smoking' signs posted. 2. The emergency exit door in the receiving warehouse of building 1A is a sliding door instead of a push-bar door that opens outwards. Around 25 workers work in this warehouse. 3. There is no adequate landing platform in front of the emergency exit doors in the receiving warehouse, cutting area, or loading area of building 1A.
Recommendation for Immediate Action	1. Establish procedures and post signs to prohibit smoking within 15 meters (~50 ft.) of all closed areas. 2. Ensure that all exit doors open outwards/in the direction of evacuation. 3. Provide an adequate landing platform in front of emergency exit doors in incoming warehouse of building 1A and cutting 1A and loading 1A.
Compliance Classifications	Immediate Action Required
Local Law	Regulation No. PER-01/MEN (1980), Article 5(1)
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	1. Two out of four emergency exit lights in the sewing section of building 1B were not functioning when they were tested during the assessment. 2. In all buildings, there are no emergency lights installed in the corridors of the sewing sections.
Recommendation for Immediate Action	1. Check and service all emergency lights to ensure that they are functioning at all times, including when the main power goes off. 2. Install emergency lights in corridors/hallways of sewing sections.
Compliance Classifications	Immediate Action Required
Local Law	Regulation of The Minister of Labor No.7 on Health Condition, Cleanlines and Lighting in Work Place (1964), Article 13.4
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 proper equipment available to respond to spills at the chemical storage areas. The factory only provides sand to pour over the spill. 2. The hazardous and toxic waste (B3 materials) warehouse does not have adequate secondary containment equipment. 3. The hazardous and toxic waste (B3 materials) warehouse has water drains covered only with steel mesh plates, which risks water pollution when there are chemical spills. 4. The assessment observed some unused iron and steels located near the workshop exposed to rain and sun.

Recommendation for Immediate Action	1. Provide proper spill response equipment (such as absorbent socks or pads) ready at chemical storage areas. 2. Provide adequate secondary collection in the hazardous and toxic waste (B3 materials) warehouse, designed to collect and store liquids originating from leakage, spills, or contaminated rain water. 3. Ensure there is no water drainage from the hazardous and toxic waste (B3 materials) warehouse so that hazardous and toxic waste is not released to the environment. 4. Ensure all solid wastes are provided with shelters.
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); Government Regulation No. 74 on Management of Hazardous and Toxic Materials (2001), Article 19; Government Regulation No. 18 on Management on Hazardous and Toxic Waste (1999), Article 3.
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	The factory's lactation room is located next to the clinic room in building 3. There is not an adequate wall to separate the two rooms, which exposes those using the lactation room to cross-contamination from airborne diseases. Furthermore, there is only one bed available in the clinic.

Recommendation for Immediate Action	1. Ensure that the lactation room is in hygienic condition and is not in the same air circulation as the clinic room, and at a minimum includes: (a) availability of specific rooms with a minimum size of 3x4 m <sup>2</sup> 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. Provide 2 beds in the clinic, and a curtain or segregation between the 2 beds for privacy, particularly privacy between male and female patients who are present at the same time.
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	1. There has been no assessment of temperature comfort in the molding room. 2. The temperature in the molding room reached 38 degrees Celsius during the assessment (around 1:30 pm). This high temperature was confirmed by checking the daily temperature log.
Recommendation for Immediate Action	1. Conduct an assessment for determining temperature comfort in the molding room. 2. Provide a comfortable temperature (up to 30 degrees C) in all working areas; provide sufficient ventilation, and install adequate fans and/or air conditioning in the molding room.
Compliance Classifications	Immediate Action Required

Local Law	Ministry of Manpower Decision No. KEP.51/MEN/I999 on Threshold Limit Value of Physical Factors in Workplace (1999), Annex I; Government Regulation No. 36 on Building (2005), Article 40(1)-(2)
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	1. Around 2.5% of the sewing machines are missing needle guards. 2. Around 10% of overlock and bartack operators do not use the available plastic eye guards on the machines. The guards are lifted out of the way. 3. The factory does not implement a complete lockout - tagout system for all relevant equipment.
Recommendation for Immediate Action	1. Install needle guards for all sewing machines. 2. Ensure all machinery safety guards are properly installed, remain in place, and are used by workers. 3. Implement a complete lockout-tagout system for all relevant equipment.
Compliance Classifications	Immediate Action Required
Local Law	Regulation No. PER-01/MEN on Safety and Health in The Building Construction (1980), Article 42 and 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. There are neither sprinklers nor thermatic fire extinguishers installed in the factory buildings. 2. The fire brigade team is not provided with the adequate equipment to fight fires such as helmet, gloves, boots and a self-contained breathing apparatus (SCBA).

Recommendation for Immediate Action	1. Install sprinklers or thermatic fire extinguishers at least in the chemical warehouse, hazardous waste storage room, maintenance workshop, and material and finished goods warehouses. 2. Provide the fire brigade team with PPE and equipment to fight fires such as helmet, gloves, boots and a self-contained breathing apparatus (SCBA).
Compliance Classifications	Immediate Action Required
Local Law	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.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	1. The exhaust fan in the printing room discharges into the staff eating area, exposing those in the eating area to chemical odors. 2. The water that the factory extracts from the nearby well exceeds the permitted amount. According to the permit, the factory is allowed to extract up to 38.75 m3 per day, but the assessment found that the factory used 63 m3 per day on average, and up to 84 m3, in June 2022. 3. The factory has not conducted an asbestos assessment. As a result, there are no labels for materials in the factory potentially containing asbestos.
Recommendation for Immediate Action	1. Ensure that air from the printing room is not discharged into the eating area. 2. Comply with the permit's daily limit of water extraction. 3. 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	Ministerial Decree of Energy and Mining No. 1451 K/10/MEM (2000), Article 11; Regulation of the Minister of Labour No. 7 (1964), Article 2

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 factory has not established a list of confined spaces and does not have a procedure for safe work in confined spaces (safe atmosphere, rescue equipment ready to use, trained observer present). 2. Elevated work areas such as water tanks are not marked with the needed safety precaution (i.e. fall hazard signs and signs requiring PPE).
Recommendation for Immediate Action	1. Determine the locations of confined spaces on the premises, and establish procedures for entering confined spaces (safe atmosphere, rescue equipment ready to use, trained observer present). 2. Place needed signs in all elevated work areas.
Compliance Classifications	Immediate Action Required
Local Law	Act No. 1 on Workplace Safety (1970), Article 2 (i)
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. The factory does not have a system or procedures to prevent retaliation or discrimination against workers who raise health & safety and environmental concerns.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
Benchmark ID	HSE.30.2
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system within which the following are clear and regularly tested and reviewed; procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies
Finding Details	The factory's accident and injury log does not record root causes or corrective actions to avoid recurrence.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.7
Benchmark Details	Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors, noise, dust) to health and safety hazards, including medical waste.
Finding Details	1. At least 5 out of 15 mechanics do not have safety shoes. 2. There is no PPE storage cabinet provided in workshop 'BC'. As result, during the assessment, staff could not display the PPE for welding operators, the goggles for grinding machine operators, or a respirator.
Recommendation for Immediate Action	1. Ensure that all mechanics are provided with safety shoes. 2. Provide a PPE storage cabinet for properly storing PPE when not in use.



Compliance Classifications	Immediate Action Required
Local Law	Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 2 and 7.
Benchmark ID	HSE.14.2
Benchmark Details	Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use.
Finding Details	The facility does not provide adequate safety training for workers whose responsibilities include working in confined space and lockout/tagout.
Recommendation for Immediate Action	Provide safety training to designated workers with special/high-risk responsibilities for confined space and lockout/tagout.
Compliance Classifications	Immediate Action Required
Local Law	Act No. 1 on Safety (1970), Article 9(1) - (2)

## Hours Of Work (HOW)

Benchmark ID	HOW.22.2
Benchmark Details	Accurate time records shall be maintained by employers, including overtime, breaks, and leave.
Finding Details	If workers leave work before completing a half day, they are considered to have been absent without pay for the entire day. To execute this policy, HR staff delete these workers' time entries for that day from the timekeeping system. For instance, a worker began work at 7:00am and asked permission to go home at 10:00am on May 30, 2023, as is recorded in a request form. The workers' time record for that day does not show the hours worked from 7:00am to 10:00am.

Recommendation for Immediate Action	Ensure all hours of work are reflected on time records, regardless of how many hours are worked in a day.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HOW.13.1
Benchmark Details	Any workplace procedures regulating the timing of annual leave (e.g., requiring a minimum period of service before being allowed to use annual leave, written requests to be submitted a certain time before the annual leave) must be in line with national laws, regulations and procedures.
Finding Details	From November 26, 2022 to February 28, 2023, workers were provided with an off day every Saturday with full pay, but these Saturdays counted against the workers' annual leave days. This practice was implemented due to lower production orders from buyers. Per factory management's announcement of the practice in November 2022, if an employee exhausted his/her annual leave balance for 2022, these off days were subtracted from his/her annual leave entitlement for 2023.
Recommendation for Immediate Action	Ensure that workers' annual leave is not deducted when work is suspended and/or when the factory does not employ workers due to constraints that should have been avoidable to the employer.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No. 36 Year 2021 Article 40 (d); Law No. 13 on Manpower (2003), Article 79(2c) - (2d) - (3)
<b>Nondiscrimination (ND)</b>	
Benchmark ID	ND.3

Benchmark Details	Recruitment and employment policies and practices, including job advertisements, job descriptions, application and interview questions and job performance/evaluation policies and practices shall be free from any type of discriminatory bias.
Finding Details	The assessment examined the factory's manpower requisition forms and noted that department heads prefer to hire new workers based on gender, age, physical features, and health status: (a) Finished goods: Males aged 20 to 30 years old, strong, able to work overtime. (b) Sewing: Females below age 30. (c) Packing: Females below age 30 who are healthy and do not have congenital diseases.
Recommendation for Immediate Action	Ensure that recruitment and employment decisions are made solely on the basis of a person's qualifications (education, training, experience, demonstrated skills, and/or abilities) as they relate to the inherent requirements of a particular job. Ensure that all recruitment and employment practices are free from any type of discriminatory bias.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 13 on Manpower (2003), Article 5

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