

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**03 Jun 2024**



## Factory Information

FLA Affiliates	Hanesbrands,PUMA SE,The Antigua Group, inc
Country	Indonesia
Number of Workers	2035

## 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

FLA Code Element	Number of Violations
Compensation (C)	1
Employment Relationship (ER)	18
Freedom Of Association And Collective Bargaining (FOA)	1
Harassment Or Abuse (H/A)	2
Health, Safety And Environment (HSE)	18
Hours Of Work (HOW)	2

## Assessment Information

Assessor	Donny Triwandhani
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Assessment Date	03 Jun 2024
Assessment Purpose	Factory Assessment (In-Person)

## ASSESSMENT RESULTS

### Compensation (C)

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	The compensation money for workers employed under term-limited contracts (PKWT) is not made upon the expiration of the PKWT. The factory pays compensation money to workers under term-limited contracts on the 15th of the month, not in accordance with local law.
Recommendation for Immediate Action	Ensure compensation money for workers employed under term-limited contracts (PKWT) is made upon the expiration of the PKWT. In case the PKWT is extended, the compensation money should be provided upon the expiration of the PKWT period or before the extension of the new contract.
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No. 35 Year 2021 Article 15 (2 and 4)

### 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.

<p>Finding Details</p>	<p>(1) There is no specific training on grievance mechanisms and the communication about grievance mechanisms is not effective. The communication about grievance mechanisms is delivered as a briefing or broadcast using the public address system (PA) in the production area while workers are focused on their work. The communication about grievance mechanisms is embedded between numerous other briefings about the procedures related to working hours, overtime pay, leave pay, discipline, the Code of Conduct, collective bargaining, and the 12 WRAP principles. (2) The grievance system is ineffective due to the following findings: -Compliance team stated there has been no grievance received so far since 2022, thus there was no grievance record from workers available for review at the time of assessment. -There is a security guard standing near each toilet entrance while the suggestion boxes are placed in the toilet. The availability of security guard may make workers reluctant to submit a grievance. - Based on survey for evaluation of suggestion box and hotline number that was conducted in a past week revealed that there were three workers who were demanding a response to filed grievance. Google form survey that has just been released with 3 respondents and one of them mentioned about response needed. -Blank papers and a pen for workers to write grievance are not provided next to suggestion boxes. -Grievance mechanism and procedures are not posted near suggestion boxes.</p>
<p>Recommendation for Immediate Action</p>	
<p>Compliance Classifications</p>	<p>Sustainable Improvement Required</p>
<p>Local Law</p>	
<p>Benchmark ID</p>	<p>ER.1.2</p>
<p>Benchmark Details</p>	<p>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.</p>

<p>Finding Details</p>	<p>The assessor observed in various ways that the trainings on the Code of Conduct were not effectively provided to all workers, which details are as follow: 1. All trainings (labor, Code of Conduct - company regulation, 12 WRAP principles, grievance system, harassment &amp; abuse, PPE, general HSE), except fire &amp; evacuation drill, are conducted in form of briefing or broadcasting using the public address system (PA) in production area while most of workers were still working and focused on their job. 2. The records do not have the details of what were the labor topics explained on July 28, 2023. 3. Majority of interviewed workers are not aware about labor standard that being delivered in the briefing. 4. There is no ongoing training on FLA's Code elements and Employment Functions in 2024.</p>
<p>Recommendation for Immediate Action</p>	
<p>Compliance Classifications</p>	<p>Sustainable Improvement Required</p>
<p>Local Law</p>	
<p>Benchmark ID</p>	<p>ER.18.2</p>
<p>Benchmark Details</p>	<p>Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.</p>
<p>Finding Details</p>	<p>1. There is no specific training on workplace conduct and disciplinary system for relevant managers and supervisors. Due to the lack of specific training, the assessor observed that managers and supervisors are not fully familiar with the workplace disciplinary system. 2. The article of misconduct noted in some warning letters is wrongly cited, not as per article in Collective Bargaining Agreement.</p>
<p>Recommendation for Immediate Action</p>	<p>1. Provide specific training to relevant managers and supervisors to ensure their understanding and knowledge of the workplace disciplinary system. 2. Ensure all warning letters are issued only for misconduct as regulated in CBA.</p>

Compliance Classifications	Immediate Action 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	There is no specific training to the relevant supervisors that includes all FLA's Code elements and Employment Functions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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 procedures on anti-retaliation and there is no system in place to prevent retaliation or discrimination against workers who file grievances. This includes workers who file grievances regarding harassment, abuse, violations of factory procedures, compensation, unsafe working conditions, health and safety, and environmental protection.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
Benchmark ID	ER.1.1
Benchmark Details	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.
Finding Details	There are policies on nondiscrimination, forced labor, compensation and benefits, and freedom of association, however there are no procedures to execute these policies.
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	Majority of workers are employed under a specified period contract (PKWT) but the factory does not have policies and procedures on the purpose of the recruitment and hiring of contract/contingent/temporary workers. Despite factory procedures that stipulate offering workers full-time permanent contracts after a contract ends, the factory repeatedly rehires PKWT workers at the end of their contract periods. The assessment found that these workers' contracts are renewed 2 to 6 times and many of these contract periods are between 1 and 6 months in length. The last promotion from contract worker to permanent employee was reported to be in 2019.



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	(1) There are no policies and procedures on performance reviews that include steps and processes, linkages to job grading, nondiscrimination, written feedback, and compliance with legal requirement. (2) Performance reviews are conducted only for workers under a specified period contract (PKWT) before their contract is renewed. There is no performance review for permanent workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.4
Benchmark Details	Employers shall inform workers about workplace rules, environmental protection systems, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas.
Finding Details	There is no regular communication to workers on FLA's Code and the factory's policies and procedures. The factory just posted procedures on the notice board inside production building but without explaining the available procedures to the workers. Moreover, the posted procedures on notice boards outside the building already faded and unreadable. Posted procedures are only on working hours, wage and benefit, freedom of association, forced labor, child labor, nondiscrimination, general health & safety and C-TPAT.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
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	The Code of Conduct for one of the FLA companies in the shared assessment is not posted in the facility.
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 1,641 out of 2,264 production workers are employed under term-limited contract (PKWT) despite having long-term employment in cutting, sewing, ironing, finishing, QC and packing sections. Despite the factory procedure that stipulates on offering the workers a full-time permanent position after a contract ends, the factory repeatedly rehires PKWT workers at the end of their contract periods. The assessment found that these workers' contracts are renewed 2 to 6 times and many of these contract periods are between 1 and 6 months in length.
Recommendation for Immediate Action	Ensure that PKWT contract workers are offered positions as permanent workers at the end of a contract rather than renewing their contracts for successive short-terms contracts.
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	The orientation training for new workers does not cover all FLA's Code elements such as recruitment, hiring, personnel development, termination, and 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 records of disciplinary actions are maintained in a separate folder rather than in the personnel files for workers.
Recommendation for Immediate Action	Maintain all records of disciplinary actions in the personnel files for workers.
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 disciplinary procedures do not include the worker's right to appeal the disciplinary action and do not include the 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	
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 procedures on anti-retaliation and there is no system in place to prevent retaliation or discrimination against workers who file grievances. Additionally, there is no written commitment from management on non-retaliation for the disciplinary process if a worker requests a witness and/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 issues covered in orientation.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
<b>Freedom Of Association And Collective Bargaining (FOA)</b>	
Benchmark ID	FOA.1.1

Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning freedom of association and collective bargaining. national laws, rules, and procedures protecting the rights of workers to organize and bargain collectively. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.
Finding Details	There are policies on freedom of association and collective bargaining but there are no procedures to effectively execute the policies.
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	Security guards conduct routine body searches on workers in public. These security guards perform routine body searches four times a day; when workers arrive to their shift, when workers leave on break, when workers return from break, and before workers leave their shift. In addition, security guards sometimes conduct body searches before and after workers go to the toilet.
Recommendation for Immediate Action	Ensure that physical pat-downs and routine body searches are not used as a general practice.
Compliance Classifications	Immediate Action Required

Local Law	
Benchmark ID	H/A.5
Benchmark Details	Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline.
Finding Details	Workers are subjected to verbal harassment and abuse in the form of yelling and screaming conducted by expatriate manager and local supervisors in production areas. The assessor found that workers experienced more verbal harassment and abuse when production output is behind targets.
Recommendation for Immediate Action	Ensure manager and supervisors are not using any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language.
Compliance Classifications	Immediate Action Required
Local Law	Constitution of Indonesia (1945), Article 28G (1)

### **Health, Safety And Environment (HSE)**

Benchmark ID	HSE.30.1
Benchmark Details	Employers shall develop, maintain, and regularly review health, safety, and environmental policies to ensure that they comply with all national laws, regulations and the FLA Workplace Code concerning health, safety, and environmental standards, regulations and procedures.
Finding Details	There is policy regarding environmental protection but there is no procedure to execute it.
Recommendation for Immediate Action	



Compliance Classifications	Sustainable Improvement Required
Local Law	
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	There is a policy that prohibits smoking within 15 meters but the factory does not have procedures and does not post signs of the prohibition on smoking within 15 meters (~50 ft.) of all closed areas.
Recommendation for Immediate Action	Establish written procedures and post signs to prohibit smoking within 15 meters (~50 ft.) of all closed areas.
Compliance Classifications	Immediate Action Required
Local Law	
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 factory's office building is not equipped with fire alarm and the fire alarm system for production buildings is not automatic and centralized.
Recommendation for Immediate Action	Ensure all buildings are installed with centralized fire alarm with a centralized and battery powered fire alarm.

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) and 57
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 fire alarm installed in chemical storage room. (2) There is no spill response equipment ready for use to respond to any unexpected environmental emergency such as chemical spills. (3) Around 50% of unused metal/steel wastes that placed behind the workshop are exposed to the elements such as sun and rain.
Recommendation for Immediate Action	(1) Install fire alarm in chemical warehouse. (2) Provide proper spill response equipment such as absorbent socks and absorbent pads ready for use at chemical storage areas. (3) Ensure unused metal/steel wastes are not exposed to the elements.
Compliance Classifications	Immediate Action Required
Local Law	Decision of the Minister of Manpower No. KEP-187/Men on Control of Hazardous Chemicals at Workplace (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	The factory's lactation rooms are located within the clinic room for building 1 and 2, which exposes those using the lactation room to cross-contamination from airborne diseases.

Recommendation for Immediate Action	1. Ensure that the lactation room is not within the clinic room. 2. Ensure that at minimum the lactation room includes: (a) Availability of specific rooms with a minimum size of 3x4 meters and/or adjusted by the number of women who are breastfeeding (b) Door that can be locked and 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) Fairly quiet environment away from the noise (g) Soft indoor lighting (h) Humidity ranged between 30 and 60% (i) Available sink with running water for hand washing and washing equipment.
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	There are no emergency lights installed along the corridors or evacuation routes.
Recommendation for Immediate Action	Install emergency lights installed along the corridors and evacuation routes.
Compliance Classifications	Immediate Action Required
Local Law	Regulation of the Minister of Labour No. 7 (1964), Article 13 (4)
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.

Finding Details	(1) One out of two moving ladders in factory 1 is not equipped with handrails. (2) The blade of two band knife machines is not installed with a cover when the machines are not being used. (3) One out of two gas cylinders stored in workshop storage room is not chained to prevent falling. (4) Although the factory has Lock Out/Tag Out (LOTO) procedure on site, it was noted that Lock Out/Tag Out maintenance safety system is not implemented for all relevant equipment.
Recommendation for Immediate Action	(1) Ensure all moving ladders are equipped with secure handrails. (2) Ensure the blade of band knife machines are covered when the machines are not being used. (3) Install chain to gas cylinders. (4) Implement Lock Out/Tag Out maintenance safety system for all relevant equipment.
Compliance Classifications	Immediate Action Required
Local Law	Ministerial Decree of Public Works No. 10/KPTS on Technical Security Provisions of Fire Hazard in Buildings and Environment (2000), Annex, Chapter 3, Article. 3 (9); Regulation No. PER-04/MEN (1985), Article 4; Regulation No. PER-01/MEN on Safety and Health in The Building Construction (1980), Article 42
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	All safety and medical equipment are not sufficiently maintained: (1) One fire extinguisher in the cafeteria is blocked by unused ironing tables. (2) The fire brigade is not provided with appropriate equipment to fight fires (such as the proper PPE and breathing apparatus). (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 stations in the chemical storage area and boiler room area have too high of water pressure, risking injury to worker's eyes.

Recommendation for Immediate Action	(1) Ensure all fire extinguishers are clear of any obstructions. (2) Provide appropriate equipment to fight fires (correct PPE, breathing apparatus) for fire brigade team. (3) Install sprinkler system or adequate thermatic fire extinguishers in the buildings. (4) Ensure all eyewash stations are properly functioning and safe to be used.
Compliance Classifications	Immediate Action Required
Local Law	Regulation of the Minister of Manpower and Transmigration No. PER-04/MEN (1980), Article 4(1); Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 3; 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); Manpower Minister's Regulation No. PER- 15 /MEN/VIII/on first aid in workplace (2008), Article (8)
Benchmark ID	HSE.4.1
Benchmark Details	Employers shall at all times be in possession of all legally required and valid permits and certificates related to health, safety, and environmental issues, such as: Purchase and storage of chemicals; Fire safety inspections; Machinery inspections; Waste disposal; Environmental licenses/permits; Sanitation permits, including those required for canteens; and Vehicle inspection and driver permits for all employer provided transportation.
Finding Details	(1) The factory has not obtained building safety certificates (SLF) for all production and office buildings. (2) There is no certification for the firefighting team on Class A, B & C. The factory obtained certificate of fire expert Class D for only 1 person.
Recommendation for Immediate Action	(1) Ensure all buildings have the appropriate building safety certificates. (2) Register and obtain certification for firefighting team, as per the legal requirement.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 28 on Building (2002) Article 37(3); Decision of Minister of Manpower No. KEP-186/MEN/1999 on Fire Prevention Units at Workplaces (1999), Article 5 & 6

Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	(1) The factory has not conducted an asbestos assessment. The assessor observed asbestos roof is used in chemical warehouse and solid production waste storage area. (2) The materials containing asbestos and areas where there is a potential for asbestos exposure are not labeled.
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 with warning signs. (3) 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.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, however 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) Confined space procedures do not include steps for entering confined spaces safely such as checking safe atmosphere, rescue equipment is ready to use, and trained observer is present. (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 present at the electrical panels to help push or pull someone away from electrocution.

Recommendation for Immediate Action	(1) Identify confined spaces, and mark all confined spaces with warning signs prohibiting unauthorized entry. (2) Establish a procedure for entering confined spaces safely with steps to do such as checking safe atmosphere, rescue equipment ready to use, and trained observer present. (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 a safety rod at every electrical panel.
Compliance Classifications	Immediate Action Required
Local Law	OHS Guidance for confined spaces by Directorate of OHS Norm Supervisory, September 2006 Article 2.1.2; Regulation No. PER-01/MEN on Safety and Health in The Building Construction (1980), Article 25; PUIL 2000 Article 9.9.1.1
Benchmark ID	HSE.17.2
Benchmark Details	Employers shall train workers in proper lifting techniques, and items such as lifting belts shall be provided.
Finding Details	The factory does not provide any training on lifting techniques for packing, warehouse and loading workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.23.1
Benchmark Details	Safe and clean drinking water shall be freely available at all times, within reasonable distance of the workplace. Drinking water shall be of a reasonable temperature. The means to drink water (e.g. cups) must be safe and sanitary and available in an appropriate number.

Finding Details	The method of drinking water is not safe and sanitary for workers. Potable water is provided by the facility, however around 70% of workers are using disposable plastic bottles to drink from the water provided. The plastic material of this bottle is PET 1 (a disposable material intended for one-time usage). Additionally, the assessor observed bottles with the same brand of mineral water stored together on one shelf, creating risks that workers would unintentionally drink water of other workers' bottle and contributing to the spread of diseases.
Recommendation for Immediate Action	(1) Post warning signs in regards to forbidding used mineral water bottles used as refill bottles. (2) Raise awareness about PET for workers to sensitize them to risks of using disposable water bottles.
Compliance Classifications	Immediate Action Required
Local Law	Kepmenperind No 705 Year 2003 Article 9
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 new mechanic, who has been working around one month, is not provided with safety shoes. (2) There is a hole on the finger side of the mesh metal cutting glove used by five out of nine randomly selected cutting operators. The factory compliance team admitted there are ten mesh metal cutting gloves in factory 1 and thirteen cutting gloves in factory 2 defected. There are total of 32 cutting operators working in factory. (3) The available respirators in the boiler room and chemical storage room are not kept in a plastic zip-lock to prevent dust. (4) There is no PPE provided for welder in the workshop.



Recommendation for Immediate Action	(1) Ensure all mechanics, maintenance workers and workshop workers are provided with safety shoes. (2) Provide a new mesh metal cutting glove to replace the one that is currently torn. (3) Store respirators in sealable plastic bags (e.g. zip-lock bags) to avoid dust. Maintain a record of how long these respirators are used and stored. (4) Ensure PPEs for welder are available in the workshop.
Compliance Classifications	Immediate Action Required
Local Law	Act No. 1 on Safety (1970), Article 14(c); Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 8
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	Adequate training regarding PPE usage and maintenance has not been provided for all workers. Only around 323 workers received training on PPE usage between January 2023 to December 2023. Majority of the trainings were conducted as broadcasts of information using the public address system (PA) in production area while most of workers were focused on their work. There is no ongoing PPE training in 2024.
Recommendation for Immediate Action	Provide training regarding PPE usage and maintenance to 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	The HSE procedures do not include workers' right to refuse to perform work under unsafe conditions, therefore there is no communication on the right to refuse to perform work under unsafe conditions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	No machine safety operation training has been conducted in 2024. The last machine safety training was conducted on July 27, 2023 for workers in workshop, boiler and generator rooms. Communication related to the machine safety has been delivered as a broadcast on the public address system (PA) in the production area on August 1, 2023. There have been no trainings on safety machine operation in 2024 resulting in the lack of training for new sewing and cutting operators hired in 2024..
Recommendation for Immediate Action	Ensure all machinery operators are trained in machine safety operation.
Compliance Classifications	Immediate Action Required
Local Law	Regulation No. PER-01/MEN on Safety and Health in The Building Construction (1980), Article 44
Benchmark ID	HSE.17.1

Benchmark Details	Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.
Finding Details	The factory has not taken proactive action to reduce repetitive motion stress and injuries. (a) Around 30% of workers who work in a standing position in the Finishing and Quality Control sections do not have anti-fatigue mats. (b) There is no stretching exercise program being implemented for workers.
Recommendation for Immediate Action	(a) Provide anti-fatigue mats for all workers who work in standing position. (b) Establish a regular stretching exercise program.
Compliance Classifications	Immediate Action Required
Local Law	

### Hours Of Work (HOW)

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	(1) Around 177 workers have been working over 12 months to 15 months between February 1 and May 24, 2024 but they have not been informed their annual leave entitlement. HR department does not have any record of annual leave entitlement of these workers in the system. The HR staff are planning to create an annual leave tracking record for the workers who have been working nearly 24 months. This annual leave tracking record should enable HR to pay the balance to workers. (2) Around 1,737 out of 2,407 total employees are female but female workers are not aware the right of menstruation leave. There is no record of menstruation leave as evidence that menstruation leave is provided for female workers who suffers pain during the menstruation period.

Recommendation for Immediate Action	(1) Ensure all workers are informed their legal right of annual leave. (2) Maintain record of annual leave for all workers who have been working 12 months and over. (2) Communicate menstruation leave to all female workers, and ensure the female workers can take the leave when they suffers pain during the menstruation period.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 13 on Manpower (2003), Article 79(2c) and Article 81
Benchmark ID	HOW.22.5
Benchmark Details	Time records maintained shall be authentic and accurate.
Finding Details	The electronic time record system is not maintained with accuracy by the HR department. There have been instances of the HR department manually adjusting worker's clocking out. Examples provided below: -Worker from sewing line 9 asked permission to go home at 10.40am on April 24, 2024 due to sick but her time record showed time out at 4:30pm. -Worker from finishing asked permission to go home for visiting her child at 10:30am on April 22, 2024 but her time record showed time out at 4:32pm. -Worker from sewing went home at 8:30am due to sickness but his time record showed time out 3:30pm. The HR personnel admit she changed workers' time out in time record system with reason to ensure workers receive full wage although they did not work the full day.
Recommendation for Immediate Action	Ensure the electronic time record system is authentic and accurate, and do not change or adjust the workers' actual hours of worked.
Compliance Classifications	Immediate Action Required
Local Law	

