



Factory Assessment Report

Sustainable Compliance Initiative (SCI)

Companies that join the Fair Labor Association (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 member(s)	Fast Retailing Co., Ltd. - 25
Country	Indonesia
Assessment Date	5/25/2026
Assessment Company	Donny Triwandhani - 200000

Workforce Summary

Number of Workers	2014
Percentage female	93 %
Primary Languages	Bahasa Indonesia

Wage Data information

Monthly minimum wage in country at time of assessment	N/A
GLWC living wage benchmark for the country or relevant region at time of assessment	N/A

Assessment Summary

Violations per FLA Code Element	Violated Benchmarks
Nondiscrimination (ND)	1
Health, Safety And Environment (HSE)	23
Employment Relationship (ER)	14
Hours Of Work (HOW)	1
Harassment Or Abuse (HA)	0
Freedom Of Association And Collective Bargaining (FOA)	1
Forced Labor (F)	0
Child Labor (CL)	0
Compensation (C)	3

Violations per Category	Violated Benchmarks
Immediate Action Required	29
Sustainable Improvement Required	14
Uncorroborated Risk of Non-Compliance	0
Notable Feature	0

24-Hour Findings Summary

24h Violations per FLA Code Element	Violated Benchmarks
Nondiscrimination (ND)	0
Health, Safety And Environment (HSE)	1
Employment Relationship (ER)	0
Hours Of Work (HOW)	0
Harassment Or Abuse (HA)	0
Freedom Of Association And Collective Bargaining (FOA)	0
Forced Labor (F)	0
Child Labor (CL)	0
Compensation (C)	0

Details 24h Findings

Benchmark	Health, Safety And Environment (HSE)
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	(24hr) HSEB_FE_Q24 - Does the factory have a functional emergency alarm system to notify workers of emergencies? Answer: No, 24h Finding Explanation: The factory installed centralize emergency alarm system in the building. However, the emergency alarm system is breakdown, and it is confirmed by the factory staff that the emergency alarm system is off or breakdown since few weeks ago, but no written corrective and preventive action has been obtained. In addition, the regular inspection of emergency alarm system had been expired since March 21st, 2026.

Assessment Results

Compensation (C)	
Benchmark ID	C.16.1
Benchmark Details	All compensation records, including wages and benefits whether in cash or in-kind, must be properly documented and their receipt and accuracy must be confirmed by the relevant worker in writing (e.g. signature, thumbprint).
Finding Details	The workers receive their compensation by bank transfer with a pay slip distributed through the google drive. However, the factory does not have the receipt of compensation confirmed by the relevant worker in writing.
Recommendations for Immediate Action	Maintain the receipt of compensation confirmed by the workers in writing.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	

Benchmark ID	C.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning the payment of compensation to workers.
Finding Details	1. Pay slips for workers have been distributed through a link to google drive since June 2025. Workers need to click the link to google drive using their smartphone in order to view or download their pay slip. However, HR has not ensured that all workers have smart phones and are able to view or download their pay slip. Moreover, there is no information communicated or posted on notice boards to inform workers that they can obtain a hard copy of the pay slip from the payroll department if they prefer. The assessors found that most of the selected sample workers were unable to open their pay slip from their smartphone when they were requested to show it during their break time. 2. The factory did not develop a wage structure and scale that had to be attached together with the Company Regulation when submitting the renewal of Company Regulations to the local labor department on October 1, 2025. The wage structure and scale available for review was the 2017 record.

Recommendations for Immediate Action

1. Conduct a survey to identify the number of workers who do not have a smartphone or have difficulties accessing google drive, and who prefer to receive a hard copy pay slip, and then provide them with hard copy of the pay slip on every pay day.
2. Develop the wage structure and scale and submit it together with the Company Regulations to the local labor department.

Recommendations for Sustainable Improvement

Compliance Classifications

Immediate Action Required

Local Law

Government Regulation No. 36 Year 2021 Article 21 and 22

Benchmark ID

C.9.3

Benchmark Details

Finding Details

Employees shall be compensated for overtime hours at such premium rate as is legally required in the producing country Engineering / mechanics & maintenance, CAD staffs / sample workers and leaders / assistant supervisors are compensated based on a monthly wage system. Their monthly basic wages, range from IDR 2,940,088 to IDR 2,950,000, which is equal to local minimum wage. In addition to the basic wage, they are provided with fixed incentives such position incentive and/or fixed skilled incentive range from IDR 240,000 to IDR 500,000. Wage deficiencies as a result of incorrect overtime calculations were found as follows:

- Overtime on regular working days for the monthly rate workers is calculated only based on the basic wage instead of the basic wage plus fixed incentive as mandated by Law.
- Overtime on an off day, Saturday, is not calculated using the legally defined overtime formula (Basic wage plus fixed incentive divided by 173 x number of OT hours x OT rate 200%). The factory uses its own calculation (basic wage plus incentives divided by 30 days divided by 8 hours, then times number of OT hours). The incorrect formula results in an overtime pay deficiency.
- Wage deficiency is noted on monthly rate employees when comparing their total monthly wage with regular production workers. For example: a worker in Engineering worked fifty five overtime hours in April 2026 including three Saturdays. He should have received at least IDR 4,739,536 in total instead of IDR 4,636,084 if he was paid overtime as per law. As result, a wage deficiency of IDR 130,452 occurred.

Recommendations for Immediate Action

Ensure that all workers are paid overtime with correct legally defined overtime calculation.

Recommendations for Sustainable Improvement

Employment Relationship (ER)

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 establish a commitment to non-retaliation to protect workers if they request a witness or an appeal of disciplinary action.

**Recommendations
for Immediate Action**

**Recommendations
for Sustainable
Improvement**

**Compliance
Classifications**

Sustainable improvement required

Local Law

Benchmark ID ER.17.5

Benchmark Details Employers shall have in place procedures to track the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workforce.

Finding Details The implementation of factory's grievance system is inadequate:

- The grievance box on the second floor of the production building is not located in a private area. The box is posted on a wall facing busy area of the finishing section.
- Management's response, follow up and resolution of grievances are not communicated back to workers.

**Recommendations
for Immediate Action**

**Recommendations
for Sustainable
Improvement**

**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 non-retaliation policies or procedures to protect workers who use the grievance mechanism. As a result, the factory does not 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.
Recommendations for Immediate Action	
Recommendations for Sustainable Improvement	
Compliance Classifications	Sustainable improvement 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 workers' right to appeal the disciplinary action and workers' ability to have a third party witness during the imposition of disciplinary action.
Recommendations for Immediate Action	
Recommendations for Sustainable Improvement	
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	The new workers are not provided with written documentation that substantiates all the issues covered in orientation.
Recommendations for Immediate Action	
Recommendations for Sustainable Improvement	

Benchmark ID

ER.4

Benchmark Details

Employers shall inform workers about workplace rules, environmental protection systems, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas.

Finding Details

1. There is no regular communication to workers on all FLA's Code elements and Employment Functions. There was record of training & socialization with a title of Code of Conduct and Product Safety for ten workers on February 10, 2025. However, summary of topics/materials only mentioned the five S or cleanness culture.
2. The FLA Code is available only in English language, not in the Indonesian language, and the FLA Code is posted only in factory's office lobby where production workers are unable to view it. In addition, there is no evidence that the FLA Code has been communicated to workers.

**Recommendations
for Immediate Action**

**Recommendations
for Sustainable
Improvement**

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

The work agreement including letter of appointment (surat pengangkatan) for monthly rate workers in sample and engineering departments does not contain the amount of wages that they are entitled to. In addition, the promotion letter such as from an operator to becoming a leader/assistant supervisor does not contain information on wage increases.

Recommendations for Immediate Action Ensure inclusion of the amount of wages on work agreements including letter of appointment, and state the amount of wage increment and/or other improved benefits on promotion letters.

Recommendations for Sustainable Improvement

Compliance Classifications Immediate Action Required

Local Law Law No. 13 on Manpower (2003), Article 63 (2)

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 fifteen workers with disabilities out of a total of two thousand fourteen employees at the factory, which is not in full compliance with local law. Local law requires that one person with disabilities to be hired per one hundred employees. Thus, for a factory with two thousand fourteen employees, the factory should hire at least twenty workers with disabilities.

Recommendations for Immediate Action Establish a program to provide training and employ more workers with disabilities.

Recommendations for Sustainable Improvement

Compliance Classifications Immediate Action Required

Local Law Law No.8 Year 2016 About Persons with disabilities on Article 53 (2)

Benchmark ID ER.1.1

Benchmark Details Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.

Finding Details

1. A termination letter is not generated for terminated workers who are absent without notice for five or more consecutive days.
2. At least two HR staff are assigned to cover the HR Manager's job, as the HR Manager resigned on February 12, 2026, without a written job description prepared for the temporary coverage. The Director is only giving verbal instructions.
3. There is no legitimate responsible person for managing Human Resources aspects (recruitment, compensation, non-discrimination, termination, industrial relation) due to the HR Manager resignation on February 12, 2026 and payroll supervisor's resignation on April 22, 2026. The HR staff who signed the employment agreements with workers is not provided with power of attorney from the factory director to authorize her signing of employment documents.
4. The policies and procedures on termination do not include all aspects of retrenchment.

Recommendations for Immediate Action

1. Issue a termination letter for terminated workers who are absent without notice for five or more consecutive days.
2. Issue a written job description for all positions although the nature of work is temporary.
3. Ensure that employment agreements with workers are signed by at least an HR Manager or HR staff with legal authority from the director to sign the agreements.
4. Review and update the policies and procedures on termination to ensure that all aspects of retrenchment are fully included and aligned with applicable legal requirements.

Recommendations for Sustainable Improvement

Compliance Classifications

Immediate Action Required

Local Law

Government Regulation No. 35 Year 2021 Article 37 (2) & (3)

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

The factory does not have 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.

Recommendations for Immediate Action



**Recommendations
for Sustainable
Improvement**

**Compliance
Classifications**

Local Law

Sustainable improvement required

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 on all FLA's Code elements and Employment Functions.

**Recommendations
for Immediate Action**

**Recommendations
for Sustainable
Improvement**

**Compliance
Classifications**

Local Law

Sustainable improvement required

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 procedures on performance reviews do not include steps and processes, linkages to job grading, non-discrimination, written feedback, and compliance with legal requirements.
2. The performance review is conducted only during the three months of probation period for new workers and annually for supervisors but not for all workers annually. In addition, the result of performance review is not shared with workers and they are not provided any written feedback.
3. The leaders and supervisors are not provided with a training or communication on how to complete the performance review form and scoring system. As a result, there are some inconsistencies on the result of total scoring for reviewed workers.

**Recommendations
for Immediate Action**



**Recommendations
for Sustainable
Improvement**

**Compliance
Classifications**

Local Law

Sustainable improvement required

Benchmark ID

ER.1.2

Benchmark Details

Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions.

Finding Details

There is no ongoing training to workers on all FLA's Code elements and Employment Functions. The last training was on January 15, 2025 on anti-harassment and abuse only for twenty selected workers.

**Recommendations
for Immediate Action**

**Recommendations
for Sustainable
Improvement**

**Compliance
Classifications**

Local Law

Sustainable improvement required

Benchmark ID

ER.1.3

Benchmark Details

Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.

Finding Details

1. The factory does not have policies or procedures for reviewing internal documents. As a result, the factory does not conduct a regular review process to make sure that all policies and procedures are updated according to changes in local law, regulations/FLA code, and internal/external audit results.
2. The factory has not established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes.

**Recommendations
for Immediate Action**

**Recommendations
for Sustainable
Improvement**

Health, Safety And Environment (HSE)

Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	1. The inspection of cargo lifts had been expired since Mar 31, 2026. The factory management confirmed that the factory has submit the renewal application of the cargo lifts since Feb 11, 2026, through 3rd party consultant. 2. Although the factory has written a lockout-tagout procedure, it was noted that lockout-tagout devices were not used by the maintenance staff in the maintenance. 3. The factory has no measurement program to check the exposure of radiation equipment with the appropriate protection and signs in the cutting section.
Recommendations for Immediate Action	1. Ensure to maintain and obtain a valid permit for the cargo lift. 2. Ensure to maintain and provide lockout-tagout devices and records to require that repair and maintenance of production machinery be performed only after the equipment is powered down and locked. 3. Ensure to conduct a measurement program to check the exposure of radiation equipment.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	Minister of Manpower Regulation No. 8 of 2020 concerning Occupational Safety and Health for Lifting Equipment, Transport Equipment, and Lifting equipment; Minister of Manpower Regulation No. 38 of 2016; : Government Regulation (PP) No. 45 of 2023 on Ionizing Radiation Safety and Radioactive Material Security.

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 emergency exit door in the packing room, located on the ground floor of the factory building which has a total area of around six hundred thirty sqm and a total number of forty six workers, had only one emergency exit.

2. The width of the two external emergency stairs with access from the first floor is insufficient as the width of the emergency stairs is only around sixty cm instead of at least ninety cm in accordance with the legal requirements.

3. The emergency evacuation marked on the floor and evacuation aisles in the material warehouse is not updated for any change in the layout. For example: in the middle of the emergency evacuation aisles a permanent storage rack is installed. The evacuation aisle marking has not changed. Furthermore, arrow signs for evacuation are not up to date based on the warehouse layout.

Recommendations for Immediate Action

1. Ensure that at least two emergency exits are provided for the packing area.

2. Ensure the width of the emergency aisles and emergency stairs is at least within the legal standards.

3. Ensure all emergency routes and aisles are marked and that the emergency routes are aligned with the actual layout of the factory.

Recommendations for Sustainable Improvement

Compliance Classifications

Immediate Action Required

Local Law

SNI 03-1746-2000 (Means of Egress) and PUPR Ministerial Regulation No. 14/PRT/M/2017 (Building Facility Standards); Ministerial Decree of Public Works No. 10/KPTS on Technical Security Provisions of Fire Hazard in Buildings and Environment (2000), Annex Chapter I, Art. 2.6; Law no. 1 of 1970 concerning Work Safety & Government Regulation (PP) No. 50 of 2012 concerning the Implementation of the Occupational Safety and Health Management System (SMK3)

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 does not have a record to ensure workers working with radiation sources are protected and not exposed to more than three rem/year.
2. The factory has not maintained work permits or records of equipment for entering confined spaces that are safely followed (safe atmosphere, rescue equipment ready to use, trained observer present).
3. The factory has not maintained work permits for any high elevation work areas (higher than 1.8 meter) with the fall protection check list and equipment provided (walls, fences, or other barriers), and they are not properly marked.
4. There is no safety rod present at the electrical panels to help push or pull someone away from electrocution in the electrical transformer and other high frequency of electrical equipment.
5. There is an administrative workstation for maintenance staff located inside of the generator room which possess a risk and hazard for maintenance staff.

Recommendations for Immediate Action

1. Ensure to conduct a measurement program to check the exposure of radiation equipment within the legal limit.
2. Ensure to provide and maintain work permits and records of equipment for entering confined spaces that are safely followed (safe atmosphere, rescue equipment ready to use, trained observer present).
3. Ensure to provide and maintain work permits for any high elevation work areas (higher than 1.8 meter) with the fall protection check list and equipment provided (walls, fences, or other barriers).
4. Provide a safety rod present at the electrical panels to help push or pull someone away from electrocution in the electrical transformer and other high frequency of electrical equipment.
5. Ensure there is no work station in the dangerous area or machineries to minimize the hazard and risk of workers.

Recommendations for Sustainable Improvement

Compliance Classifications

Immediate Action Required

Local Law

Government Regulation (PP) No. 45 of 2023 on Ionizing Radiation Safety and Radioactive Material Security.; Minister of Manpower Regulation No. 11 of 2022 concerning Occupational Safety and Health in Confined Spaces; Law No. 1 of 1970 on Occupational Safety and Minister of Manpower Regulation No. 9 of 2016; Minister of Manpower Regulation No. 5 of 2018 (Occupational Health and Safety in Workplaces)

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	There is no written procedure to ensure the workers, who refuse to work under unsafe conditions, are protected from negative consequences.
Recommendations for Immediate Action	
Recommendations for Sustainable Improvement	
Compliance Classifications	Sustainable improvement 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 installed a centralized emergency alarm system in the building. However, the emergency alarm system is broken, and it was confirmed by the factory staff that the emergency alarm system has been off or broken since a few weeks ago, but no written corrective and preventive action has been obtained. In addition, the regular inspection of emergency alarm system had been expired since March 21st, 2026.
Recommendations for Immediate Action	Ensure to implement a functioning emergency alarm system at all times that will alert workers in case of emergencies.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	Regulation of the Minister of Manpower No. PER-02/MEN on Automatic Fire Alarm Installations (1983), Article 57; Labor Minister Decision KEP.186/MEN on Fire Management Unit in Work Location (1999), Article 2(2b).

Benchmark ID	HSE.5.1.4
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following: ensuring aisles/exits are not blocked and that workers are not blocked within their workstations

Finding Details	Emergency evacuation stair access from the first and ground floors of the factory building was partially blocked by piles of waste material. Furthermore, one of the two emergency exit doors opened outward but partially blocked access to the emergency stairway because it couldn't fully open toward the stairway.
Recommendations for Immediate Action	Ensure all access and exits for emergency are free from obstruction. The door of emergency exits must open outward and not obstruct the access of emergency routes.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation No. 16 of 2021 (PP 16/2021) on Building Management: Articles 215 and 220 & Law No. 1 of 1970 on Occupational Safety (Undang-Undang Nomor 1 Tahun 1970), Article 3.
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	- Although the factory has designed and separated area for the storage of hazardous chemicals, workers are not consistently ensuring hazardous chemicals are safely stored, such as flammable material (wash benzene) being stored near an electrical device. - The condition of two (02) chemical (diesel fuel) storage tanks is not in good condition. There is a lot of garbage and unused maintenance material storage in the storage tank area. There is no inspection check list provided to ensure chemical tanks are safely stored, kept and maintained.
Recommendations for Immediate Action	- Ensure to safely store all hazardous chemicals away from any ignition sources and restrict the access of hazardous chemicals storage. - Ensure to maintain safe chemical storage tanks or containers to prevent leaks, maintain product integrity, and protect both human health and the environment by controlling temperature, pressure, and chemical reactions.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required

Local Law	Government Regulation (PP) Number 74 of 2001 concerning Management of Hazardous and Toxic Materials; Minister of Manpower Regulation No. 37 of 2016 regulates the design, manufacturing, inspection, and testing of industrial tanks
Benchmark ID	HSE.11
Benchmark Details	To prevent unsafe exposure to hazardous chemicals and hazardous substances, appropriate accommodations shall be made for pregnant women and workers under the age of 18, as required by applicable laws or the provisions of the FLA Workplace Code, in a manner that does not unreasonably disadvantage workers.
Finding Details	The factory has not adequately prohibited pregnant workers from working in the area where chemical hazards are present. In addition, there is no signage to restrict pregnant workers from entering the chemical storage area and the area where hazardous chemical are used.
Recommendations for Immediate Action	Restrict pregnant workers from working in the area where chemical hazards are present.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	Minister of Manpower and Transmigration Decree No. Kep-224/Men/2003
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 factory provides drinking water dispensers, but no cups or bottles to fill. Approximately 60% of workers in the factory building currently re-use disposable plastic water bottles to hold water. This is not hygienic, as reusing these bottles is not recommended due to potential health risks like bacterial contamination and chemical leaching.
Recommendations for Immediate Action	Inform workers not to use plastic bottles except with PET 5 plastic material, also train the workers on how to identify plastic bottle material and the impact to human health.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required

Local Law	Kepmenperind No 705 Year 2003 Article 9; Minister of Health Regulation No. 2 of 2023 on Environmental Health Quality Standards (Permenkes No. 2 Tahun 2023)
Benchmark ID	HSE.22.1
Benchmark Details	All food made available to workers shall be prepared, stored, and served in a safe and sanitary manner in accordance with all applicable laws and international standards.
Finding Details	The food handlers observed not wearing proper PPE such as a hairnet, face mask, disposable gloves, work footwear and apron.
Recommendations for Immediate Action	Ensure to define mandatory PPE for food handlers, including hairnets, masks, aprons, and food-grade gloves.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	Minister of Health Regulation No. 1096/MENKES/PER/VI/2011 on Catering Hygiene and Sanitation.

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 general condition of the exterior and storage of the solid waste is not clean and sanitized. There is a lot of garbage and solid waste storage on the side of factory building wall, in front of hazardous storage, and in the worker's road access to the parking area which is not the designated area for the storage of solid waste and garbage.
2. The factory has not obtained a permit for air emissions in accordance with the appropriate governmental regulations.
3. The factory conducted a fire risk assessment in October 2015 and review in January 2024. However, the fire risk assessment was not conducted by a third-party expert, instead it was conducted by internal staff and the coverage of the fire risk assessment did not contain the following components: identification of people at risk, the condition of means of escape, type of fire detection & warning systems, emergency planning & training, and recommendations & action plan.
4. The factory has not arranged training to all health and safety committee members (Team P2K3).
5. The building function certificate (SLF) expired on May 22, 2024, and is currently under renewal. The factory submitted all required documents to the government's building management information system (SIMBG) through the building safety consultant on April 16, 2024. According to the factory, they have not received any timeline for the issuance of the building function certificate (SLF) from the government.
6. The factory has not obtained the building construction permit (PBG) for the newly under construction building designated for the office with the total building area at around 660 Sqm.
7. The factory has not performed an asbestos exposure test within the facility premises or areas to ensure that workers are

Recommendations for Immediate Action

1. Ensure to maintain and provide a safe, clean, and healthy environment, and require preventive measures against occupational accidents and diseases.
2. Obtain the permit for the air emissions in accordance with the appropriate governmental regulations.
3. Ensure that the fire risk assessment sufficiently accounts for all risk factors of the factory's actual condition which includes following components: identification of hazards, identification of people at risk, the condition of means of escape, type of fire detection & warning systems, emergency planning & training, and recommendations & action plan.
4. Ensure to arrange training for all health and safety committee members (Team P2K3).
5. Ensure to obtain the valid building function certificate (SLF).
6. Ensure to obtain the building construction permit (PBG) for all factory buildings in accordance with the prevailing conditions and regulations.
7. Conduct an asbestos assessment and label any materials in the factory containing asbestos.
8. Label any materials in the factory containing asbestos after the asbestos exposure test has been conducted.
9. Ensure to implement a hearing conservation program for any area exceeding the limit.

Recommendations for Sustainable Improvement

Compliance Classifications

Immediate Action Required

Local Law

Regulation of the Minister of Manpower No. 7 (1964), Article 3(5) - (6) & Article Article 4(4); Regulation of the Minister of Health Number 70 of 2016 concerning Standards and Requirements for Industrial Work Environment Health; Minister of Public Works Regulation No. 26/PRT/M/2008 (technical fire safety requirements) and Law No. 1 of 1970 (workplace safety); Ministry of Manpower Regulation No. 13 of 2025 regarding health and safety committee; Minister of PUPR Regulation No. 27/PRT/M/2018 on SLF & Government Regulation (PP) No. 28 of 2025; Government Regulation No. 101 of 2014 (PP No. 101 Tahun 2014) & Government Regulation No. 22 of 2021; Minister of Manpower Regulation No. 5 of 2018

Benchmark ID

HSE.4.1

Benchmark Details

Employers shall at all times be in possession of all legally required and valid permits and certificates related to health, safety, and environmental issues, such as: Purchase and storage of chemicals; Fire safety inspections; Machinery inspections; Waste disposal; Environmental licenses/permits; Sanitation permits, including those required for canteens; and Vehicle inspection and driver permits for all employer provided transportation.

Finding Details	The factory did not update the legally required inspection licenses and permits. The following inspection licenses had been expired as detail below: 1. The inspection license for the generator set machine had been expired since Mar 30, 2026. 2. The inspection license for the electrical installation had been expired since Mar 23, 2026. 3. The inspection license for the boiler machine had been expired since Jan 2, 2026. 4. The inspection license for the storage tank had been expired since Mar 8, 2026. 5. The inspection license for the cargo lift had been expired since Mar 31, 2026. 6. The legally required technical inspection license for the temporary storage of hazardous wastes. 7. The wastewater discharge permit and environmental permit (ijin dampak lingkungan) had not been obtained by the factory.
Recommendations for Immediate Action	Ensure to obtain valid inspection licenses and permit for all heavy equipment and to obtain the valid Environmental Approval (Persetujuan Lingkungan) including Environmental Management/Monitoring Effort (UKL-UPL).
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	Regulation of the Minister of Manpower No. 38 of 2016; Environmental Approval (Persetujuan Lingkungan) of Government Regulation No. 22 of 2021

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	PPE is not stored properly and separated from other equipment or material. There is no inventory record for the storage and usage of PPE in each area, such as maintenance room, chemical warehouse and hazardous wastes storage area.
Recommendations for Immediate Action	Ensure the assigned staff are fully responsible for the maintenance, storage, and replacement of any defective PPE provided to workers.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required

Local Law	Minister of Manpower and Transmigration Regulation No. PER.08/MEN/VII/2010 on Personal Protective Equipment; Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 7
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. The eye wash facility installed in the chemical warehouse and the chemical use areas are not compliant with industrial standards to guarantee efficacy during emergencies. 2. The regular inspection of the fire water hydrant had been expired since Mar 21, 2026, and the factory management stated the above inspection certificate has been renewed since Feb 11, 2026. 3. The emergency contact in case of an emergency including fire safety, medical response, etc. is not mentioned at all or an emergency evacuation map for workers awareness.
Recommendations for Immediate Action	1. Ensure to install a proper and industrial standard eye wash facility to guarantee its efficacy during emergencies. 2. Ensure to obtain a valid permit for the fire water hydrant and ensure the renewal of the permit is in a timely manner to avoid expiration of the permit. 3. Ensure to maintain and communicate emergency procedures and contact information for local emergency services (hospital, police, fire department).
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	Minister of Manpower Regulation No. 5 of 2018 on Occupational Health and Safety in Work Environments; Public Works (PU) Regulation No. 26/PRT/M/2008 concerning Technical Requirements for Fire Protection Systems in Buildings and the Environment; Minister of Manpower Decree No. 186/MEN/1999 concerning Fire Prevention in the Workplace: Requires every factory to formulate fire emergency plans Article 23
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 canteen is not sufficient to prevent disease vectors like flies. To avoid flies, canteens must install insect killer equipment, enforce strict food storage, use physical barriers like screens and self-closing doors, and eliminate breeding grounds through proper waste disposal.
Recommendations for Immediate Action	Ensure to install insect killer equipment to prevent disease vectors like flies and enforce strict food storage, use physical barriers like screens and self-closing doors, and eliminate breeding grounds through proper waste disposal.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	Minister of Health Regulation No. 1096/MENKES/PER/VI/2011 on Catering Hygiene and Sanitation.

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	The workers do not consistently use PPE to protect themselves from identified hazards, such as maintenance operators and chemical handling operators.
Recommendations for Immediate Action	Ensure workers consistently use the required PPEs to protect them from identified hazards, such as maintenance operators and chemical handling operators.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	Regulation No. PER-08/MEN/VII on Personal Protective Equipment (2010), Article 4 and 7

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. The factory does not fix electrical issues in a timely manner. As a result, the electrical cables in the production area were not properly insulated and the cords and extension were laid down with no electrical safety cover. In addition, the unused electrical cables in the production area were not removed.
2. The electrical installation and electrical devices in wet areas such as the hydrant pump house are not GFCI type with the special requirements concerning electrical safety.
3. The room temperature of the production sections (sewing, ironing, inspection and folding processes) is found to exceed the legal limit of thirty degrees celsius. During factory tour, it is observed that the room temperature recorded in the range of thirty three degrees celsius and up to thirty five degrees celsius.

Recommendations for Immediate Action

1. Ensure all electrical installations must meet Electrical Safety standards. This means installations must be reliable and safe for humans, property, and the environment.
2. Ensure to install GFCI electrical equipment and installation in wet areas.
3. Ensure to control temperature, humidity, and ventilation to protect worker health and safety within the legal limit.

Recommendations for Sustainable Improvement

Compliance Classifications

Immediate Action Required

Local Law

Law No. 30 of 2009 concerning Electricity (Electricity Law), Article 44; SNI 0225:2011 (PUIL - General Requirements for Electrical Installations) chapter 7 (Special Installations or Locations); Minister of Health Regulation No. 70 of 2016 concerning Industrial Work Environment Health Standards and Requirements

Benchmark ID

HSE.16

Benchmark Details

Workers shall not suffer any negative consequences for refusing to work with machinery, equipment or tools that are not properly guarded or reasonably considered unsafe.

Finding Details

There is no written procedure to ensure the workers, who refuse to work under unsafe conditions, are protected from negative consequences. As result, there is no communication regarding workers' right to refuse to perform work under unsafe conditions, and protection from negative consequences.

Recommendations for Immediate Action

Recommendations for Sustainable Improvement

Compliance Classifications

Sustainable improvement required

Local Law

Benchmark ID	HSE.9.2
Benchmark Details	Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances.
Finding Details	Although chemical handling training has been arranged, the workers are not fully aware on how to store hazardous chemical safely for example: the workers are not consistently safely storing hazardous chemical such as flammable material (wash benzene), which is stored near an electrical device.
Recommendations for Immediate Action	Ensure to arrange regular training and an awareness program to safely store all hazardous chemicals away from any ignition sources and restrict the access of hazardous chemicals storage.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	Government Regulation (PP) Number 74 of 2001 concerning Management of Hazardous and Toxic Materials

Benchmark ID	HSE.22.2
Benchmark Details	All workers handling food must be trained and/or certified to work in the facility preparing or serving food.
Finding Details	The factory has not arranged a training for workers working in canteen to receive specific health and safety/hygiene requirement.
Recommendations for Immediate Action	
Recommendations for Sustainable Improvement	
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	The factory has not arranged training for workers with special/high-risk responsibilities such as working with lasers, radiation, and asbestos.
Recommendations for Immediate Action	Ensure to arrange training for workers with special/high-risk responsibilities.

Recommendations for Sustainable Improvement

Compliance Classifications

Immediate Action Required

Local Law

Law no. 1 of 1970 concerning Work Safety & Government Regulation (PP) No. 45 of 2023 on Ionizing Radiation Safety and Radioactive Material Security; Act No. 1 on Safety (1970), Article 9(1) - (2)

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 number of certified fire experts and firefighting team is insufficient. The factory has only one certified fire expert class A and one certified fire person class D. The ratio of the firefighting team does not meet with the legal requirement.

Recommendations for Immediate Action

Ensure to assign the competent fire expert and fire firefighting team (Class A, B, C & D) ratio is in accordance with the prevailing regulation.

Recommendations for Sustainable Improvement

Compliance Classifications

Immediate Action Required

Local Law

Chapter II Article 5 of Minister of Manpower Decree No. KEP-186/MEN/1999 & Chapter I Article 2 Paragraph 1 of Minister of Manpower Regulation No. 4/1980

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

The factory does not provide signs or identification for the area and equipment with lasers to ensure laser safety. The facility has not developed a written procedure for laser safety.

Recommendations for Immediate Action

Ensure to provide signs and identification for the area and equipment with lasers to ensure laser safety.

Recommendations for Sustainable Improvement

Compliance Classifications

Immediate Action Required

Local Law

Law no. 1 of 1970 concerning Work Safety & Government Regulation (PP) No. 45 of 2023 on Ionizing Radiation Safety and Radioactive Material Security.

Nondiscrimination (ND)

Benchmark ID	ND.8.1
Benchmark Details	Employers shall abide by all protective provisions in national laws and regulations benefitting pregnant workers and new mothers, including provisions concerning maternity leave and other benefits; prohibitions regarding night work, temporary reassignments away from work stations and work environments that may pose a risk to the health of pregnant women and their unborn children or new mothers and their new born children, temporary adjustment of working hours during and after pregnancy, and the provision of breast-feeding breaks and facilities.
Finding Details	The factory has provided breastfeeding breaks at the lactation room for female workers. However, the room temperature in the lactation room is exceeding the legal limit at thirty degrees celsius and no other ventilation window installed in the lactation room.
Recommendations for Immediate Action	Ensure to provide a proper lactation room by controlling temperature, humidity, and ventilation to protect new mothers' health and safety within the legal limit.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	Minister of Health Regulation No. 70 of 2016 concerning Industrial Work Environment Health Standards and Requirements; Regulation of Ministry of Health No. 15 on Specific Procedures for Providing Nursing and/or Milking Facilities (2013), Article 10

Hours Of Work (HOW)

Benchmark ID	HOW.12.1
Benchmark Details	Employers shall not impose any undue restrictions on workers' use of annual leave.
Finding Details	Based on the orientation book for new workers on page twenty (point twelve), workers who do not come to work on a permitted or unpaid leave are required to notify their direct superior and then attach the reference letter from the Head of Neighborhood Unit / Head of Community Unit. This unnecessary rule restricts workers taking permitted leave.
Recommendations for Immediate Action	Ensure there are no unnecessary rules restricting workers from taking permitted leave to attend to family responsibilities.

**Recommendations
for Sustainable
Improvement**
**Compliance
Classifications**
Local Law

Immediate Action Required

Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID FOA.1.1

Benchmark Details Employers shall comply with all national laws, regulations and procedures concerning freedom of association and collective bargaining. national laws, rules, and procedures protecting the rights of workers to organize and bargain collectively. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.

Finding Details The bipartite committee structure updated on March 18, 2026 consists of eight employer representatives and eight worker representatives. However, the employer representatives are not key management positions, such as Director, HR Manager, or Industrial Relations Manager. They are only as HR staff, Ex-Imp staff, PPIC Manager, Purchasing Manager, Accounting Manager and Assist Manager CSR.

**Recommendations
for Immediate Action** Ensure that the employer representatives in the bipartite committee are from key management positions, such as Director, HR Manager, or Industrial Relations Manager.

**Recommendations
for Sustainable
Improvement**
**Compliance
Classifications**
Local Law

Immediate Action Required

Regulation of Ministry of Manpower No. 32/MEN/XII/2008 on Procedure for the establishment and Membership of Bi-partite Committee (2008), Article 5