There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.

2. Forced Labor

Confidential noncompliance reporting channel

- FLA Principle of Monitoring, Obligation of contractors and suppliers to report to the Company on matters that workers would like to address. The management is direct report to each superior or HRD department for any grievances/complaints received since 09/2005.

- The factory posted one suggestion box located near pray room in a manner appropriate to the culture and situation, to enable workers report noncompliance to the management & workers in order to allow workers to voice workplace disputes, and resolve grievances in good faith.

- The Companies have provided a COC and it was posted at the announcement board and on the wall of production site. The Companies have provided a COC and it was posted at the announcement board and on the wall of production site.

- The factories have implemented CoC on an ongoing basis. During PC audits of the factory, PC internal auditors provide documentation such as content material and attendance.

- All training must be documented with supporting training documentation used for corroborating evidence of training.

- Factory is expected to implement a program for periodic in-house training on Code elements and other employment standards in the workers' handbook. Training was documented and only management attended.

- FLA Principle of Monitoring, Obligation of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with supporting documentation regarding labor standards violations.

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<tr>
<th>Country</th>
<th>Law/Legal Reference</th>
<th>Observations</th>
</tr>
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<tbody>
<tr>
<td>Indonesia</td>
<td>Article 6 of the 2003 Law No. 13 on Labor</td>
<td>Employers will prohibit screaming, threatening, or other behaviors that are likely to cause stress or harassment.</td>
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<td>Therefore, Indonesia has implemented a non-discrimination policy against harassment and abuse.</td>
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<td>The labor law places a strong emphasis on non-discrimination in the workplace.</td>
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**Note:** The above table is a summary of the observations made in the context of the labor laws and regulations in Indonesia.
Country Law/Legal Reference

Labor Act UU No.13/2003, article: 90 stated (1)

Act No.3/1992 regarding social security scheme (Jamsostek), Pending

Noncompliance

Labor Minister Regulation No. PER-02/MEN/1980 regarding Labor minister regulation Per-03/MEN/1989 article 3, stated All workers have a right to use or not to use employer Remediation

Wage Benefits Awareness

Training Wage

Sanitation in Facilities

course of work or as a result of the operation of employer facilities

No valid 'Company established its own healthcare security with better service than what Jamsostek gives. Article 15 stated that if Company program, article 1-2 stated that Company may establish its PER 01/MEN/1998 regarding implementation of health care stated that wage paid by the employer to permanent worker, 01/MEN/1999, regarding the legal minimum wage, article 14.1 Entrepreneurs are prohibited from paying wages lower than Regulation, section VI article 114 stated that the entrepreneur responsible doubt regarding their health. Article 9: the (forty) years or female workers, disabled workers and young care for more than 2 weeks; b. who are over the age of 40 with an accident or suffering from disease requiring medical doctor shall be obliged to make a manual on periodical examination to workers at least once a year except otherwise examination, physical fitness, X-rays of the lungs (if possible), Pre-medical examination covers complete physical examination, workers. Article 2.3: shall provide pre-medical examination to workers. Article 2.3 stated that the medical examination to determine physical fitness required for work, the employer shall provide a list of medical examination to workers. Article 2.4: medical examination shall be conducted in accordance with the medical examination standards established by the central government. Article 2.5: medical examination shall be conducted at least once a year by the medical examination center. Article 2.6: medical examination results shall be recorded on a record of medical examination in the medical examination center. Article 2.7: medical examination results shall be recorded on a record of medical examination in the medical examination center. Article 2.8: medical examination results shall be recorded on a record of medical examination in the medical examination center. Article 2.9: medical examination results shall be recorded on a record of medical examination in the medical examination center. Article 2.10: medical examination results shall be recorded on a record of medical examination in the medical examination center. Article 2.11: medical examination results shall be recorded on a record of medical examination in the medical examination center.

Documents review

Workers review, Managers & Factory observation, Field audits, Interview

Evidence of

Documents review

Company follow up (Cite date of planned or follow up date of planned or follow up)

Target date of planned or follow up

Date of planned or follow up

Factory observation, Documents review, Field audits, Interview

Completed; [Status]

Documents review (no related document found)

Documents review

Documents review (no related document found)

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<th>Risk Code</th>
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<th>Recommendation</th>
<th>Risk of Noncompliance</th>
<th>Event consequences (after contracting)</th>
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<th>PV Document Date</th>
<th>Target Date Follow Up</th>
<th>Comments</th>
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<th>Comments</th>
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**IEM Findings**

- The factory must discontinue the practice of fraudulent record-keeping and hiding overtime.
- The factory should comply with applicable local labor law concerning leaves of absence.
- The factory should comply with government regulations concerning casual forms of leave.
- The factory should comply with the updated government regulations concerning child labor.

**Risk of Noncompliance**

- Failure to discontinue fraudulent record-keeping can result in noncompliance penalties.
- Non-compliance with local labor law could lead to fines or closure.
- Failure to comply with government regulations regarding leaves of absence may result in adverse labor relations.
- Non-compliance with updated labor regulations could lead to legal challenges.

**IEM Recommendations**

- Implement a policy on record-keeping that is transparent and verifiable.
- Ensure compliance with all applicable labor laws.
- Update and enforce regulations concerning leaves of absence.
- Implement a child labor prevention program.

**Follow Up**

- Regular audits to monitor compliance.
- Employee training on labor laws.
- Review and update policies annually.
The factory shall comply with applicable law for premium Third-Party Verification.

Labor Minister Decree No: KEP.102/MEN/VI/2004 regarding pending

Employers shall be able to provide explanation for all outstanding cases.

Under extraordinary business circumstances, employers (including subcontractors) shall: 1. Notify workers of the circumstances; 2. Notify the Labor Department, Ministry of Labor, and trade union or the social partners (if applicable) of the extraordinary circumstances; 3. Take reasonable steps to inform workers about the nature and expected duration of the circumstances.

Pending

OT Compensation

In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally justified. Additionally, the factory may apply a premium rate for overtime hours, which shall be specified in the employment contract or collective agreement. The premium rate shall not be less than 150% of the regular hourly wage rate.

9. Hours of Work

a. The factory shall maintain a record of working time that the employer allows or requires the worker to perform and the nature of the work performed. The factory shall ensure that the working time does not exceed the maximum hours of work prescribed by law.

b. The factory shall provide a system to ensure that workers do not work more than one day in seven or more than 48 hours in a week. The factory shall maintain a record of the weekly working hours of all workers.

c. The working time of a worker shall include the time allowed for the following purposes: (a) the worker's time for meals and rest; (b) the worker's time for having an enough rest; (c) the worker's time for meals and drinks. In addition to these purposes, the factory may also provide compensation for other activities required by the nature of the work.

Article 2 stated Entrepreneurs shall formulate the structure and scales of wage as mentioned in subsection (1) based on the job analysis, job evaluation, and expected duration of the circumstances.

There was improper 'All In' salary system practice that could not be verified due to falsified record. Please refer to Wage and Benefit section.

Risk of Noncompliance

Evidence of Noncompliance

IEM Findings

Target

Follow up

Pending