There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise. The worker/management will ensure that no worker is held under any condition of debt or bondage labor. This includes the practice of requiring workers to pay a facilities fee or rent. A worker is not to be required to present a debt instrument or to provide any type of security for an advance or loan.

The worker/management will undertake all efforts to ensure that all company factories as well as subcontractors and suppliers comply with the Code of Conduct on a regular basis. This includes the posting of standards in a prominent place (in the local language spoken by employees and managers) and about the workplace standards orally and through the means of the local media.

Debt/bondage Labor

Each company, its factories, and any subcontractors and suppliers shall post a secure communications channel to enable workers to report noncompliance to the company on issues related to the workplace standards. Both companies do not develop a communication policy and procedure as well as training maintained to encourage the workers to be able to raise issues of concern to the factory management.

Debt/bondage Labor

The employee will provide a secure communications channel to enable workers to report noncompliance to the company on issues related to the workplace standards. This includes the posting of standard’s in the prominent place (in the local language spoken by employees and managers) and about the workplace standards orally and through the media.

Improper Employment Practice

The worker/management did not observe improper employment practice applied under the PKWT. There was no documented evidence or complaint from employees regarding the improper employment practice applied under the PKWT. Article 15 stated in the case of the renewal of the PKWT, theviolating the expiration date of the PKWT renewal is not changed to be a PKWT. The PKWT does not elapse 30 (thirty) days period after the PKWT was signed. Article 13 stated PKWT shall be registration from the labor department. From the selected sample review, the workers have been employed under the specified period of time contract workers (PKWT). The worker will receive meal and transport allowance. But, there is still no second stage that required 18 days of probation period. During this period, the workers are compensated with legal minimum wage. Then, if the workers pass, they can continue the third or last stage of the contract.

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<table>
<thead>
<tr>
<th>Documentation</th>
<th>Pending Status</th>
<th>Reporting</th>
<th>Compliance</th>
<th>Source</th>
<th>Due Date</th>
<th>Enforcement</th>
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<td>Enforcement</td>
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**Country Law/Legal Reference**
- **Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision.**

**Documentation**
- **Pregnancy Discrimination**
- **Hiring Discrimination Practices**
- **Progressive Discipline System**
- **Juvenile worker Identification**
- **Information arising from pregnancy testing undertaken**
- **promotion, discipline, assignment of work, termination of employment, provision of retirement allowances, and other forms of compensation,**

**Noncompliance**
- **Evidence of**
- **Sources/ Documents Review**
- **Managements interview, factory visit, if appropriate**

**IEM Findings**
- **No: practice remained the same**
- **HR staff admitted that they also given the same verbal statement during the first three months of employed under that female workers who perform both hiring employment,**

**Completed**
- **PC will investigate this issue further.**
- **支付 of menstruation leave.**
- **employment, provision of retirement allowances, and other forms of compensation,**

**External Documentation (Date)**
- **12/15/06: According to management advertisement remains the same.**
- **No training was provided.**
- **PC made.**
- **Despite the fact that the factory managed to promptly inform the employees of the upcoming changes, the process was not clearly defined as well as persons in charge of supervision procedures. The person in charge of each step should be**

**Continuous improvement**
- **The factory disciplinary procedure should be written and ensure that the employment of these workers is in compliance with all legally mandated benefits. PC will investigate this issue further.**

**Managements interview, factory visit, if appropriate**
- **HR staff admitted that they also given the same verbal statement during the first three months of employed under that female workers who perform both hiring employment,**

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<td>Enforcement</td>
<td>No</td>
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<tr>
<td>Country Code</td>
<td>Compliance Action</td>
<td>Evidence of Compliance</td>
<td>Follow Up Plan</td>
<td>Evidence of Changes</td>
<td>Comments</td>
<td>Company Follow-up Date</td>
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### Health and Safety
- Employers will ensure that pregnant women are not subjected to conditions hazardous to health and safety.
- Employers will have systems in place to provide medical examinations to workers.
- Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the work.  

### Wages and Benefits
- Employers will pay employees, as a base, at least the minimum wages.
- Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the work.

### Physical Environment
- The factory should post the valid company regulation, as well as company policies/procedures on freedom of association and collective bargaining, on an announcement board.  

### Documents
- The factory should have a system in place to ensure that all documents, communications, and procedures are stored in a safe and accessible manner.
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### Interviews
- The factory should have a system in place to ensure that all documents, communications, and procedures are stored in a safe and accessible manner.
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### Management & Workers
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<thead>
<tr>
<th>Plant/Company/Location</th>
<th>Country Law/Reg Reference</th>
<th>FLA Benchmark</th>
<th>Company</th>
<th>Observation</th>
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<tr>
<td>Pending</td>
<td>Company</td>
<td>Factory</td>
<td>12/15/06</td>
<td>No falsified record observed</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Company</td>
<td>Factory</td>
<td>12/15/06</td>
<td>Workers interview shows overtime hours worked insufficient and not according to the regulations.</td>
</tr>
<tr>
<td>Pending</td>
<td>Company</td>
<td>Factory</td>
<td>12/15/06</td>
<td>There is no falsified record observed since last audit.</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Company</td>
<td>Factory</td>
<td>12/15/06</td>
<td>Some workers (Less than 5%) observed during the audit. However, the payroll process has been improved and overtime payments have been made.</td>
</tr>
</tbody>
</table>

### Notes
- The factory does not have someone overseeing the subcontracting and benefit section.
- In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation.
- Forced overtime is not allowed under any circumstances.
- Overtime hours work shall be voluntary. Workers should not be required to work overtime.
- A written agreement between worker representatives/union and employer shall be available to employees.
- The factory provided UNFIXED allowances (meal allowance, transport allowance) that will not be paid if the worker is absent for any reason. Meanwhile, the review for these allowances will be based on the worker's performance and attendance.
- The factory has established policy that for the workers employed more than 2 years of service additional wage will be paid (Rp. 1,000 to Rp. 4,000). As additional to basic wage, the factory provided UNFIXED allowances (meal allowance, transport allowance) that will not be paid if the worker is absent for any reason. The factory still provided wage equal to legal minimum wage and wage reviews.
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