

CBA ANALYSIS

PT Guang Ching Nickel And Stainless Steel Industry (PT. GCNS)

EDITION: 2023-2025

1. BEST PRACTICE ON FREEDOM OF ASSOCIATION

Article 9: Recognition

1. Employers acknowledge that Workers' Unions/Trade Unions are legitimate organizations representing their members in accordance with the roles, functions, and duties of such unions, as implemented under applicable regulations.
2. Workers' Unions/Trade Unions and Employers mutually respect each other and do not interfere in each other's internal affairs.

Article 10: Protection

2. Upon request from Workers' Unions/Trade Unions, Employers provide dispensation for union officials and members designated by the union to carry out organizational duties, such as consultations, attending invitations, training, seminars, or workshops related to the organization's interests, without reducing their rights as employees.
3. Before imposing sanctions on union officials or members registered with the Manpower Office for violating the contents of this Collective Labor Agreement, the Employer must first inform the Union's leadership.

Article 11: Facilities

1. Collection of union membership fees is regulated as follows:
 - a. Employers assist in collecting/deducting union membership fees based on a written authorization from the employee authorizing the employer to deduct wages.
 - b. Fee deductions as referred to in clause (a) are specifically recorded by the employer through a payroll mechanism.

Article 3: Parties to the Collective Labor Agreement

To ensure representation across all jobsites, any union within PT Bukit Makmur Mandiri Utama not meeting legal requirements to negotiate a Collective Labor Agreement may still attend negotiations under the following provisions:

- a. If a jobsite has only one union, that union represents the jobsite.
- b. If a jobsite has multiple unions, the union with the majority membership represents the jobsite.

Note: Clear acknowledgment of the role of Workers' Unions.

Article 4: Supremacy of Labor Laws

Provisions in labor laws or other employment regulations that offer better terms than this Collective Labor Agreement are deemed applicable and become an inseparable part of this

agreement.

Note: A safeguard clause in case company regulations fall below statutory standards.

Article 5: Central Communication Forum

The BUMA Central Communication Forum for Workers' Unions (FCK SP BUMA) comprises all unions across jobsites, including the head office. This independent, autonomous, and accountable organization is established by all union leadership within BUMA.

Article 7: Recognition of Unions

1. The Company recognizes Workers' Unions and/or FCK SP BUMA as parties to negotiate and sign the Collective Labor Agreement per applicable laws.
2. The Company acknowledges Workers' Unions and/or FCK SP BUMA for communication in bipartite forums.

Article 9: Union Facilities

1. The Company provides a secretariat room for unions representing the majority of workers to manage or conduct activities. The union must utilize these facilities responsibly.
 2. The Company provides notice boards for union activities in mutually agreed locations.
 3. All information displayed on these boards must be approved by both the union and the Company's Industrial & External Relations (IER) or Human Resources (HR) department.
 4. Upon the union's request, the Company assists in collecting union fees by deducting wages according to prevailing rules.
 5. The Company provides transportation and/or accommodation assistance within its capacity for union leaders handling labor-related matters based on an official Company-issued duty letter.
 6. The Company allows union leaders to participate in labor-related training and seminars.
- Note: Self-explanatory.*

Article 65: Bipartite Cooperation Institution (LKS Bipartit)

1. To foster good communication and create a harmonious work environment, Employers, Workers' Unions, and worker representatives jointly establish a Bipartite Cooperation Institution (LKS Bipartit).
2. LKS Bipartit serves as a communication and consultation forum on labor issues within the Company, comprising local (HO/jobsite) and national-level bipartite forums.
3. Membership in local LKS Bipartit includes Employer representatives and local union/worker representatives. The Chairperson and Secretary are appointed by its members.
4. Membership in national LKS Bipartit includes Employer representatives and FCK SP BUMA representatives. The Chairperson and Secretary are appointed by its members.
5. Membership in LKS Bipartit is valid for three years.
6. Any changes in LKS Bipartit membership from either party must be addressed within one month.
7. Local LKS Bipartit meetings are held at least once a month or upon special request by the Employer or Workers' Union.
8. National LKS Bipartit meetings are held at least once every six months or upon special request by the Employer or Workers' Union.
9. All LKS Bipartit meetings are documented in meeting minutes, signed by the Chairperson and Secretary.

10. National LKS Bipartit minutes are distributed to relevant authorized officials with copies to the Board of Directors (BoD).

Agreements recorded in the minutes of LKS Bipartit meetings must be implemented diligently by both Employers and Workers' Unions.

Note: This article promotes constructive dialogue but requires monitoring for effectiveness and ensuring it does not undermine unions' roles, as seen in some workplaces.

2. BAD PRACTICE ON FREEDOM OF ASSOCIATION

Article 4: General and Technical Provisions

"This Collective Labor Agreement regulates general and substantive matters, while technical elaborations of its contents will be governed separately by a Board of Directors' Decree."

Note: This article has the potential to allow unilateral rules that could harm workers.

Article 11: Workers' Union Activity and Financial Reports

1. The Company transfers union membership fees to the Workers' Union no later than the 6th of the following month.
2. The Workers' Union is obligated to provide activity and financial reports to both its members and the Company.
3. Reports on activities and finances must be submitted at least once every three months. If irregularities are found in the use of union funds, the Company may suspend the transfer of the Check-Off System (COS) to the union.

Note: This article risks compromising the internal operations and independence of union activities.

Best Practice on Occupational Safety and Health (K3)

Article 17: Rights and Obligations of Workers

(1) Workers' Rights:

- a. Workers have the right to refuse work if occupational safety, health, and environmental requirements stipulated by applicable regulations are not met by the Company.
- b. Workers have the right to stop or refrain from performing their duties if their work is deemed hazardous and could cause harm to themselves or the Company, provided they inform their supervisor beforehand.

Note: Self-explanatory.

Article 18: Obligations of the Company

- g. Inform and explain to workers the hazards and risks present at the worksite.
- h. Provide workers with the necessary personal protective equipment (PPE) and safety tools.
- i. Explain the functions of all PPE and safety tools required at the worksite.
- j. Educate workers on safe working procedures.
- k. Fulfill all K3LH (Occupational Safety, Health, and Environmental Protection) requirements in compliance with applicable regulations and rectify any hazardous conditions to prevent accidents.
- l. Offer training and coaching to workers to prevent workplace accidents and occupational diseases.
- m. Establish and activate an Occupational Safety, Health, and Environmental Protection Committee (P2K3LH).
- n. Conduct incident investigations and implement corrective actions based on investigation

findings.

Note: This serves as the foundation for workers to properly implement K3 principles.

Best Practice on Wages

Article 33: Wages and Wage Systems

(1) Wages are not paid if workers are absent from work ("no work, no pay") except for certain conditions regulated by applicable laws and regulations.

Note: According to Government Regulation No. 36/2021 on Wages, Article 40(2), employers must still pay wages even if workers do not work for reasons such as illness, extended leave, menstruation leave, or maternity leave.

Article 38: Wages During Layoffs

1. If the Company must temporarily halt part or all of its activities, workers may be temporarily laid off in accordance with applicable regulations.
2. During this period, workers receive 100% of their wages.
3. The layoff period is limited to a maximum of 3 months.
4. This provision applies to all workers.

Note: Although there is no labor law explicitly regulating wages for laid-off workers, this article demonstrates the company's goodwill.

Article 49(2b): Compensation for Local Point of Hire (PoH) Workers

Workers with at least four years of service at the local jobsite PoH are entitled to Mess Replacement Compensation. The amount is determined by a Board of Directors' Decree.

Note: There are no regulations mandating Mess Compensation, making this provision exceed regulatory standards.

Bad Practice on Wages

Article 51: Recognition for Length of Service

(1) The Company grants recognition for every five years of service and subsequent multiples of five years.

Note: According to the Job Creation Act (UU No. 6/2021), length-of-service awards (UPMK) are granted after three years of service, making this provision less favorable than current regulations.

Best Practice on Social Security

Article 56: Protection for Workers with HIV/AIDS

1. The Company implements specific occupational safety and health (K3) procedures to prevent and address HIV/AIDS in the workplace, following applicable regulations.
 2. The Company protects workers with HIV/AIDS from discrimination and unfair treatment.
- Note: This article reflects goodwill and special care, aligning with Law No. 6/2003 and Ministry of Health Decree No. 1027/Menkes/SK/IX/2006, which governs HIV/AIDS prevention and treatment in Indonesia.*

Article 57: Picket Incentives

Workers in levels 1-4 assigned to picket on company operational holidays receive incentives determined by a Board of Directors' Decree.

Note: This provision exceeds existing regulatory requirements.

Article 59: Leave Policies

1. Periodic Leave: Workers entitled to periodic leave have their duration and schedule determined by mutual agreement, considering applicable regulations:

Level	Work Period	Leave Duration
1-2	70 days	14 calendar days
3	52 days	13 calendar days
4	45 days	13 calendar days
5	40 days	13 calendar days
6-7	30 days	10 calendar days

2. Extended Leave:

a. Workers who have worked for five consecutive years and its multiples are entitled to extended leave benefits as follows:

1. If the worker takes extended leave, the Company provides extended leave benefits equivalent to one month's wage.
2. If the worker does not take extended leave, the Company provides extended leave benefits equivalent to one month's wage plus an additional extended leave compensation equivalent to one month's wage, which must be requested within two months of entitlement. Failure to request compensation within this period implies the worker will take extended leave.

Article 60: Paid Leave for Personal Reasons

Workers are entitled to paid leave for the following reasons:

- Worker's marriage: 3 days
- Marriage of a child: 2 days
- Birth of a legitimate child: 2 days
- Circumcision, baptism, or naming ceremony for a legitimate child: 2 days
- Death of immediate family: 3 days
- Sibling's marriage: 1 day
- Hospitalization of spouse, child, parent, or parent-in-law: 2 days
- First-time Hajj pilgrimage (3+ years of service): 40 days
- For non-Muslims, first-time religious pilgrimage abroad (3+ years of service): 20 days

Note: These provisions offer longer leave durations than stipulated by existing laws.

Article 61: Unpaid Leave

The Company may grant unpaid leave for formal education purposes under the following conditions:

- 1-2 years of service: up to 3 weeks
- 2-3 years of service: up to 4 weeks
- 3+ years of service: up to 5 weeks

Note: Demonstrates flexibility and support for workers' educational advancement.

Bad Practice on Social Security

Article 76(1): End of Employment at 55 Years for Retirement

The employment relationship of workers who reach the age of 55 is terminated under the category of retirement.

Note: According to the Job Creation Act (UU Cipta Kerja), the retirement age for private sector employees was set at 56 at the time of enactment. Starting January 1, 2019, the retirement age increased to 57 and will continue to increase by 1 year every 3 years until it reaches 65 years. When this Collective Labor Agreement (PKB) was created in 2023, the applicable

retirement age should have been 59 or at least 58 (if calculated every 3 years: 2019 = 57 years, 2022 = 58 years, 2025 = 59 years).

Best Practice on Gender Equality

Article 17(1)(l): Equal Rights for Male and Female Workers

The Company provides equal rights to all workers, both male and female, regarding welfare and career development in accordance with Company policies.

Note: This demonstrates a commitment to gender non-discrimination.