

ANALYSIS OF COLLECTIVE BARGAINING AGREEMENT (PKB)

PT INDONESIA TSINGSHAN STAINLESS STEEL

1. Best Practice of Freedom of Association

Article 9. Recognition

(1) Employer acknowledges that the Trade Union is a legitimate workers ' organization and has the right to represent members in accordance with the functions, roles and duties of the Trade Union carried out in accordance with applicable regulations.

(2) Trade unions and employers respect each other and will not interfere in the internal affairs of each party.

Article 10. Protection

(1) Employer acknowledges that the PUK/PK/PSP is a legitimate trade union organization representing and acting for and on behalf of the respective Trade Union members and workers who authorize the Trade Union that has an employment relationship with the company.

(2) Employers carry out fair labor practices and impose sanctions on individuals who suppress trade unions, slander, damage union publications, or hinder union activities.

(3) Workers elected as administrators of the trade union or appointed by management as representatives of the trade union.

(4) At the request of the trade union, the employer grants dispensation to the management and members appointed by the union to carry out organizational tasks, whether for consultation or to fulfill invitations, education, seminars, or workshops related to the interests of the organization, without prejudicing their rights as workers.

(5) Before providing testimonies to the management and members of the trade union recorded at the Manpower office for violations of this collective labor agreement, employers must first inform the management of the trade union.

Comment:

A form of guarantee for the structural management of trade unions within the company.

Article 11. Facilities

Employers provide facilities for trade unions, including:

(1) Collection of wages in the form of union contributions, provided that:

- a. Employers assist in collecting or withholding contributions from trade union members based on a power of attorney from the concerned worker to the employer for wage deductions.
- b. The collection of dues mentioned in Paragraph 1, letter (a) is specifically recorded by the employer through the payroll mechanism.
- c. In the event that a member of the trade union ceases membership, the concerned worker renounces the power of attorney to the employer to stop withholding wages for union contributions.

(2) Providing financial assistance based on the needs to support operations or development for the trade union (PUK/PK/PSP) in each company upon request, if approved.

(3) A notice board for trade unions in a location that is easily accessible to workers within the company. The employer guarantees the union the right to install the notice board, and all publications from the union must receive permission from the employer.

Comment:

The deduction of union member contributions, commonly referred to as the Check Off System (COS), is a method of payment from members to the trade union by collecting a portion of workers' wages through the assistance of the employer. This represents a strategic step in ensuring the smooth operation of the trade union.

2. Best Practice Regarding Wages

Article 49. Wages

(1) The company pays wages to employees at the end of each month or no later than the 3rd (third) day of the following month. Any changes will be communicated through a notification letter.

(2) Wage components include:

a. Basic Wages

b. Fixed Allowances:

- i. Location Allowance
- ii. Housing Allowance
- iii. Family Allowance

c. Variable Allowances:

- i. Attendance Allowance.
- ii. Night Shift allowance.
- iii. Length of Service Allowance

(3) The wage components for employees mentioned in paragraph (2) are adjusted according to the employee's level.

(4) The company establishes a Wage Structure and Scale that complies with applicable laws and regulations. Guidelines for determining the wage structure will be established through a separate Board of Directors' Decision.

(5) The company implements the principle of Unpaid Wages in accordance with applicable regulations for employees who are absent from work or on leave outside the stipulated provisions

Note:

This article includes both fixed and variable allowances. This serves as a form of appreciation for employee performance and aims to maintain or enhance the company's productivity.

Article 50. Non-Wage Income and Benefits

(1) Non-wage income is provided to certain employees in the form of: a. Performance bonuses based on position. b. Performance bonuses based on work performance. c. Production bonuses.

Note:

Bonuses are a form of recognition for productivity.

(2) The company provides a Holiday Attendance Allowance, BPJS Health and Employment benefits, and Family Visit Leave.

Note:

Family Visit Leave is granted to employees who can request it when a family member is visiting.

3. Best Practice for Social Security

Article 48. General Provisions on Compensation and Benefits

- (1) The company provides compensation and benefits to employees based on its capabilities, adhering to applicable laws and regulations.
- (2) The company provides compensation to employees in the form of wages and non-wage income:
 - a. Wages consist of Basic Wages, Fixed Allowances, and Variable Allowances.
 - b. Non-wage income includes Holiday Allowance and Holiday Attendance Allowance.
- (3) Benefits include meals and transportation facilities, medical care, BPJS Health and Employment, Family Visit Leave, and bonuses.

Note:

Facilities related to social security, including BPJS Health and Employment, contribute to improving employee welfare.

Article 52. Compensation for Fixed-Term Employment Agreements (PKWT)

- (1) The company is obligated to provide compensation to employees whose employment relationship ends due to a Fixed-Term Employment Agreement (PKWT).
- (2) The calculation of the compensation amount will be carried out in accordance with applicable laws and regulations.
- (3) Compensation will be provided upon the termination of the Fixed-Term Employment Agreement (PKWT).

Note:

This compensation is mandated by the new Employment Law (Job Creation Law), meaning the contents of this collective labor agreement align with national labor regulations.

Article 55. Family Visit

- (1) Employees are entitled to Family Visit Leave after a certain period of employment and will receive accommodation assistance for the leave, as regulated by implementation guidelines.
- (2) Employees will continue to receive full wages during their Family Visit Leave.
- (3) Employees whose employment relationship with the company has ended are not entitled to compensation for any unused Family Visit Leave.

(4). For the smooth operation of the company, the job handover can be done well, employees within 30 (thirty) days of submitting their resignation, cannot carry out Family Visit Leave.

Note:

Family Visit Leave is a form of appreciation for employees after a certain period of work, allowing workers to accompany their family members when they visit the workplace by taking this leave.

4. Best Practice Gender

Article 32, Prevention of Violence and Sexual Harassment in the Workplace

- (1) The company provides a reporting mechanism for sexual violence.
- (2) The company ensures the confidentiality of victims, reporters, and witnesses.
- (3) The company guarantees zero tolerance for acts of harassment and sexual violence in the workplace.

Article 33. Handling Violence and Sexual Harassment in the Workplace

- (1) The handling of sexual harassment within the company is based on the principles of:
 - a. Justice for both victims and perpetrators.
 - b. Confidentiality.
 - c. Prevention of recurrence.
 - d. Comprehensive resolution.
- (2) The company, employees, and trade unions maintain the confidentiality of complaints.
- (3) The company, employees, and trade unions protect victims.

Note:

This serves as a preventive measure and protection of workers' dignity against harmful sexual behavior.

Suggestion:

To strengthen regulations regarding harassment and sexual violence, reference can be made to the Minister of Manpower's Decision No. 88 of 2023 on Guidelines for the Prevention and Handling of Sexual Violence in the Workplace, as well as the Law on Maternal and Child Welfare.

5. Best Practice for Occupational Health and Safety (K3)

Article 23, Personal Protective Equipment (PPE)

- (1) The company is required to provide personal protective equipment (PPE) as company inventory to employees, according to the type of work and potential hazards present at their respective workplaces.
- (2) Employees are required to use PPE, and the regulations regarding PPE provided by the company must consider the type of work and potential hazards at their respective workplaces.
- (3) Employees are not permitted to alter, modify, or deface PPE on their own initiative.
- (4) Employees are prohibited from selling the company's PPE to others for personal profit.
- (5) PPE will be detailed further in the Implementation Guidelines.

Article 30. Occupational Safety and health

- (1) The company establishes and documents Occupational Safety and Health (K3) policies in the applicable environment.
- (2) The company takes preventive measures against workplace accidents by implementing controls, training, and socializing Occupational Safety and Health (K3) practices according to the specific needs of employees' positions and providing appropriate safety equipment for their work environment.
- (3) The company prevents occupational diseases by inspecting working conditions and employee health, improving working conditions, and providing healthcare services if necessary, in accordance with applicable regulations.
- (4) The company conducts safety talks to educate employees about the hazards present in their work and how to mitigate them.
- (5) Employees are required to participate in safety talks in their respective work areas.
- (6) Employees must comply with the Occupational Safety and Health (K3) regulations enforced within the company, including participation in training and socialization when designated by the company.
- (7) Employees must promptly prevent unsafe actions or conditions. If they identify any unsafe actions or conditions, they must immediately report them to their supervisor or the person responsible for Occupational Safety and Health (K3) to prevent workplace accidents and occupational diseases that could impact people or damage company property.

(8) Competent employees must take immediate action to provide assistance in the event of a workplace accident, ensuring that the area is safe and controlled from other potential hazards.

(14) General Provisions on Periodic Health Examinations are as follows:

a. The company conducts annual Periodic Health Examinations for employees who have worked for at least one year.

b. Employees are required to participate in the Periodic Health Examinations according to the schedule set by the company.

Note:

The provisions regarding the implementation of K3 are largely included in this collective labor agreement.

Note:

There is currently no regulation concerning the establishment of a Safety and Health Committee (P2K3) or K3 Committee.