THE STRATEGIES OF REDUCING AUDIT FATIGUE & STANDARD FATIGUE

How companies can survive during the audit fatigue and standard fatigue.

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VICE CEO - PT PAN BROTHERS TBK

SCI-Side Session on February 13th 2023
**PT PAN BROTHERS Tbk**

**Vision:**
TO BE AN INTEGRATED AND WORLDWIDE APPAREL SUPPLIER

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<thead>
<tr>
<th>Est</th>
<th>1980</th>
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<tbody>
<tr>
<td>HQ</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Status</td>
<td>Locally-owned public company 49.1% public share; 50.9% Other</td>
</tr>
<tr>
<td>No. of Employee</td>
<td>31,228 (end of 2022)</td>
</tr>
<tr>
<td>Industry</td>
<td>Garment Manufacturing (Upstream to Downstream)</td>
</tr>
<tr>
<td>Production Facility</td>
<td>22 factories across Java Island, Indonesia (Banten, West Java, and Central Java)</td>
</tr>
<tr>
<td>Production Capacity</td>
<td>117 mill pcs (polo shirt)</td>
</tr>
<tr>
<td>Export Destination</td>
<td>US, Europe, Asia, Canada, Australia and New Zealand (Worldwide)</td>
</tr>
<tr>
<td>Product Segmentation</td>
<td>Sports-inspired and premium lifestyle apparel Outdoor and Performance apparel PPE</td>
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</tbody>
</table>
### Elements of the Standard & Buyer’s Code of Conduct of SLCP

- Facility Profile
- Recruitment and Hiring
- Working Hours
- Wages and Benefits
- Worker Treatment
- Worker Involvement
- Health and Safety
- Termination
- Health & Safety
- Management System

### Elements of the Standard & Buyer’s Code of Conduct of PT Pan Brothers TBK

- Child Labor
- Discrimination
- Working Hours
- Renumeration
- Forced/Compulsory Labor
- Discipliny Practices
- Freedom Of Association & Right to Collective bargaining
- Harrasment Abuse
- Health & Safety
- Management System

The Elements apply an Industry-Based Framework for assessing social and working conditions.

The Elements include standard-independent instruments. These include standard-independent tools and verification methods that collect objective social and employment data that stakeholders can use to identify opportunities for improvement and track progress.

Overall, The Elements Offered by SLCP can meet the needs of our business.
**THE PROBLEMS**

**BUYER REQUIREMENTS**
Buyers always have their own Code of Conduct (CoC) and requirements with their special Grading Audit System.

**EXTERNAL PARTY AUDITING COMPANY STANDARD**
The External Audit Company has its own auditing standard.

**BUYER AFFILIATION MEMBER**
Buyers have their own affiliation member.

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**THE SOLUTIONS**

**FOR BUYERS FLEXIBILITY**
Having Agreement with Buyers to accept any kind of Social Audit Result conducted by External Party to replaces the need for repetitive social audit.

**THE HIGHER RANGE OF STANDARDIZE AUDIT**
Having Agreement with Buyers to accept Social Audit Result with higher range standardize audit provided by the company.

**THE MUTUAL TRUST**
Having the Agreement of mutual trust between compliance buyers with compliance companies without any external party of social audit.
THANK YOU

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