

To: WRC Affiliate Universities and Colleges
From: Rola Abimourched and Bent Gehrt
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Re: Case Update: Remediation of Freedom of Association Violations at PT Pungkook Indonesia One

We previously [reported](#) on the resolution of freedom of association violations at PT Pungkook Indonesia One, provided that the company fulfills its commitments. We can now report that the company is doing so. The factory, which is located in Indonesia, is disclosed for the production of collegiate licensed bags for lululemon, as well as non-collegiate bags for adidas, REI, VF Corporation, MUJI, Coach, L.L.Bean, and Michael Kors.



Union leaders and officers at Pungkook Indonesia One

In March 2025, the WRC conducted an onsite inspection of Pungkook Indonesia One to speak with management and review company documents to confirm the factory's implementation of the following remedial measures: (1) conduct supervisor training on freedom of association; (2) announce through oral and written communication the updated freedom of association policy; and (3) discipline managers who retaliated against workers for their union activities. The WRC also continued to conduct offsite interviews with workers to confirm the remedial measures taken at the factory.

As we have reported, the WRC found Pungkook Indonesia One violated Indonesian law and buyer and university codes of conduct by terminating the secretary of the newly formed independent union, discriminatorily transferring the job tasks of three union representatives, and publicly humiliating one of the union representatives, forcing him to quit.

After the WRC communicated our findings and the remedial measures necessary to correct the violations of freedom of association to the factory, the licensee, and the other brands sourcing from the factory, Pungkook Indonesia One offered reinstatement and compensation to the two terminated worker union leaders, both of whom declined reinstatement in favor of financial settlements. The factory also committed to train managers and supervisors on the right to freedom of association, distribute a freedom of association policy to workers, and discipline the managers responsible for retaliating and abusing the worker union leaders.

During our follow up factory inspection, the WRC confirmed that the factory has issued written warnings to the two managers, Head of Production Ms. Dwi Natalismi and Production Manager

Mr. Cho Sang Sik, who retaliated against and threatened the worker union leaders. Workers employed in Building D2, where most of the violations had occurred, also reported to the WRC that the work environment has improved and that supervisors and managers are less verbally abusive toward workers.

Pungkook Indonesia One has started training its managers and supervisors on the legal basis of freedom of association, union functions, protections against retaliation, and the company's commitment to nondiscrimination. Two hundred and fifty-four managers and supervisors out of the 670 employed at the factory have gone through the training. The WRC notes that the factory did not consult with the WRC on the curriculum or in identifying a credible third party to conduct the training sessions. The WRC is following up with the factory to ensure that the factory unions and experts on freedom of association are consulted on the training curriculum. In response to our concerns, Pungkook Indonesia One is now inviting the unions to participate in the training sessions.

Finally, while factory management has not yet distributed the updated freedom of association policy to workers, union representatives are now leading briefings to new employees on freedom of association, and each union can provide a presentation to newly hired workers. Additionally, the workers interviewed by the WRC reported that they knew about the new policy and understood it. Union representatives also reported to the WRC that workers are more informed about their associational rights and are more likely to report labor rights concerns at the factory.

According to Wilda Amelya, president of the new union at Pungkook Indonesia One:

[the investigation and subsequent remediation of the violations have had] a positive and widespread impact on all workers. The company...now [respects] freedom of association...[leading to] improved working conditions free from intimidation or discrimination against union members and officers. Furthermore, we have observed a significant decline in violations, such as verbal violence, and workers are now emboldened to voice concerns.



New anti-harassment posters at Pungkook Indonesia One

The WRC will continue to monitor the factory to ensure continued respect for worker rights and compliance with national laws and university codes of conduct.