



# GROWING RESPECT FOR HUMAN RIGHTS

A Study and Ranking of 100 Indonesian  
Public Companies



A Study and Ranking of Human Rights Respect in 100 Indonesian Public Companies was supported by a grant from the Open Society Foundation.

Published by The Foundation for International Human Rights Reporting Standards (FIHRRST).

A foundation dedicated to the respect, protection and fulfilment of human rights, FIHRRST has been established by a group of internationally-respected human rights advocates to develop and promote standards by which adherence to human rights principles can be demonstrated.

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# Foreword

FIHRRST's study of 100 public companies in Indonesia uncovers that although eight years have passed since the adoption of the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles), companies are still making very slow progress in fulfilling their responsibility to respect human rights in accordance with the UN Guiding Principles.

Of the 100 companies assessed, 90 scored below 41%, which indicates that the vast majority of the companies lack an adequate system to implement the UN Guiding Principles, plus have a gap in addressing certain major human rights issues. This does not mean that respect for human rights by companies in Indonesia is totally absent, as four companies included in this study have shown their commitment to respect human rights and adopt the UN Guiding Principles.

However, to ensure that human rights are protected and respected across business activities in Indonesia, all key actors including the government, companies and civil society organizations, need to join hands and step up their efforts.

Government needs to continue to raise awareness about the UN Guiding Principles, engage with relevant stakeholders to establish practical guidance for the implementation of the UN Guiding Principles and develop regulations for reporting their human rights performance. For their part, companies must commit to implementing the UN Guiding Principles across their operations, developing the necessary policies and procedures, and looking for the best practices as benchmarks to improve their human rights performance, plus actively communicating this in a readily accessible manner. Civil society organizations, meanwhile, are tasked with the expectation of educating and assisting society at large in gaining knowledge on how the UN Guiding Principles can be used as a tool to ensure the protection and fulfilment of their rights.

Knowing that it will take the involvement of all key actors to attain success, FIHRRST has developed a long-term programme to regularly assess and rank companies' human rights performance in Indonesia, to be known as Indonesia Business and Human Rights Ranking (IdBHR). This study marks the commencement of the programme.

This study foresees a future in which the results of the study will not discredit any party but instead encourage all. For the ultimate aim of the study is not for naming and shaming, but rather to raise awareness that respecting human rights throughout company operations is not just the right thing to do, but the global standard and requirement to which all business should operate.

Marzuki Darusman  
**Chair of FIHRRST**

# Key Findings



## **Only four companies have expressed their commitment to respect human rights with a reference to the UN Guiding Principles**

Of the 100 companies assessed, only four have expressed their commitment to respect human rights with a reference to the UN Guiding Principles. The four companies expressed their awareness in various ways that included human rights policy statement, sustainability reports and website articles.



## **Awareness of UN Guiding Principles boosts human rights performance**

The four companies who were aware of the UN Guiding Principles, all landed in the “pioneering” tier, and are thus ahead of the pack, scoring from 51% to 86%. This awareness of the UN Guiding Principles motivated these companies to develop a human rights management system to better address major human rights issues. This suggests there is a strong relationship between awareness of the UN Guiding Principles and human rights performance.



## **Requirements from sector standards and global business accelerate the adoption of the UN Guiding Principles**

Three of the four companies in the “pioneering” tier are from the mining and agriculture sectors that have integrated UN Guiding Principles into the sector standards, while the other was part of a global business that has adopted the UN Guiding Principles internationally. This indicates that requirements from sector standards and global business accelerate the adoption of the UN Guiding Principles.





## **Vast majority of the companies scored below 41%**

Out of 100 companies, 90 scored below 41%, with 38 companies scoring below 31%. This reveals that the vast majority of the assessed companies lack an adequate human rights management system consistent with the requirements of the UN Guiding Principles, plus have a gap in addressing some major human rights issues.



## **No State-owned enterprises (SOEs) landed in the “Pioneering” tier**

Although four SOEs made it into the top 10 performers, not one landed in the “pioneering” tier. In fact, 85% of SOEs assessed landed in “limited” or “minimal” tiers. This finding is a motivation for SOEs to catch up, for they are expected to be national leaders in embedding respect for human rights into their corporate culture.



## **Banks and other financial services institutions**

All of the banks and financial services institutions assessed were among the “limited” or “minimal” tiers, which is a finding of major concern. This signals a distinct lack of understanding by those bank and other financial services institutions assessed about the adverse human rights impacts they might be directly linked to through their business relationships.



## **Most information, communication and technology (ICT) companies scored low**

A troubling 83% of ICT companies included in this study were grouped under the ‘limited’ or ‘minimal’ tier. This should shock companies in the sector into improving their human

rights performance considering the ICT sector has come under intense scrutiny in recent years for its policies and practices on human rights, which include concerns about freedom of expression, the right to privacy and manipulative use of private user data on social media platforms.



### **Few companies expressed their commitment to conduct human rights due diligence**

Three companies, all from the “pioneering” tier, expressed their commitment to conducting due diligence. Even then their level of commitment varied. One company has developed a detailed human rights due diligence procedure, but has yet to implement it, while another states that it has carried out human rights due diligence in accordance with the UN Guiding Principles. The third, meanwhile, expressed its commitment on human rights due diligence and the means to monitor it through human rights impact assessments.



### **Nearly all companies assessed have a mechanism for grievance**

Of the 100 companies, 94 have established grievance mechanism procedures. This is due to the robust industry standards that require companies to establish mechanisms for submitting grievances on social issues that include labour, environmental and human rights relating to business activities. However, just a single company stated that its mechanism is in line with the effective criteria of the UN Guiding Principles non-judicial mechanism.



### **A vast majority of the companies commit to ensuring health and safety in the workplace**

Companies scored 92.86% on average in ensuring health and safety in the workplace, which is hardly surprising considering occupational health and safety issues have been strongly addressed by Indonesia’s laws and industry standards over the last four decades.





## **Commitment on gender equality has not yet been fully implemented**

A promising 87 companies expressed their commitment towards gender equality in the recruitment, training, and promotion process. However, when looking into the specific programmes companies have developed to reduce gender barriers, the number drops to only nine companies. And this drops even further to just five companies that report the composition of workers based on gender. So this finding signals that the commitment on gender equality has yet to be fully put into practice.

# I. INTRODUCTION

It has long been acknowledged that companies can have both positive and negative impacts on human rights. Delivering innovation and services that can improve living standards for people across the globe is considered one of the positive impacts, while the activities of companies that destroy people's livelihoods, exploit workers or displace communities are some of the negative impacts<sup>1</sup>. For decades, local communities, national governments and international institutions have debated the responsibility of companies in managing these adverse impacts and the role of governments as well as companies in preventing them.

In the past, companies tended to approach social issues through their corporate social responsibility (CSR) programmes. However, many CSR initiatives are undertaken selectively, based on what the company voluntarily chooses to address. A human rights approach requires companies to respect all human rights; they do not have the option to pick and choose only those issues they feel comfortable dealing with. A human rights framework provides a universally recognized, people-centred approach to companies' social and environmental impacts<sup>2</sup>.

Companies around the world are now realizing that responsible and sustainable business means more than CSR initiatives that focus on philanthropy and legal compliance. The new trend is companies knowing and showing that they respect the dignity and rights of the people they are impacting and with whom they interact.



## I.1 The UN Guiding Principles on Business and Human Rights

Since its adoption in June 2011, the United Nation Guiding Principles on Business and Human Rights have become the authoritative global norm and guidelines for States and companies to prevent and address negative human rights impacts caused by business operations.

The UN Guiding Principles have been reflected in other international standards including the OECD Guidelines for Multinational Enterprises, IFC Performance Standards, ISO 26000 Social Responsibility Guidance, Guidance Notes on Human Rights in the Mining and Metals Sector by the International Council on Mining and Metals (ICMM), and Global Reporting Initiative (GRI Standards). This emphasizes the status of the UN Guiding Principles as the authoritative baseline for corporate respect for human rights.

There are 31 principles set out in the UN Guiding Principles, which are mapped into three main pillars: State duty to protect human rights; Corporate responsibility to respect human rights, and; Access to remedy.

### **Pillar I: State duty to protect human rights.**

UN Guiding Principles affirm that States have the duty to protect against human rights abuses by all actors in society, including businesses. This means States must prevent, investigate, punish and remedy human rights abuses that take place in domestic business operations.

Furthermore, UN Guiding Principles recommend that States set clear expectations that companies domiciled in their territory respect human rights in every country and context in which they operate.

### **Pillar II: Corporate responsibility to respect human rights**

UN Guiding Principles clarify what is expected of business enterprises with regard to human rights and outline the process through which companies can identify their negative human rights impacts and demonstrate that their policies and procedures are adequate to address them.

UN Guiding Principles affirm that business enterprises must prevent, mitigate and, where appropriate, remedy human rights abuses that they cause or contribute to. Businesses must seek to prevent or mitigate any adverse impacts related to their operations, products or services, even if these impacts have been carried out by their suppliers or business partners.

To meet the responsibility to respect, business enterprises must have policies and processes in place. The UN Guiding Principles identify three components to ensure companies meet this responsibility. First, companies must institute a policy commitment to meet the responsibility to respect human rights. Second, they must undertake ongoing human rights due diligence to identify, prevent, mitigate and account for their human rights impacts. Lastly, they must have processes in place to enable remediation for any adverse human rights impacts they cause or contribute to.

### **Pillar III: Access to remedy**

One of the fundamental principles of the international human rights system is that when a right is violated, victims must have access to an effective remedy. The UN Guiding Principles affirm that the State duty to protect rights includes ensuring that when human rights are violated by companies within their jurisdiction, the State must ensure access to an effective remedy for those affected.

The State duty to provide access to effective remedy includes taking appropriate steps to ensure that State-based domestic judicial mechanisms are able to effectively address business-related human rights abuses. States should also provide effective and appropriate non-judicial grievance mechanisms with the capacity to hear and adjudicate business-related human rights complaints.

The access to remedy principles also apply to companies. The UN Guiding Principles require corporations to provide for, or participate in, effective mechanisms for fielding and addressing grievances from individuals and communities who may be adversely impacted by the company's operations







# II. INDONESIA BUSINESS AND HUMAN RIGHTS RANKING (IdBHR)

## II.1 Rationale for the study

It is high time for Indonesia to enforce the implementation of respect for human rights by corporations, as the allegation on human rights violations by corporation in Indonesia is consistently significant.

The National Human Rights Commission of Indonesia (Komnas HAM) received 1,231, 1,030 and 866 allegations in 2015, 2016 and 2017, respectively. In common with the two previous years, 2017 saw companies in second position as the most reported institutions on alleged human rights violations after the police institution<sup>3</sup>.

Of 866 allegations in 2017, the highest number of allegation (35%) were related to land conflict. The conflict between society and the companies in terms of land disputes can be motivated by several things, including (i) overlapping claims of ownership or management of business land; (ii) disputes in the payment of compensation for land owned by residents affected by the company's business expansion project; and (iii) the use of security force "service" by companies under the excuse of securing vital objects either to merely spread fear to citizens or to cause physical violence<sup>4</sup>.



The second most frequent allegations relate to labour issues (33%). Cases concerning (i) termination of employment, (ii) disputes in the provision of wages, salaries or other benefits, (iii) prohibition of trade union formation or activity, (iv) prohibition of strikes, (v) suspension, and (vi) demotion are real forms of the various types of human rights violations by companies<sup>5</sup>.

The fact that only in 60 occasions (or 7%) of the 866 allegations were responses received from companies indicates that many companies in Indonesia have a lack of understanding of their responsibility and commitment to respect human rights in their business activities.

This general lack of understanding by Indonesia's companies on their responsibility to respect human rights as stated above does not necessarily mean that no companies in Indonesia have shown their commitment to respect human rights throughout their operations. Indeed, there are companies that have implemented respect for human rights for various reasons, such as to meet the requirements of their industry or to comply with the standard of global companies of which they are a part<sup>6</sup>.

Although some companies have shown their commitment to respect human rights, any study assessing the implementation of respect of human rights in large public companies in Indonesia has been lacking until recently. The study and ranking of respect of human rights in 100 public companies listed on the Indonesia Stock Exchange (IDX) of KOMPAS 100 index thus aims to address the absence of such a study.

From June 2018 to 2019, FIHRRST conducted a study to assess the implementation of respect for human rights in 100 public companies listed on the Indonesia Stock Exchange (IDX) of KOMPAS index 100 for the period of

February to July 2018.

This study is part of FIHRRST's long-term programme to annually assess and rank companies' human rights performance in Indonesia under the name of Indonesia Business and Human Rights Ranking (IdBHR), the results of which will be published on [www.idbhr.org](http://www.idbhr.org).

## II.2 The Objective and Scope of the Study

The objective of the study of 100 public companies is to assess and rank to what extent Indonesia's public companies have implemented respect for human rights in their operations.

The study covers the 100 companies listed on the Indonesia Stock Exchange (BEI) included in KOMPAS 100 index based on the consideration that companies included in the index have strong liquidity and large market capitalization<sup>7</sup>.

## II.3 Methodology

The 100 companies were assessed against a set of 70 indicators grouped into three themes:

Theme 1: Human Rights Management System (IdBHR-MS)

Theme 2: Major Human Rights Issues (IdBHR-MI)

Theme 3: Reporting on Human Rights Performance (IdBHR-PR)

Human Rights Management System consists of 5 sub-themes: human rights policy, human rights due diligence, grievance mechanism, human rights coordinator, and monitoring and audit. Major Human Rights Issues consists of 11 sub-themes: elimination of child labour, abolition of forced labour, ensuring health and safety in the workplace, upholding freedom of association, eliminating discrimination within

the workplace, upholding gender equality in the workplace, environmental protection, prevention of corruption and bribery, upholding the rights of indigenous people, security, and the supply chain.

The indicators for human rights management system are based on the requirements of the UN Guiding Principles, while the indicators for the other themes are developed with reference to International Bill of Rights, the core human rights treaties and other universal human rights instruments.

The draft indicators were presented in a focus group discussion to government officials and civil society organizations known to have been involved in business and human rights initiatives. The final indicators considered feedback received from the government officials and civil society organizations during the focus group discussion.

The 70 indicators consist of 25 indicators for theme 1: Human Rights Management System (IdBHR-MS) and 45 indicators for theme 2: Major Human Rights Issues (IdBHR-MI) and theme 3: Reporting on Human Rights Performance (IdBHR-PR). A company will score one point for the fulfilment of each indicator. Total points for indicators under

theme 1: Human Rights Management System theme are then multiplied by 2%, while total points for indicators under theme 2 and theme 3 are multiplied by 1.1%. Thus, total maximum score for indicators under human rights management system theme is 50% and total score for indicators under the remaining themes is also 50%. Details of the indicators are included in Annex II while details of scoring method for companies performance are included in Annex III.

To assess the companies against 70 indicators, the study used publicly available company information included in their 2017 annual reports and sustainability reports, their websites until as of 31 December 2018 and selected online media publications<sup>8</sup> from 1 January 2017 until 31 December 2018.

In addition to assessing publicly available company information, questionnaires were sent to the companies to allow them to submit information that addressed the study indicators, but which was not publicly available. Lastly, the companies were interviewed to verify the preliminary conclusions based on the assessment of their publicly available information and results of the questionnaire.

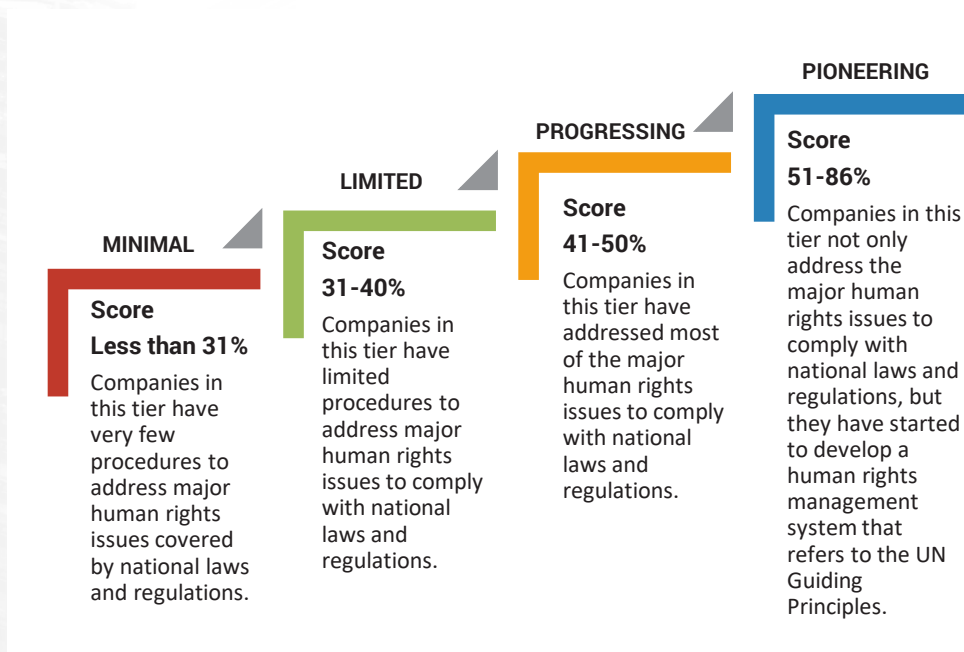


# III. Results

## III.1 General ranking of the 100 companies

As stated in the previous section, 50% of total maximum score is allocated for theme 1: Human Rights Management System, while the remaining 50% is allocated to theme 2: Major Human Rights Issues and theme 3: Reporting on Human Rights Performance.

For the analysis on this report, we have grouped the companies into four tiers based on their scores: Pioneering, Progressing, Limited and Minimal.



## General ranking of the 100 companies

COMPANY	TIER	COMPANY	TIER
PT Unilever Indonesia Tbk	Pioneering (51-86%)	PT Waskita Karya Tbk	Limited (31-40%)
PT Sawit Subermas Sarana Tbk		PT Jasa Marga Tbk	
PT Bumi Resources Tbk		PT Pan Brothers Tbk	
PT Indah Kiat Pulp & Paper Tbk		PT Bank Pembangunan Daerah Jatim Tbk	
PT Timah Tbk	Progressing (41-50%)	PT Medco Energi Internasional Tbk	
PT Telekomunikasi Indonesia Tbk		PT HM Sampoerna Tbk	
PT Perusahaan Gas Negara Tbk		PT Indofarma Tbk	
PT Astra Agro Lestari Tbk		PT Ciputra Development Tbk	
PT Bukit Asam Tbk		PT Bank Mandiri Tbk	
PT Indo Tambangraya Megah Tbk		PT Bekasi Fajar Industrial Estate Tbk	
PT Bank Danamon Indonesia Tbk	Limited (31-40%)	PT Mayora Indah Tbk	
PT Indofood Sukses Makmur Tbk		PT Wijaya Karya Beton Tbk	
PT Semen Indonesia Tbk		PT Bumi Serpong Damai Tbk	
PT Indocement Tunggul Prakarsa Tbk		PT Japfa Comfeed Indonesia Tbk	
PT PP Tbk		PT Adaro Energy Tbk	
PT PP London Sumatra Indonesia Tbk		PT Sentul City Tbk	
PT Vale Indonesia Tbk		PT Surya Semesta Tbk	
PT Bank Rakyat Indonesia Tbk		PT Waskita Beton Precast Tbk	
PT Wijaya Karya Tbk		PT Sri Rejeki Isman Tbk	
PT Indofood CBP Sukses Makmur Tbk		PT Kalbe Farma Tbk	
PT Bank CIMB Niaga Tbk		PT Sitara Propertindo Tbk	
PT Bank Tabungan Negara Tbk		PT Bank Pembangunan Daerah Banten Tbk	
PT Delta Dunia Makmur Tbk		PT Pakuwon Jati Tbk	
PT Indosat Tbk		PT Lippo Karawaci Tbk	
PT Eagle High Plantations Tbk		PT Bank Negara Indonesia Tbk	
PT AKR Corporindo Tbk		PT Summarecon Agung Tbk	
PT Chandra Asri Petrochemical Tbk		PT Harum Energy Tbk	
PT Elnusa Tbk		PT Bank Pan Indonesia Tbk	
PT Bank Central Asia Tbk		PT Semen Baturaja Tbk	
PT Bank Permata Tbk		PT Krakatau Steel Tbk	
PT Tiga Pilar Sejahtera Food Tbk		PT Aneka Tambang Tbk	Minimal (Less than 31%)
PT United Tractors Tbk		PT Multipolar Tbk	
		PT XL Axiata Tbk	



COMPANY	TIER
PT Bank Pembangunan Daerah Jabar dan Banten Tbk	Minimal (Less than 31%)
PT Adhi Karya (Persero) Tbk	
PT Kimia Farma Tbk	
PT Hanson International Tbk	
PT Indika Energy Tbk	
PT MNC Investama Tbk	
PT Trada Alam Mineral Tbk	
PT Astra International Tbk	
PT Charoen Pokphand Indonesia Tbk	
PT PP Properti Tbk	
PT Pelat Timah Nusantara Tbk	
PT Gajah Tunggal Tbk	
PT Benakat Integra Tbk	
PT Matahari Department Store Tbk	
PT Bank China Construction Bank Indonesia Tbk	
PT Alam Sutera Realty Tbk	
PT Bumi Resources Minerals Tbk	
PT Mitra Adiperkasa Tbk	
PT Gudang Garam Tbk	
PT Barito Pacific Tbk	
PT Ace Hardware Indonesia Tbk	
PT Link Net Tbk	
PT Surya Citra Media Tbk	
PT Logindo Samudramakmur Tbk	
PT Bank Rakyat Indonesia Agroniaga Tbk	
PT KMI Wire & Cable Tbk	
PT Mitra Keluarga Karya Sehat Tbk	
PT Pool Advista Indonesia Tbk	
PT Kresna Graha Investama Tbk	
PT Puradelta Lestari Tbk	
PT Media Nusantara Citra Tbk	
PT Tower Bersama Infrastructure Tbk	

COMPANY	TIER
PT Global Mediacom Tbk	Minimal (Less than 31%)
PT Mas Murni Indonesia Tbk	
PT Ramayana Lestari Sentosa Tbk	

**Only four companies landed in the “Pioneering” tier.** These four companies are ahead of the pack, scoring from 51% to 86%. They are also the only companies that have expressed their commitment to respect human rights with a reference to the UN Guiding Principles, and this commitment is expressed in their human rights policy, statement on sustainability reports and websites.

**A vast majority of the companies scored below 41%.** Out of 100 companies, 90 scored below 41% with 38 companies scoring below 31%. This reveals that the vast majority of companies assessed lack an adequate human rights management system consistent with the UN Guiding Principles, plus have a gap in addressing some major human rights issues.

**No SOEs landed in the “Pioneering” tier.** Although four SOEs made it into the top 10 performers, not one landed in the “pioneering” tier. This should motivate SOEs to improve their human rights performance, as they are expected to be national leaders in respecting human rights. Moreover, inducing a rights-respecting corporate culture should be easier to achieve in SOEs considering their senior management is typically appointed by and reports to the government.

**Companies tend to score less on human rights management system indicators compared to the indicators of major human rights issues.** On average, the companies scored 14% on the indicators of theme 1: Human Rights Management System, which was less than a third of the 44% they scored on average on theme 2: Major Human Rights Issues. This suggests that companies have addressed major human rights issues to comply with national laws, but do so piecemeal without having a sound human rights management system.

## III.2 State-owned enterprises ranking

COMPANY	TIER
PT Timah Tbk	Progressing (41-50%)
PT Telekomunikasi Indonesia Tbk	
PT Perusahaan Gas Negara Tbk	
PT Bukit Asam Tbk	
PT PP Tbk	Limited (31-40%)
PT Semen Indonesia Tbk	
PT Bank Rakyat Indonesia Tbk	
PT Wijaya Karya Tbk	
PT Bank Tabungan Negara Tbk	
PT Bank Pembangunan Daerah Jatim Tbk	
PT Jasa Marga Tbk	
PT Waskita Karya Tbk	
PT Indofarma Tbk	
PT Bank Mandiri Tbk	
PT Wijaya Karya Beton Tbk	
PT Waskita Beton Precast Tbk	
PT Bank Pembangunan Daerah Banten Tbk	
PT Bank Negara Indonesia Tbk	
PT Semen Baturaja Tbk	
PT Krakatau Steel Tbk	
PT Aneka Tambang Tbk	Minimal (Less than 31%)
PT Adhi Karya Tbk	
PT Bank Pembangunan Daerah Jabar dan Banten Tbk	
PT Kimia Farma Tbk	
PT PP Properti Tbk	
PT Bank Rakyat Indonesia Agroniaga Tbk	

Of the total 26 SOE companies included in this study, none landed in the “pioneering” tier. In fact, 85% of SOEs were assessed as being in the “limited” or “minimal” tiers. This should provide motivation for SOEs to improve their human rights performance, as they are expected to be national leaders in respecting human rights. Moreover, building a rights-respecting corporate culture should be easier for SOEs to achieve considering their senior management is typically appointed by and reports to the government. Indeed, the State itself may be held responsible under international law for the internationally wrongful acts of its SOEs if they can be considered to be State organs, or are acting on behalf of, or under the orders, of the State. Beyond any legal obligations, human rights harms caused by SOEs reflect directly on the State’s reputation, providing it with an incentive in the national interest to exercise greater oversight<sup>9</sup>.



### III.3 Company rankings by industry

#### Banks and Other Financial Services Institutions

COMPANY	TIER
PT Bank Danamon Indonesia Tbk	Limited (31-40%)
PT Bank Rakyat Indonesia Tbk	
PT Bank CIMB Niaga Tbk	
PT Bank Tabungan Negara Tbk	
PT Bank Central Asia Tbk	
PT Bank Permata Tbk	
PT Bank Pembangunan Daerah Jatim Tbk	
PT Bank Mandiri Tbk	
PT Bank Pembangunan Daerah Banten Tbk	
PT Bank Negara Indonesia Tbk	
PT Bank Pan Indonesia Tbk	
PT Bank Pembangunan Daerah Jabar dan Banten Tbk	Minimal (Less than 31%)
PT MNC Investama Tbk	
PT Bank China Construction Bank Indonesia Tbk	
PT Bank Rakyat Indonesia Agroniaga Tbk	
PT Pool Advista Indonesia Tbk	
PT Kresna Graha Investama Tbk	

#### Mining and Metals, Oil and Gas

COMPANY	TIER
PT Bumi Resources Tbk	Pioneering (51-86%)
PT Timah Tbk	Progressing (41-50%)
PT Perusahaan Gas Negara Tbk	
PT Bukit Asam Tbk	
PT Indo Tambangraya Megah Tbk	
PT Vale Indonesia Tbk	Limited (31-40%)
PT AKR Corporindo Tbk	
PT Delta Dunia Makmur Tbk	
PT Elnusa Tbk	
PT United Tractors Tbk	
PT Medco Energi Internasional Tbk	
PT Adaro Energy Tbk	
PT Harum Energy Tbk	
PT Krakatau Steel Tbk	
PT Aneka Tambang Tbk	Minimal (Less than 31%)
PT Indika Energy Tbk	
PT Trada Alam Mineral Tbk	
PT Pelat Timah Nusantara Tbk	
PT Benakat Integra Tbk	
PT Bumi Resources Minerals Tbk	

## Information Communication and Technology (ICT)

COMPANY	TIER
PT Telekomunikasi Indonesia Tbk	Progressing (41-50%)
PT Indosat Tbk	Limited (31-40%)
PT Multipolar Tbk	Minimal (Less than 31%)
PT XL Axiata Tbk	
PT Link Net Tbk	
PT Tower Bersama Infrastructure Tbk	

## Chemical, Health and Pharmaceutical

COMPANY	TIER
PT Chandra Asri Petrochemical Tbk	Limited (31-40%)
PT Indofarma Tbk	
PT Kalbe Farma Tbk	
PT Mitra Keluarga Karya Sehat Tbk	Minimal (Less than 31%)
PT Kimia Farma Tbk	

## Development and Construction

PT PP Tbk	Limited (31-40%)
PT Wijaya Karya Tbk	
PT Jasa Marga Tbk	
PT Waskita Karya Tbk	
PT Ciputra Development Tbk	
PT Bekasi Fajar Industrial Estate Tbk	
PT Bumi Serpong Damai Tbk	
PT Wijaya Karya Beton Tbk	
PT Sentul City Tbk	
PT Surya Semesta Tbk	
PT Waskita Beton Precast Tbk	
PT Sitara Propertindo Tbk	
PT Lippo Karawaci Tbk	
PT Pakuwon Jati Tbk	
PT Summarecon Agung Tbk	
PT Adhi Karya (Persero) Tbk	Minimal (Less than 31%)
PT Hanson International Tbk	
PT PP Properti Tbk	
PT Alam Sutera Realty Tbk	
PT Puradelta Lestari Tbk	
PT Mas Murni Indonesia Tbk	

## Consumer Goods

PT Unilever Indonesia Tbk	Pioneering (51-86%)
PT Indofood Sukses Makmur Tbk	Limited (31-40%)
PT Indofood CBP Sukses Makmur Tbk	
PT Pan Brothers Tbk	
PT Tiga Pilar Sejahtera Food Tbk	
PT Japfa Comfeed Indonesia Tbk	
PT Mayora Indah Tbk	
PT Sri Rejeki Isman Tbk	
PT Charoen Pokphand Indonesia Tbk	Minimal (Less than 31%)
PT Matahari Department Store Tbk	
PT Mitra Adiperkasa Tbk	
PT Ace Hardware Indonesia Tbk	
PT Ramayana Lestari Sentosa Tbk	

### Others (Cement, Tobacco, Automotive, Logistics, Media)

COMPANY	TIER
PT Indocement Tunggal Prakarsa Tbk	Limited (31-40%)
PT Semen Indonesia Tbk	
PT HM Sampoerna Tbk	
PT Semen Baturaja Tbk	
PT Astra International Tbk	Minimal (Less than 31%)
PT Gajah Tunggal Tbk	
PT Gudang Garam Tbk	
PT Surya Citra Media Tbk	
PT Logindo Samudramakmur Tbk	
PT KMI Wire & Cable Tbk	
PT Media Nusantara Citra Tbk	
PT Global Mediacom Tbk	

### Plantations and Agriculture

COMPANY	TIER
PT Sawit Subermas Sarana Tbk	Pioneering (51-86%)
PT Indah Kiat Pulp & Paper Tbk	
PT Astra Agro Lestari Tbk	Progressing (41-50%)
PT PP London Sumatra Indonesia Tbk	Limited (31-40%)
PT Eagle High Plantations Tbk	
PT Barito Pacific Tbk	Minimal (Less than 31%)

or industry standards that specifically require banks and other financial services institutions to implement and report respect for human rights in line with the principles set out in the UN Guiding Principles.

It is worth noting that the Financial Service Authority of Indonesia (OJK) has issued regulation Number 51 Year 2017 that requires banks and other financial services institutions, which include publicly listed companies, to prepare sustainability reports commencing 2019.

Sustainability reports prepared in accordance with international standards commonly include information on company's human rights practices. For instance, Global Reporting Initiatives (GRI) standard, a globally accepted sustainability reporting standard, has significant human rights indicators under the topic-specific standards, which among others, include labour/management relations, diversity and equal opportunity, non-discrimination, freedom of association and collective bargaining, child labour, forced or compulsory labour, security practices, rights of indigenous peoples, human rights assessment, local communities and supplier

### III.3.1 Analysis of Company rankings by industry

#### Bank and Other Financial Services Institutions

One finding of great concern was that all the banks and financial services institutions assessed fell into the "limited" or "minimal" tiers. This signals a distinct lack of understanding by the assessed banks and other financial services institutions about the adverse human rights impacts they might be directly linked to through their business relationships, for example by providing loans to a company to finance a project that affect communities' ability to earn a livelihood<sup>10</sup>.

The reason the majority of the banks and financial institutions were grouped under "limited" and "minimal" tiers is likely due to the absence of Indonesian laws and regulations

social assessment<sup>11</sup>. Unfortunately, these human rights criteria have not been included in OJK's regulation No. 51/2017.

Banks and other financial services Institutions must learn from Australia where its big four banks, ANZ, Commonwealth Bank, NAB and Westpac are in hot water after financing companies accused of land grabs, deforestation and labour abuses in developing countries. The four banks have funded, directly or indirectly, companies accused of improperly acquiring land from local people, child labour violations and land clearing, according to a new report by Friends of the Earth Australia<sup>12</sup>.

### Information Communication and Technology (ICT)

Of the ICT companies included in this study, 83% were grouped under the 'limited' or 'minimal' tier. This is a reason for concern, considering the scrutiny the ICT sector is facing in recent years.

The ICT sector has come under intense scrutiny for its policies and practices on human rights that include alleged collusion with repressive regimes, concerns about freedom of expression, the right to privacy and manipulative use of private user data on social media platforms, as well as labour rights in supply chains both at the manufacturing and raw material sourcing level. The changing nature of the sector considering the development of new software and technology, the increasing use of digital products, and the threat of authoritarian government intervention, makes it essential for ICT companies to continuously reflect these factors and strengthen their approach to human rights<sup>13</sup>.

A recent example of a human rights violation case involving ICT was Facebook's contribution to the violence in Myanmar. Facebook has long promoted itself as a tool for bringing people together to make the world a better place. Now the social media giant has acknowledged that in Myanmar it did the opposite, and human

rights groups say it has a lot of work to do to fix that<sup>14</sup>. U.N. Independent International Fact-Finding Mission on Myanmar, chaired by Marzuki Darusman argued that Facebook has enabled people to incite a lot of violence and a lot of hatred against the Rohingya or other ethnic minorities<sup>15</sup>.

### Mining and Metals, Oil and Gas

Five out of 20 mining and metals, and oil and gas companies included in this study made it into the top ten performers. One company landed in "pioneering" tier, while four companies landed in the "progressing" tier. This laudable performance is attributed to the industry standards that have robustly adopted the UN Guiding Principles. For example, International Council on Mining and Metals (ICMM)<sup>16</sup> has developed guidelines for companies in the mining and metals sector to implement respect for human rights in the company's operations. In addition, Responsible Mining Index (RMI)<sup>17</sup>, an evidence-based assessment of mining company policies and practices on economic, environmental, social and governance issues, has included commitment to respect human rights in line with the UN Guiding Principles in the indicators to assess the companies included in the Index.

### Agriculture

Fifty percent of the agriculture companies assessed landed in the "pioneering" or "progressing" tiers. This is due to the sector standards having adopted the UN Guiding Principles, realizing that the sector is linked to adverse human rights risks and impacts. One such standard has been developed by the Roundtable Sustainable Palm Oil (RSPO)<sup>18</sup>, an organization that develops and implements global standards for sustainable palm oil. In 2013, RSPO launched certification principles and criteria that regulate respect for human rights through human rights policies and human rights due diligence.

### III. 4 Analysis of assessment themes

#### THEME 1: IdBHR-MS HUMAN RIGHTS MANAGEMENT SYSTEM

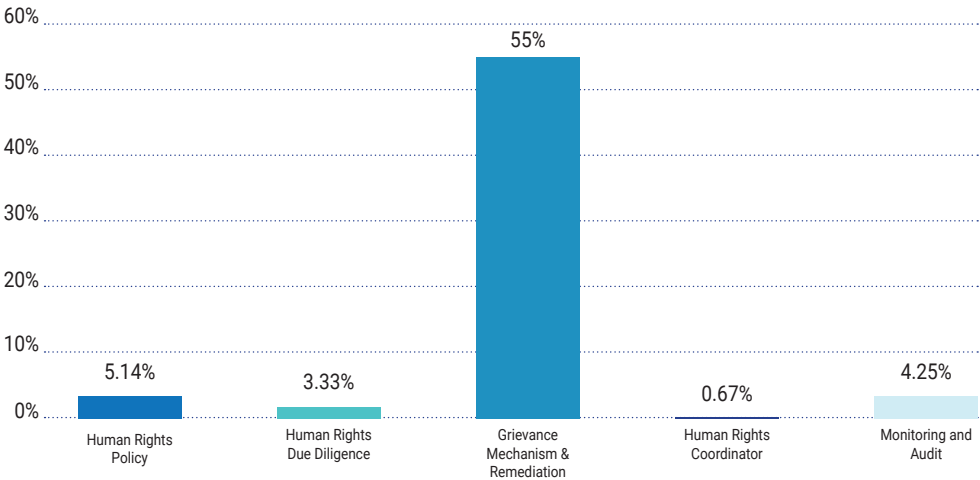


Chart 1. Average score of 100 companies for sub-themes in theme 1: Human Rights Management System

#### IdBHR – MS1 Human Rights Policy

The average score for human rights policy (5.14%) indicates that the vast majority of the assessed 100 companies have not openly stated their commitment to respect human rights. Only four out of the 100 companies assessed have human rights policies that are referenced to the UN Guiding Principles, three coming from the mining and agriculture sectors, while the other is engaged in the fast-moving consumer goods (FMCG) sector. The companies were PT Bumi Resources Tbk. (mining), PT Indah Kiat Pulp & Paper Tbk. (agriculture) and PT Sawit Sumbermas Sarana Tbk. (agriculture) and the company from the FMCG sector was PT Unilever Indonesia Tbk.

Apart from these four companies, there are another four companies that have policies requiring their suppliers to respect human rights. In total, just five out of the 100 companies have acknowledged internationally recognized human rights principles, including

but not limited to, the Universal Declaration of Human Rights.

There are two factors that may explain why very few companies have instituted a human rights policy. First, is the absence of national regulations that require companies to report on their human rights performance. There are regulations on annual report and sustainability report, which cover social issues, but they do not specifically include human rights indicators.

Second, is a general lack of awareness of the UN Guiding Principles. Companies that are aware of the importance of having a human rights policy statement as stated in the UN Guiding Principles are only those who are part of a network of global companies or whose sector calls upon them to follow a strict human rights requirement.

## Stand-alone Human Rights Policy

**PT Bumi Resources Tbk.** has published its stand-alone human rights policy on its website. In this human rights policy, BUMI states that it recognizes its responsibility to respect human rights in accordance with the UN Guiding Principles. The policy states that its commitment to respect internationally recognized human rights includes those rights mentioned in the Universal Declarations of Human Rights and the International Labour Organization on Fundamental Principles and Rights at Work. Moreover, the human right policy expresses the commitment of PT Bumi Resources Tbk. to develop a human rights due diligence procedure and implement this procedure throughout its operations.

The policy also states the commitment of the company to respect human rights related with specific human rights issues, namely Abolition of Forced Labour, Abolition of Child Labour, Occupational Health and Safety, Freedom of Association, Security Personnel, Anti-Discrimination, Comfortable and Safe Working Environment Free from All Forms of Harassment, Anti-Corruption, Business Partners and Supply Chains, Indigenous Peoples and Avoiding Adverse Impact on the Community.

**PT Sawit Sumbermas Sarana Tbk.** established its human rights policy in April 2017, which was approved by the company's CEO and published on its website. The human rights policy clearly states the requirement for all employees, subsidiaries and contractors to adhere to the policy. In the human rights policy, the company expresses its commitment to respect all internationally recognized human rights, plus relevant national regulations on human rights.

The human rights policy also specifies ways the commitment will be put into practice, which include development of operational procedures and establishment of a gender committee to identify and address issues related with gender balance.

## IdBHR – MS2 Human Rights Due Diligence

Out of 100 companies, only three have expressed their commitment to conduct human rights due diligence. The three companies, PT Bumi Resources Tbk., PT Sawit Sumbermas Sarana Tbk., and PT Unilever Indonesia Tbk., were all in the “pioneering” tier.

The commitment of the three companies on human rights due diligence is varied. For example, PT Bumi Resources Tbk. has developed a detailed human rights due diligence procedure but has yet to implement

the procedure in practice, while PT Sawit Sumbermas Sarana Tbk. states that it has developed a due diligence procedure in accordance with the UN Guiding Principles and implemented the procedure within its operations. For its part, PT Unilever Indonesia Tbk. expressed its commitment on human rights due diligence and the means to monitor it through human rights impact assessments, which include on-site visits by third-party experts who engage and consult rights-holders and other stakeholders.

The reasons the vast majority of the assessed companies have not developed and implemented human rights due diligence policy and procedure are likely due to the lack of awareness of the UN Guiding Principles that require such measures to be taken, plus the absence of regulations that mandate public companies to carry out and report human rights due diligence implementation.

### **IdBHR – MS3 Grievance Mechanism**

Of the 100 companies, 94 companies have established grievance mechanism procedures.

The existence of a grievance mechanism in the majority of the 100 companies is due to the requirements of industry standards. Most companies have adopted various business standards, which include ISO 26000 on Social Responsibility, ISO 14001 on Environmental Management, and ISO 9001 on Quality Management. These standards require companies to establish processes and mechanisms for submitting grievances on social issues that include labour, environmental, human rights and other issues that relate to business activities.

Although 94 companies have established grievance mechanisms, just a single company, PT Sawit Sumbermas Sarana Tbk., stated its mechanism refers to the eight effective criteria of the UN Guiding Principles non-judicial mechanism: legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue<sup>19</sup>.

### **IdBHR – MS4 Human Rights Coordinator**

Only two companies that have human rights coordinator, meaning that of all the theme indicators this was the least addressed by the companies.

In addition, no company has stated that they have developed a procedure to provide incentives to the board of directors and key officials who are responsible for putting the human rights policies into practice.

### **IdBHR – MS5 Monitoring and Audit**

Human rights monitoring and audit performance indicators are addressed only by three companies, all in the “pioneering” tier. Of the three companies, only PT Sawit Sumbermas Sarana Tbk. has gone through a human rights certification audit carried out by an independent body to ensure that its human rights management system is effective in ensuring respect for human rights.

Moreover, no company disclosed any modifications to policies and processes as a follow-up to the monitoring and audit process that had been conducted.



THEME 2 – IdBHR-MI MAJOR HUMAN RIGHTS ISSUES



Chart 2. Average score of 100 companies for sub-themes in theme 2: Major Human Rights Issues

IdBHR-MI1 ELIMINATION OF CHILD LABOUR

The average score for elimination of child labour (28.67%) is markedly low. Only 34 companies disclosed their commitment to eradicate child labour and just 19 companies extended this commitment to their supply chains.

This result is likely due to the assessed companies considering child labour to be a less significant issue to disclose since it has been strictly regulated in national laws over the last two decades.

IdBHR-MI2 ABOLITION OF FORCED LABOUR

The marginally above 50% average score for abolition of forced labour was inadequate. Put in other terms, this inadequacy suggests that around half of the companies assessed are unaware of the importance of communicating their commitments on the eradication of forced labour.

### **IdBHR-MI3 ENSURING HEALTH AND SAFETY IN THE WORKPLACE**

Ensuring health and safety in the workplace received the highest average score of 92.86%. This is unsurprising considering the assessed companies have made a strong commitment to ensuring their employees' health and safety while working on company premises.

This success can be attributed to two factors. First, the comprehensive laws in place that include Law No. 1 Year 1970 regarding Work Safety, and Government Regulation No. 50 Year 2012 regarding Management System Implementation on Occupational Health and Safety. Secondly, many voluntary standards have guided the companies to pursue the highest compliance. These standards include, but are not limited to, ISO 45000 on Occupational Health and Safety.

### **IdBHR-MI4 UPHOLDING FREEDOM OF ASSOCIATION**

The average score for upholding freedom of association was 42.33%. This score suggests that more than half of the companies assessed considered that it is not critical to disclose policy on freedom of association. Among companies that publicly disclose their commitment on freedom of association, 19 published their activities related to meetings between management and unions, or internal union meetings.

It's worth highlighting the outstanding practice of PT Unilever Indonesia Tbk., however, which properly maintains the record of all meetings between management and labour, thus indicating its strong commitment to upholding freedom of association.

### **IdBHR-MI5 ELIMINATING DISCRIMINATION WITHIN WORKPLACE**

Notably, with the average score of 83%, companies appear to be strongly committed to eliminating discrimination in the workplace. In fact, 87 companies have declared their commitment to end discrimination in the recruitment process, promotion, training, and compensation for employees. Moreover, of the 87 companies, 79 companies have developed anti-discriminatory training procedures.

### **IdBHR-MI6 UPHOLDING GENDER EQUALITY AT WORKPLACE**

The 33.67% average score for gender equality suggests that there is still a lack of commitment by the assessed companies to mainstream gender equality in their operations.

It is worth mentioning, though, that a promising 87 companies have expressed their commitment towards gender equality in the employee recruitment, training, and promotion process. However, when looking into the specific programmes to reduce gender barriers, that number drops to just nine. Of these nine companies, only five report the composition of its workforce based on gender. Those five companies are PT Bank Central Asia Tbk., PT Bank Permata Tbk., PT Perusahaan Gas Negara Tbk., PT Unilever Indonesia Tbk., and PT Vale Indonesia Tbk.

These results indicate that much remains to be done before the commitment on gender equality is fully put into practice.

## **IdBHR-MI7 ENVIRONMENTAL PROTECTION**

The 100 companies gained an average score of 64%, which signals an increasing commitment to environmental protection. Of the 87 companies who have demonstrated their commitment to preventing environmental damage, 76 extend the commitment by having a mechanism to assess the environmental risks that may occur.

This increasing commitment is due to the robust government regulations on environmental protection, particularly requirements for companies to conduct environmental impact assessment in order to protect the environment, ensure its sustainability and improve supervision on businesses that may have negative impacts on the environment.

## **IdBHR-MI8 PREVENTION OF CORRUPTION AND BRIBERY**

The average score of 53% for prevention of corruption and bribery indicates that companies need to improve in addressing this issue. While 85 companies have developed

anti-corruption and anti-bribery policy, only 61 reported the training and dissemination of the policy to their employees.

In addition, the number of companies that disclose the mechanism to periodically monitor the anti-corruption policy sees this figure fall to just 13 companies. This result raises further questions as to the current effectiveness of implementation of such policy.

## **IdBHR-MI9 UPHOLDING THE RIGHTS OF INDIGENOUS PEOPLE**

For upholding the rights of indigenous people, the total average score was 4.67%, the lowest recorded of all issues. Just seven companies scored on the indicators for this issue, coming from the oil palm, mining and infrastructure sectors. This is likely due to the robust sector standards in regard to indigenous people applied to those sectors, which include Roundtable on Sustainable Palm Oil (RSPO), Forest Stewardship Council (FSC), and International Finance Corporation (IFC).

The commitment to uphold the rights of indigenous people should not only be shown by companies in the aforementioned sectors. Other companies in different sectors should

## **Fostering gender equality within the company and its supply chain**

In Sustainable Living Plan of **PT Unilever Indonesia Tbk.**, the company declared its commitment to fostering gender balance within the company and its supply chain. To achieve this, Unilever has carried out the following initiatives:

1. Foster gender balance in the workplace, focusing on management.
2. Promote safety for women throughout supply chain.
3. Improve access to training and across supply chain.
4. Expand work opportunities for women across supply chain.
5. Provide support for female employees to maintain work/life balance.

In 2017, Unilever Indonesia carried out Woman in Engineering Unilever Leadership Fellowship (WULF) to introduce non-traditional roles for women. The fellowship is the first conducted in Asia.

As a result of Unilever's commitment and initiatives, as of December 31, 2018, almost 40% of Unilever's management and employees were women.

also address this issue in their policy, as they are likely to engage with their suppliers and other business partners whose activities might impact on indigenous people.

### **IdBHR – MI10 Security**

Using the principles of human rights for security measures is important to ensure the basic rights are well-protected even during conflict. Regrettably, the assessed companies on average scored 5.5% for the security issue. Even though a small number of companies do mention human rights aspects related to their security practices, none of them declared their commitment to adopt the Voluntary Principles on Security and Human Rights.

This result should be a strong reminder to the assessed companies that they need to step up and include human rights principles in their guidance for maintaining the security of their operations.

### **IdBHR – MI11 Supply Chains**

With the average score of 7.3%, companies are still in the early stages of enforcing respect

for human rights in their supply chain. A majority of the companies have disclosed their supply chain policy which contained some human rights aspects. However, none of the companies reported the percentage of their suppliers that have developed human rights policy.

### **THEME 3 – IdBHR-PR REPORTING ON HUMAN RIGHTS PERFORMANCE**

The 2% average score for reporting on human rights performance indicates that the vast majority of the 100 assessed companies have not adequately disclosed information relating to their human rights performance in a readily coherent and easily accessible manner. Most of the information related to human rights is placed under workplace health and safety, labour issues and community development reporting.

Only the four companies in the “pioneering” tier, published their human rights performance under the title ‘human rights’ in sustainability reports and their websites. Of the four companies, one has prepared a human rights progress report.

## **Human Rights, FPIC and Conflict Resolution**

**PT. Indah Kiat Pulp and Paper Tbk.** as one of the companies operating under the Asia Pulp & Paper (“APP”) has developed Sustainability Roadmap Vision 2020, which includes human rights and indigenous people with the specific target of adopting international guidelines for the protection of indigenous people’s customary rights in the forest. It further developed Forest Conservation Policies, which aims to deliver community development, transparent conflict resolution and Free, Prior and Informed Consent (FPIC).

The company incorporates resolution action planning into professional performance indicators for site managers. Its conflict resolution process is supported by stakeholders at regional level and based on memorandum of understanding. The process is measurable with four phases of resolution: conflict mapping, development of action plans, implementation and reporting and monitoring and evaluation.

## IV. Recommendations

The study and ranking of 100 public companies in Indonesia reveals that companies are still making very slow progress in fulfilling their responsibility to respect human rights in accordance with the UN Guiding Principles, eight years after their adoption.

The result of this study is a reminder for key actors that include the government, companies and civil society organizations to play their role in accelerating the adoption of the UN Guiding Principles if Indonesia wants to demonstrate that significant progress in respect for human rights within business operations has taken place in Indonesia.

We offer the following recommendations for the key actors to take into consideration.



### Government

1. Raising awareness through providing training on the UN Guiding Principles for key actors that include government officials, company employees and members of civil society
2. Developing a national action plan on business and human rights
3. Engaging with relevant stakeholders to establish practical guidance for companies to implement the UN Guiding Principles
4. Developing regulations for human rights performance reporting
5. Including human rights aspects in the Sustainability reporting criteria stated in the regulation of Financial Services Authority (OJK) No. 51/POJK.03/2017 on the Implementation of Sustainable Finance.



### Companies

1. Commit to implementing the UN Guiding Principles within the company's operations and supply chain with clear policies and procedures consistent with the Guiding Principles
2. Look for best practices as benchmarks to improve the company's human rights performance.
3. Take an active role in business and human rights forums and discussions to gain knowledge and lessons learned from other companies
4. Communicate the company's human rights performance on the company's website, sustainability report, human rights report or other related publication
5. Participate in the development of sector human rights standards and guidelines to address sector-specific human rights issues.



### Civil-Society Organizations (CSOs)

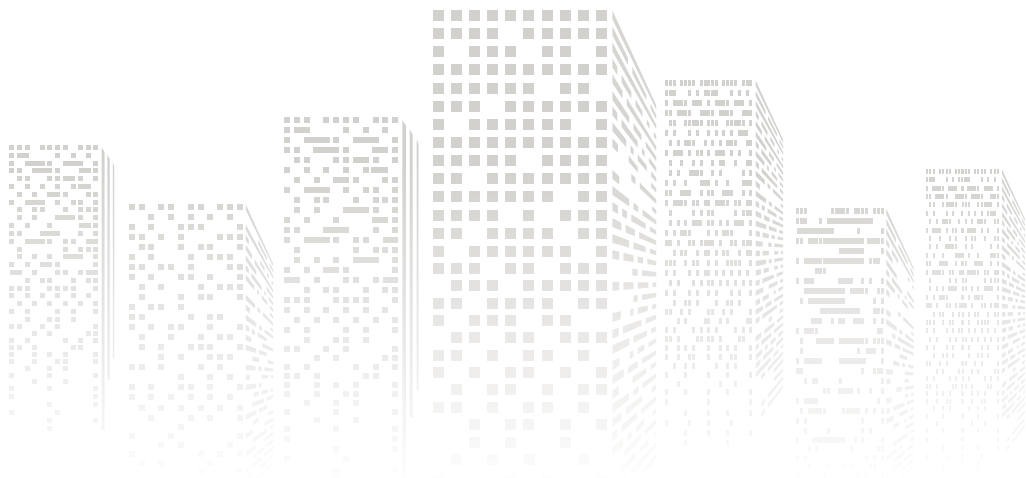
1. Assist the government in drafting national regulations on respect for human rights.
2. Assist the community in gaining knowledge through training, discussions and advocacy programmes on how the UN Guiding Principles can be used as a tool for the protection and fulfilment of their rights.
3. Working in coordination with the government and companies, to seek ways to resolve problems that hinder the promotion of respect for human rights in Indonesia.

The graphic consists of five stylized buildings of varying heights and widths, arranged in a row. Each building is composed of a grid of white squares and rectangles, creating a pixelated or digital architectural effect. The buildings are set against a solid blue background. The word "Annexes" is written in white, bold, sans-serif font to the right of the buildings.

# Annexes

## Annex I –List of 100 Companies

1. PT Ace Hardware Indonesia Tbk.
2. PT Adaro Energy Tbk.
3. PT Adhi Karya Tbk.
4. PT AKR Corporindo Tbk.
5. PT Alam Sutera Realty Tbk.
6. PT Aneka Tambang Tbk.
7. PT Astra Agro Lestari Tbk.
8. PT Astra International Tbk.
9. PT Bank Central Asia Tbk.
10. PT Bank China Construction Bank Indonesia Tbk.
11. PT Bank CIMB Niaga Tbk.
12. PT Bank Danamon Indonesia Tbk.
13. PT Bank Mandiri Tbk.
14. PT Bank Negara Indonesia Tbk.
15. PT Bank Pan Indonesia Tbk.
16. PT Bank Pembangunan Daerah Banten Tbk.
17. PT Bank Pembangunan Daerah Jabar dan Banten Tbk.
18. PT Bank Pembangunan Daerah Jatim Tbk.
19. PT Bank Permata Tbk.
20. PT Bank Rakyat Indonesia Tbk.
21. PT Bank Rakyat Indonesia Agroniaga Tbk.
22. PT Bank Tabungan Negara Tbk.
23. PT Barito Pacific Tbk.
24. PT Bekasi Fajar Industrial Estate Tbk.
25. PT Benakat Integra Tbk.
26. PT Bukit Asam Tbk.
27. PT Bumi Resources Tbk.
28. PT Bumi Resources Minerals Tbk.
29. PT Bumi Serpong Damai Tbk.
30. PT Chandra Asri Petrochemical Tbk.
31. PT Charoen Pokphand Indonesia Tbk.
32. PT Ciputra Development Tbk.
33. PT Delta Dunia Makmur Tbk.
34. PT Eagle High Plantations Tbk.
35. PT Elnusa Tbk.
36. PT Gajah Tunggal Tbk.
37. PT Global Mediacom Tbk.
38. PT Gudang Garam Tbk.
39. PT Hanson International Tbk.
40. PT Harum Energy Tbk.
41. PT HM Sampoerna Tbk.
42. PT Indah Kiat Pulp & Paper Tbk.
43. PT Indika Energy Tbk.
44. PT Indo Tambangraya Megah Tbk.
45. PT Indocement Tunggal Prakarsa Tbk.
46. PT Indofarma Tbk.
47. PT Indofood CBP Sukses Makmur Tbk.
48. PT Indofood Sukses Makmur Tbk.
49. PT Indosat Tbk.
50. PT Japfa Comfeed Indonesia Tbk.
51. PT Jasa Marga Tbk.
52. PT Kalbe Farma Tbk.
53. PT Kimia Farma Tbk.
54. PT KMI Wire & Cable Tbk.
55. PT Krakatau Steel Tbk.
56. PT Kresna Graha Investama Tbk.
57. PT Link Net Tbk.
58. PT Lippo Karawaci Tbk.
59. PT Logindo Samudramakmur Tbk.
60. PT Mas Murni Indonesia Tbk.
61. PT Matahari Department Store Tbk.



62. PT Mayora Indah Tbk.
63. PT Medco Energi Internasional Tbk.
64. PT Media Nusantara Citra Tbk.
65. PT Mitra Adiperkasa Tbk.
66. PT Mitra Keluarga Karya Sehat Tbk.
67. PT MNC Investama Tbk.
68. PT Multipolar Tbk.
69. PT Pakuwon Jati Tbk.
70. PT Pan Brothers Tbk.
71. PT Pelat Timah Nusantara Tbk.
72. PT Perusahaan Gas Negara Tbk.
73. PT Pool Advista Indonesia Tbk.
74. PT PP Tbk.
75. PT PP London Sumatra Indonesia Tbk.
76. PT PP Properti Tbk.
77. PT Puradelta Lestari Tbk.
78. PT Ramayana Lestari Sentosa Tbk.
79. PT Sawit Subermas Sarana Tbk.
80. PT Semen Baturaja Tbk.
81. PT Semen Indonesia Tbk.
82. PT Sentul City Tbk.
83. PT Sitara Propertindo Tbk.
84. PT Sri Rejeki Isman Tbk.
85. PT Summarecon Agung Tbk.
86. PT Surya Citra Media Tbk.
87. PT Surya Semesta Tbk.
88. PT Telekomunikasi Indonesia Tbk.
89. PT Tiga Pilar Sejahtera Food Tbk.
90. PT Timah Tbk.
91. PT Tower Bersama Infrastructure Tbk.
92. PT Trada Alam Minera Tbk.
93. PT Unilever Indonesia Tbk.
94. PT United Tractors Tbk.
95. PT Vale Indonesia Tbk.
96. PT Waskita Beton Precast Tbk.
97. PT Waskita Karya Tbk.
98. PT Wijaya Karya Tbk.
99. PT Wijaya Karya Beton Tbk.
100. PT XL Axiata Tbk.



## Annex II – Detailed indicators

### HUMAN RIGHTS MANAGEMENT SYSTEM (IdBHR-MS)



#### IdBHR-MS1 HUMAN RIGHTS POLICY

1. The Company publicly commits to respecting human rights across its activities.
2. The Company publicly commits to respecting human rights in accordance with internationally recognized human rights such as the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and ILO Core Conventions as set out in the Declaration on Fundamental Principles and Rights at Work
3. The Company publicly commits to ensuring that the business relationships in its supply chain respect human rights.
4. The Company's human rights policy was prepared by engaging Company stakeholders, especially the most vulnerable affected by human rights impacts related to Company activities.
5. The Company communicates its human rights policy commitment to employees and other workers as well as to external stakeholders, especially the most vulnerable affected by human rights impacts related to company activities.
6. The Company's human rights policy states the commitment to carry out the human rights due diligence process.
7. The Company's human rights policy states the commitment to provide remediation or cooperate in remediating the impact of human rights violations caused by the Company (or the Company contributing to the impact) through a legal process.



#### IdBHR-MS2 HUMAN RIGHTS DUE DILIGENCE

1. The Company has a human rights due diligence mechanism.
2. The Company identifies its human rights risks and impacts.
3. The Company integrates the findings of its assessments of human rights risks and impacts into relevant internal functions and processes by taking appropriate actions to prevent, mitigate or remediate its salient human rights issues.
4. The Company tracks and evaluates the effectiveness of actions taken in response to its human rights risks and impacts and describes how it uses that information to improve processes and systems on an on-going basis.
5. The Company communicates externally how it identifies and addresses human rights impacts.
6. The communication process is accessible to its intended audiences, especially affected stakeholders who have raised concerns.



## IdBHR-MS3 GRIEVANCE MECHANISM & REMEDIATION

1. The Company has mechanism(s) for submitting grievance(s) on human rights violations related to Company activities.
2. The grievance mechanism explains the procedures for receiving grievance, following up on grievance, and communicating the results of grievance handling.
3. The Company has a policy that states a commitment to prevent and follow up on all forms of retaliation actions for those who submitting grievance.
4. The Company prepares a report on the grievance and its follow-up that are regularly compiled and updated.
5. The grievance mechanism is in accordance with the 8 effective criteria stated in UNGPs:
  - (a) Legitimate: enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes;
  - (b) Accessible: being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access;
  - (c) Predictable: providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation;
  - (d) Equitable: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;
  - (e) Transparent: keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake;
  - (f) Rights-compatible: ensuring that outcomes and remedies accord with internationally recognized human rights;
  - (g) A source of continuous learning: drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms;
  - (h) Based on engagement and dialogue: consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.



## **IdBHR-MS4 HUMAN RIGHTS COORDINATOR**

1. The Company appoints a human rights coordinator consisting of the designated team or individual who is responsible for overseeing the human rights policy, due diligence process and remediation process implementation within the Company's operations.
2. The Company has processes in place to discuss and address human rights issues at Board level or the Board or a Board committee regularly reviews the Company's salient human rights issues and provides examples of what was discussed.
3. The Company provides incentives to the Board linked to the implementation of its human rights policy commitments or targets.



## **IdBHR-MS5 MONITORING AND AUDIT**

1. The Company conducts audits to ensure respect for human rights in Company activities.
2. The Company monitors its suppliers' human rights performance through unannounced spot-checks.
3. The Company monitors the implementation of its human rights policy commitment(s) across its operations and business relationships and follows up on corrective actions and necessary changes to policies or processes.
4. The Company takes human rights considerations into account when deciding to engage (or terminate) business relationships.

## MAJOR HUMAN RIGHTS ISSUES (IdBHR-MI)



### IdBHR-MI1 ELIMINATION OF CHILD LABOUR

1. The Company has a commitment that clearly defines policies prohibiting child labor and defining special considerations for young workers.
2. The Company has a mechanism to implement age verification that includes review of national ID card, birth certificate, school records and interviews with local groups.
3. The Company communicates child labour elimination policies and procedures to business partners.



### IdBHR-MI2 ABOLITION OF FORCED LABOUR

1. The Company has a policy on forced labour abolition
2. The Company has a mechanism to ensure that employees are paid a living wage.
3. The Company provides clear employment contracts in all worker languages - worker receives copy.
4. The Company does not hold employees' identity documents.
5. All employees have been trained not to discipline employees using physical punishment.
6. Staff and Managers have been trained on Company policies on the abolition of forced labour.
7. The Company conducts training for workers to explain hiring, pay deductions and rights.
8. The Company has a mechanism to ensure that contracted or agency workers have fair terms and conditions.
9. The Company issues a letter of release when the employee leaves his or her employment, where requested.



### IdBHR-MI3 ENSURING HEALTH AND SAFETY IN THE WORKPLACE

1. The Company has a policy on workplace health and safety.
2. The Company provides a safe and healthy working environment, including personal protective equipments where necessary and protection from exposure to hazardous materials.

3. The Company has a procedure and report on workplace health and safety training.
4. The Company has a mechanism to prepare and maintain a risk analysis on workplace health and safety, especially for high risk areas.
5. The Company discloses report on the potential workplace health and safety risks to relevant authorities.
6. The Company forms an organizational structure that is responsible for handling workplace health and safety led by one of the representatives of the board of directors.
7. The Company prepares report on workplace health and safety regularly, including incidents and near-misses, accidents, fatalities and lost time.



### **IdBHR-MI4 UPHOLDING FREEDOM OF ASSOCIATION**

1. The Company has a policy related to freedom of association and collective bargaining.
2. The Company has a mechanism to involve representatives of employees or labour unions in important decision-making processes.
3. The Company provides opportunities for workers who are members of labour unions to carry out regular meetings with management or internal union meetings.



### **IdBHR-MI5 ELIMINATING DISCRIMINATION WITHIN WORKPLACE**

1. The Company has a policy on anti-discrimination in the process of recruitment, training, promotion and compensation for employees.
2. The Company has training mechanisms and reports to employees regarding anti-discrimination policies.



### **IdBHR-MI6 UPHOLDING GENDER EQUALITY AT WORKPLACE**

1. The Company has a policy on the provision of equal opportunities related to recruitment, promotion, compensation, and training for all employees based on their ability to do work without considering gender.
2. The Company prepares reports on the composition of workers based on gender at each level of the company.

3. Job interviews for prospective female employees of the company have no questions related to their marital status, plans to have children, number of dependents or those related to reproductive decisions.



## **IdBHR-MI7 ENVIRONMENTAL PROTECTION**

1. The Company has environmental policies and processes to identify, measure and reduce environmental impacts.
2. The Company has a mechanism to analyse the risks on environmental damage that might be caused as a result of the Company's activities.
3. The Company has a mechanism to remediate the environmental impacts caused by Company activities.



## **IdBHR-MI8 PREVENTION OF CORRUPTION AND BRIBERY**

1. The Company has a policy that states the prohibition of all forms of corruption and bribery by both employees and companies.
2. All employees receive training on anti-corruption and bribery policies.
3. The Company has a monitoring mechanism to ensure that corruption and bribery do not occur in the Company.



## **IdBHR-MI9 UPHOLDING THE RIGHTS OF INDIGENOUS PEOPLE**

1. The Company has a mechanism to implement the Free Prior Informed Consent (FPIC) in every land acquisition activity.
2. The Company has a process to ensure that the relocated community receives proper compensation
3. The Company has a policy to give indigenous people access to their activities.
4. The Company has a mechanism to conduct a review of the status of customary land where the Company plans to carry out activities.
5. The Company has conducted a social impact analysis in consultation with potentially affected indigenous peoples.
6. The Company has a dispute resolution mechanism with indigenous peoples.





### **IdBHR-MI10 SECURITY**

1. The Company has a policy to implement Voluntary Principles on Security and Human Rights.
2. All security personnel have received training on how to handle community demonstrations by respecting human rights.



### **IdBHR-MI11 SUPPLY CHAIN**

1. The Company has a report on the number and percentage of comparisons between suppliers who have had human rights policies and who do not have human rights policies.
2. The Company has a mechanism that regulates the actions of suppliers who commit human rights violations.
3. The Company has a mechanism for periodic human rights audits of suppliers.



## **REPORTING ON HUMAN RIGHTS PERFORMANCE (IdBHR-PR)**

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The Company presents information relating to the human rights performance in a readily understandable and accessible manner.

## Annex III – Scoring method of companies performance

Themes		Indicators	Multiplier	Score
HUMAN RIGHTS MANAGEMENT SYSTEM (IdBHR-MS)				
IdBHR-MS1	Human rights policy	7	2%	14%
IdBHR-MS2	Human rights due diligence	6		12%
IdBHR-MS3	Grievance mechanism and remediation	5		10%
IdBHR-MS4	Human rights coordinator	3		6%
IdBHR-MS5	Monitoring and audit	4		8%
Sub-total		25		50%
MAJOR HUMAN RIGHTS ISSUES (IdBHR-MI)				
IdBHR-MI1	Elimination of child labour	3	1.1%	3.3%
IdBHR-MI2	Abolition of forced labour	9		10%
IdBHR-MI3	Ensuring health and safety in the workplace	7		7.8%
IdBHR-MI4	Upholding freedom of association	3		3.3%
IdBHR-MI5	Eliminating discrimination within the workplace	2		2.2%
IdBHR-MI6	Upholding gender equality in the workplace	3		3.3%
IdBHR-MI7	Environmental protection	3		3.3%
IdBHR-MI8	Prevention of corruption and bribery	3		3.3%
IdBHR-MI9	Upholding the rights of indigenous people	6		6.7%
IdBHR-MI10	Security	2		2.2%
IdBHR-MI11	Supply chain	3		3.3%
REPORTING ON HUMAN RIGHTS PERFORMANCE (IdBHR-PR)				
IdBHR-PR	Reporting on human rights performance	1	1.1%	1.1%
Sub-total		45		50%
Total		70		100%

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