

Human Right Due Diligence

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1. UNGP 3 Pillar
2. Perpres 60 tahun 2023 Tentang Strategi Nasional Bisnis dan Human Rights
3. Perpres 53 of 2021 about National Action Plan & Human Rights Vulnerable group, woman, children, disabilities dan indigenous
4. POJK- 51 of 2025, equal opportunities , no child/force labour, wages, safe workplace, product safety for costumers, negative impact Training

Pemerintah telah mengadopsi Strategi Nasional Bisnis dan HAM melalui **Perpres No. 60 Tahun 2023**. Komnas HAM sendiri sejak tahun 2017 telah menerbitkan Rencana Aksi Nasional melalui Peraturan No. 1 Tahun 2017 tentang Pengesahan Rencana Aksi Nasional Bisnis dan Hak Asasi Manusia. Teranyar, pada 2024, Komnas HAM telah menerbitkan Standar dan Norma Pengaturan Nomor 13 tentang Bisnis dan HAM.

Current Era
HRDD Business
Prerequisite

Emerging HRDD Due
2015 - 2022

Due Diligence of
Human Rights
Soft Entry Era 2005- 2015

Reform Era
Human Rights
Introduced 1998-2005

Post Independence
1945- Era

Due Diligence of Human Rights Soft Entery Era 2005- 2015

Indonesia became deeply integrated into global supply chains on various commodity such as * palm oil,* mining,* textiles,* fisheries,* forestry,
* manufacturing. International buyers increasingly required Indonesian companies to comply with:

* ESG standards,
* sustainability certifications, corporate social responsibility (CSR),* and supply-chain audits.

A major influence was:

United Nations Guiding Principles on Business and Human Rights (UNGPs) – 2011 & The UNGPs introduced the idea that:
businesses have responsibility to respect human rights,
not only governments. This became the foundation of modern HRDD globally.Indonesia then began adapting to these expectations gradually.

Globalization & International Trade Pressure

Emerging HRDD Frameworks in Indonesia (2015–2020)

Indonesia started moving from voluntary CSR concepts toward more structured compliance expectations.

Key developments:

- * Stronger environmental regulations.
- * Sustainability reporting obligations.
- * Increased scrutiny of labor practices.
- * Increased pressure on palm oil and mining sectors.
- * OJK sustainability reporting regulations for financial institutions and public companies. At this stage:
 - * labor law,
 - * environmental law,
 - * anti-corruption compliance,
 - * corporate governance,
 - * and international contractual obligations

HRDD was still not fully codified as one unified Indonesian law but increasingly embedded in laws

Webinar Mental Map

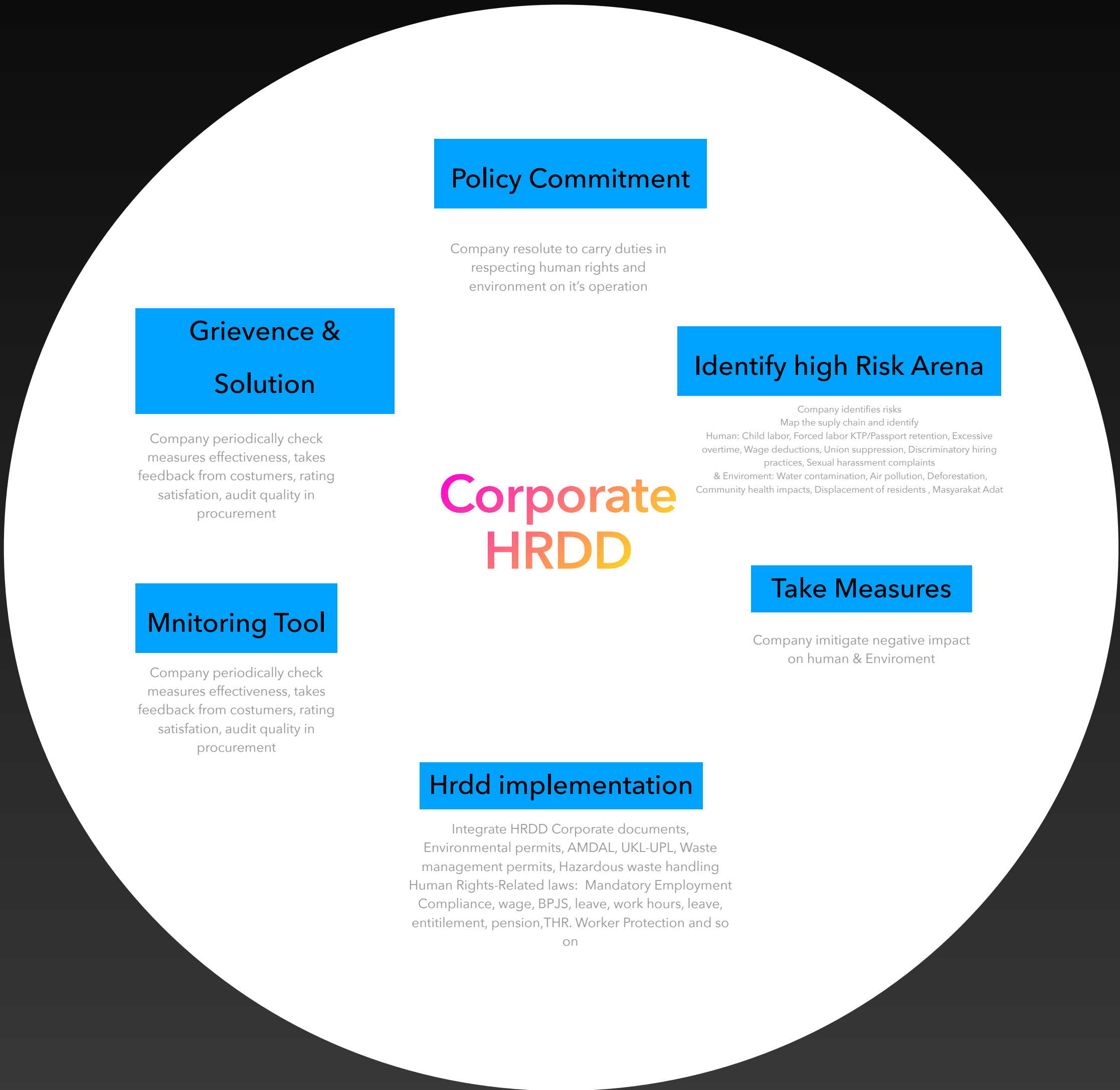
How RHDD implement in business setting

- * How do we document it?
- * How do we integrate it into contracts?
- * How do we structure internal governance?
- * How do we respond to complaints?
- * How do we avoid future disputes?

Right Holders



Company



Map Human Right Risk

1) VALUE CHAIN MAPPING



AGRICULTURAL PRODUCTION

Seed production, cultivation and harvesting of cotton, especially in India, China, Brazil, Uzbekistan and countries in sub-Sahara Africa



PROCESSING

Processing of cotton in textile factories in Bangladesh, Pakistan, China, Turkey, India and Vietnam (production of yarns & fabrics, finishing and sewing)



TRANSPORT & AGENTS

Transport of goods to the stores (shipping, road trucks)



RETAIL

Sales of goods in stores in Europe



CONSUMPTION

Use of goods by consumers (wear, wash)



END OF LIFE

Reuse, recycling, or combustion of goods

companies with more than 2,000 employees, all exporting companies and their supply chains as well as specific high-risk industrial sectors by 2028. This move aims to replace the voluntary actions previously defined under Perpres No. 60/2023 and the subsequent PRISMA platform of the Human Rights Ministry, which merely encouraged self-assessments.

LEGAL COMPLIANCE ON EMPLOYMENT

- Mandatory Employment Compliance
- Review compliance with:
 - * Minimum wage
 - * Overtime rules
 - * Working hours
 - * BPJS Kesehatan
 - * BPJS Ketenagakerjaan
 - * THR obligations
 - * Leave entitlements
 - * Termination procedures
- Worker Protection
 - * Occupational Health & Safety (K3) compliance
 - * Workplace accident records
 - * Safety training documentation
 - * PPE implementation
 - * Emergency response procedures
- Human Rights Risk Indicators
 - * Child labor
 - * Forced labor
 - * Passport retention
 - * Excessive overtime
 - * Wage deductions
 - Union suppression
 - Discriminatory hiring practices
 - Sexual harassment complaints
 -

HRDD

HR	manages workforce issues, recruitment agency agreement, worker protection requirement, no forced labour & no trafficking
Procurement	manages suppliers, contracts, vessel management,
Compliance	monitors systems; - Worker hotlines. - Complaint portals. - Ombudsman systems.
Management	makes decisions.
The board	provides oversight

HRDD CHECKLIST INDONESIA

Corporate Documents

- * Articles of Association
- * Business licenses and NIB
- * Organizational structure
- * Shareholder composition
- * Board resolutions relating to ESG or compliance

Compliance Systems

- * Internal compliance SOPs
 - * Internal audit reports
- * Risk management framework
- * ESG or sustainability reports
- * Corporate social responsibility (CSR) reports

Human Rights & Ethics Policies

- * Human rights policy
- * Anti-discrimination policy
- * Anti-harassment policy
- * Whistleblowing policy
- * Code of conduct / code of ethics
 - * Anti-retaliation policy
- * Diversity and inclusion policy

2. Employment & Labor Compliance

- * Employment agreements
- * Fixed-term employment contracts (PKWT)
- * Permanent employee agreements (PKWTT)
 - * Outsourcing agreements
 - * Internship agreements

A good company obeys:

- * employment law;
- * tax law;
- * environmental law;
- * company law;
- * anti-corruption law;
- * data protection law.

Compliance forms the baseline.

Key 2026 Labor Law Updates:

Strict Outsourcing Limits ([Permenaker 7/2026](#)): Outsourcing is officially limited to only six specific fields: cleaning services, catering, security, driver/transportation services, supporting services, and support roles in mining/oil/gas/electricity.

[UU PPRT] (Domestic Workers Law): Passed on April 21, 2026, this law provides legal certainty, specific working hours, and health insurance for household workers, ending decades of uncertainty for informal workers.

Revision of Labor Law 13/2003: Under review in 2026 to address wage structures, employment relations, termination (PHK), and severance pay to ensure better protection for workers and business continuity.

Migrant Worker Protection: Launch of the National Safe Migrant Movement (18 May 2026) to provide enhanced protection against illegal recruitment and trafficking

Key Legal Compliance Points (2026):

Working Hours: Employees working six days per week are entitled to one day off, while those working five days are entitled to two days.

Break Time: A 30-minute break is mandatory after four consecutive hours of work.

Termination: Specific procedures for notice and severance benefits based on length of service are enforced

HRDD as Market Access Requirement (2020-Present)

HRDD is no longer only about ethics.

It is about:

- * market access,
- * trade eligibility,
- * investment attractiveness,
- * and corporate survival.

Major Driving Force

- * European Union sustainability regulations,
 - * ESG investment standards,
 - * global supply-chain transparency,
 - * carbon neutrality initiatives,
 - * anti-deforestation policies.

European Union regulations now indirectly affect Indonesian businesses.

- * deforestation regulations,
- * forced labor restrictions,
- * supply-chain traceability requirements,
- * sustainability disclosure obligations.



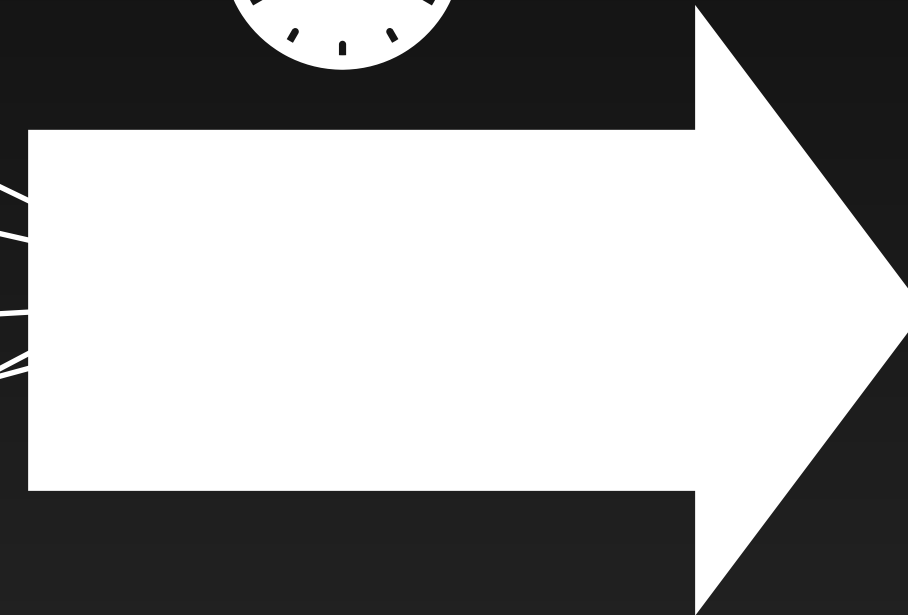
Investment
attractiveness

Company
Survival /
Continuity

Market Trust

Market Access

Business
Eligibility



UNGps Standard