

# A Call for a New Model of Business, Human Rights, and Environmental Assessment

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# A Call for a New Model of Business, Human Rights, and Environmental Assessment



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**PRISMA is an instrument of evaluation developed by the Ministry of Human Rights to measure the impacts of and the risks posed by a particular business activity on human rights.**

**Its indicators were translated from the global business and human rights standard–UNGPs.**

**Designed as a self–assessment instrument and voluntary in nature, PRISMA is meant to facilitate companies to ensure their business practice is in line with human rights.**

# Key Findings



## 4 out of 5

Monitoring instruments in Indonesia—which include PROPER, PRISMA, Norma 100, TKBI, and LPKM—are still voluntary in nature, remaining unverified in the field, and their results are closed to the public.



## 3 out of 5

Instruments have the potential to overlap with each other in a company's report and could face the burden of double reporting due to unsynchronized standard.



## 7 Issues

Biggest conflict issues involving LQ45 energy companies are: environmental pollution, legal loss, administrative sanction, land conflict, and accidents involving heavy equipment.



## IDR16.162 T

10 out of 13 companies with income above USD 1 billion receive poor scores.



## 66.7%

LQ45 companies in the energy sector receive poor scores in PRISMA-ESG



## 71.4%

LQ45 companies in the energy sector with total assets exceeding USD 5 billion receive poor scores in the dimension of human rights and supply chain.



## 66.7%

LQ45 companies in the energy sector receive poor scores in the dimension of employment and labor rights.



## 77.3%

Companies with blue chip status (LQ45 emittent status) receive poor scores in the dimension of environment.



## 85.7%

Companies with more than 5.000 employees receive poor scores in the dimension of employment and labor rights.



## 73.3%

LQ45 energy companies with an active ESG receive poor scores in the dimension of environment.



## 53.3%

LQ45 energy companies with active ESG receive poor scores in the dimension of human rights and supply chain risks.



## 80%

Energy companies that are involved with the development of electric vehicles receive poor scores in the dimension of environment.



## 50%

LQ45 companies with coal focus receive poor scores in the dimension of human rights and supply chain risks.



## 60%

LQ45 companies with nickel focus receive poor scores in the dimension of human rights and supply chain risks.



## 66.7%

Energy-sector SOEs within LQ45 receive poor scores in the dimension of labor rights and employment.

# Problems in Business and Human Rights Governance and PRISMA Instruments



Various stand-alone due diligence instruments which could increase administrative burden without improving the due diligence's quality.



PRISMA had failed in integrating environmental, climate, supply chain, remediation, and sectoral risks (energy, mining, and biofuel)



Despite achieving a 70.7% verification rate, the majority of those that were verified are still in the category of have not yet received scores, showing that verification only reflects administrative participation.



PRISMA as a human rights risk assessment instrument has not yet oriented towards the rights-holder, especially the victims.



Foreign ownership does not result in better governance, as more than 70% of the companies still perform poorly.



80% of the companies in the electric vehicle supply chain receive poor scores. The majority of these companies are maintaining an extractive mode of operation similar to the existing conventional industries.

## Policy Recommendation



Integrating the mandate of corporate responsibility to respect human rights into the ongoing amendment of the Human Rights bill, while ensuring its orderly implementation through Government Regulations and Presidential Regulations.



Require periodic human rights and environmental due diligence.



Integrate the human rights aspect in the assessment of hazard level inside the risk analysis method in the risk-based permit and licensing scheme.



Formulate administrative and criminal sanctions for violations of corporate responsibility to respect human rights.



Publication of the result of independently verified human rights scorings as a part of public accountability.



Apart from the GDP and the size of the investment, the human rights performance of corporations should also be an indicator for the state's performance.



Explicitly govern the responsibility of the parent company for any human rights impacts from its subsidiary's business activities with the expansion of the piercing the corporate veil mechanism in the corporate law, so that the law enforcements are able to impose administrative sanction, civil, as well as criminal cases on the parent company.



The mandatory human rights due diligence at the very least should have covered the Minimum Performance Indicator, scoring assessment and independent verification, implementation of risk-based approach for the sectors with high risk, and integration of environmental, financial, and investment accountability aspects.



Create a clear business and human rights roadmap with measurable performance indicators and not just as a routine activity.

# Minister Pigai, Enough is Enough

## Nature Ruined, Human Rights Unprotected



Immediately take actions to:

### Stop the Voluntary Requirement, Make Human Rights and Environmental Due Diligences Mandatory

The state had to implement mandatory human rights and environmental due diligence

### Cease the Fragmented Assessment, Unify Environmental and Human Rights Scoring Instruments for Business in a single National Framework

Indonesia needs a single comprehensive scoring system

### Complete Reformation of Scoring Instruments for Business and Human Rights: From Document Checklists to Protection of Victims

PRISMA must be oriented towards the rights-holders

### Make Transparency and Independent Verification Mandatory

Scores and assessments should not be a closed self-assessment. Scorings have to be accompanied by independent verification and open publication.

### Prioritize Monitoring for High Risks Sectors

This study showed that LQ45 energy companies have consistently performed poorly. The state must implement risks-based approaches.

### Link the Business and Human Rights Scorings with Permits, Financing, and Penalties

Poor scores must carry real consequences: firm penalties for permits, limited access for financing, administrative sanctions, civil and criminal, as well as the mandatory recovery for the victims and the environments

### Make the Human Rights and Environmental Performances as Official Achievement for State

So far, success has been measured by GDP and the size of the investment. The state must put business and human rights performance (such as PRISMA-ESG index) as an official indicator for successful development

# List of Abbreviations

## a

### **AWS**

Alliance for Water Stewardship Standard

## b

### **BHR**

Business and Human Rights

## e

### **ESG**

Environmental, Social, and Governance

### **EU**

European Union

## f

### **FPIC**

Free, Prior, and Informed Consent

## g

### **GHG**

Greenhouse Gas

### **GRI**

Global Reporting Initiatives

### **GRK**

Gas Rumah Kaca

## h

### **HRDD**

Human Rights Due Diligence

### **HREDD**

Human Rights and Environmental Due Diligence

## i

### **ICMM**

The International Council on Mining and Metals

### **IRMA**

The Initiative for Responsible Mining Assurance

## k

### **KOMNASHAM**

Komisi Nasional Hak Asasi Manusia

## l

### **LKPM**

Laporan Kegiatan Penanaman Modal

### **LQ45**

LQ45 is a stock market index for Indonesia Stock Exchange (IDX) which consists of 45 companies' stocks with high liquidity.

## n

### **Norma 100**

Norma 100 is a self-assessment for companies regarding the fulfillment of employment and labor rights according to the Ministry of Manpower.

## o

### **OECD**

Organisation for Economic Co-operation and Development

## p

### **PRISMA**

Penilaian Risiko Bisnis dan Hak Asasi Manusia

### **PRISMA-ESG**

Penilaian Risiko Bisnis dan Hak Asasi Manusia-Environmental, Social, and Governance

### **Proper**

Program Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan Hidup

## r

### **RAN**

Rencana Aksi Nasional

### **RBC**

Responsible Business Conduct

## s

### **SASB**

Sustainability Accounting Standards Board

### **SBTi**

Science Based Targets initiative

### **Stranas BHAM**

Strategi Nasional Bisnis dan Hak Asasi Manusia

## t

### **TCFD**

Task Force on Climate-related Financial Disclosures

### **TKBI**

Taksonomi untuk Keuangan Berkelanjutan Indonesia

### **TNFD**

The Taskforce on Nature-related Financial Disclosures

## u

### **UKM**

Usaha Kecil Menengah

### **UNGPs**

United Nations Guiding Principles on Business and Human Rights



# Why the Contemporary Business, Human Rights, and Environmental Assessment Need to Be Evaluated?

The consistent development of various sustainability scoring instruments such as PROPER, PRISMA, Norma 100, TKBI, and LKPM signalled an increased awareness of the government and the private sector towards environmental, worker's rights, human rights, and investment accountability. However, all these instruments are standalone and solitary in nature, and they are not related to each other. The fragmented nature of these sustainability indices means the sustainability data of these companies are scattered across various governmental bodies, which cannot be compared with one another, and unable to provide a big picture regarding corporate accountability in Indonesia. In these fragmented spaces, companies could easily do partial compliances by fulfilling some of the indicators while avoiding other indicators that are considered more important such as human rights violations and ecological impacts.

The PRISMA instrument developed by the then-Ministry of Law and Human Rights (now the Ministry of Human Rights), which was reinforced by Presidential Regulation No. 60 of 2023 on the National Strategy for Business and Human Rights, can be seen as an important first step. However, its implementation is still administrative in nature, based on self-assessment, without adequate verification, independent audits, or transparent publication of results.<sup>1</sup> Instead of illustrating substantive performance, the use of PRISMA tends to be oriented towards formal compliance assessments alone, thus it fails to function as an instrument for managing the real human rights risks arising from business activities. Therefore, PRISMA is more like meaningless reporting that is unable to encourage corporations to change their harmful behavior.

For example, PT Merdeka Copper Gold, through its subsidiary PT Bumi Suksesindo, was involved in conflicts with local fishermen and farmers in Pesanggaran, Banyuwangi, in 2020.<sup>2</sup> The trigger was the company's mining activities, which exacerbated environmental damage and destroyed the production areas of farmers and fishermen. These conflicts have been going on since 2015. In the meantime, in 2023—through another subsidiary, PT Puncak Emas Tani Sejahtera—PT Merdeka Copper Gold was involved in a series of conflicts with the local residents of Pohuwato, Gorontalo.<sup>3</sup> In addition to displacing residents from their living spaces, the mining concession conflict in Pohuwato was also triggered because

- 1 Surat Edaran Menteri Hak Asasi Manusia Nomor MHA-01.HA.03.02 Tahun 2025 tentang Penilaian Kepatuhan Bisnis dan HAM bagi Pelaku Usaha, tertanggal 25 Agustus 2025. Lihat juga soal keterbukaan informasi hasil penilaian PRISMA melalui <https://prisma.kemenham.go.id/>
- 2 WALHI. 2020. "Tambang di Banyuwangi: Sikap Diam dan Masa Bodoh Gubernur Jawa Timur Ancam Keselamatan Warga." Diakses pada tanggal 1 Desember 2025 melalui: <https://www.walhi.or.id/tambang-di-banyuwangi-sikap-diam-dan-masa-bodoh-gubernur-jawa-timur-ancam-keselamatan-warga>. Lihat juga YLBHI. 2020. "Tambang di Banyuwangi: Sikap Diam dan Masa Bodoh Gubernur Jawa Timur Ancam Keselamatan Warga." Diakses pada tanggal 1 Desember 2025 melalui: <https://ylbhi.or.id/informasi/siaran-pers/tambang-di-banyuwangi-sikap-diam-dan-masa-bodoh-gubernur-jawa-timur-ancam-keselamatan-warga/>
- 3 BBC News Indonesia. 2023. "Konflik dua dekade tambang emas Pohuwato berujung pembakaran kantor bupati." Diakses pada tanggal 4 Desember 2025 melalui: <https://www.bbc.com/indonesia/articles/crg1l2y4zmzo>.

the concession was located in the Gorontalo conservation area and Panua Nature Reserve.<sup>4</sup> As of 2025, this conflict is still ongoing.<sup>5</sup>

Unfortunately, despite the company's track record concerning environmental conflicts and violence, PRISMA judged that PT Merdeka Copper Gold had passed its independent administrative assessment and was therefore eligible to receive the "Corporate Compliance with Human Rights Principles" award. As a result, under these circumstances, PRISMA has the potential to become a tool for legitimization which would obscure the various vertical conflicts that are actually occurring in the field. In fact, the practice of administrative participation with subpar assessment results illustrates a false compliance that stems from weak verification capacity and the absence of transparency in the mechanisms. There are undisclosed data, unpublished results, and the absence of a third party to verify the validity of the assessment. Even more, the existing assessment instruments failed to incorporate the perspectives and experiences of the victims.<sup>6</sup>

With the PRISMA dilemma remains unresolved—it is good in spirit, but could be a harmful tool in practice—at the same time, other institutions such as the Ministry of Environment, the Ministry of Manpower, the Financial Services Authority (OJK), and the Investment Coordinating Board (BKPM) are also developing their own assessment systems without cross-sector coordination.<sup>7</sup> This fragmentation not only confuses businesses, but also weakens the state's capacity to comprehensively assess sustainability performance. On the other hand, in the context of global regulation, there is a clear shift towards mandatory, in lieu of voluntary, corporate human rights assessment or due diligence, for example through human rights and environmental due diligence (HREDD) instruments, which requires a swift response from the Indonesian government.

The conditions mentioned in the background of this study indicate an urgent need to evaluate PRISMA and various other business, environmental, and human rights assessment instruments in Indonesia. This study aims to do just that. In fact, in order to bridge the fragmentation of existing business and human rights assessment instruments, a critical attempt must be made to find a middle ground that can accommodate the various sectoral indicators that have been developed. Therefore, this study also attempts to propose a diagnostic tool that combines PROPER, PRISMA, Norma 100, TKBI, and LKPM assessments into a single instrument called PRISMA-ESG.

PRISMA-ESG was developed in response to the issues outlined above. The framework combines moral-based responsibility (human rights protection, social justice, worker welfare) and integrity governance (financial transparency, investment accountability, sustainable performance measurement). Operationally, it is structured around five dimensions, namely Environmental Performance, Financial Sustainability, Human Rights and Supply Chain Risk, Labor Practices, and Investment Accountability, with measurable indicators designed to be verifiable and comparable.

**This ESG-based Human Rights Business Risk Assessment Study is dedicated to the victims, families, and communities affected by floods and landslides in Sumatra.**

4 Zulkifli Mangkau & Sarjan Lahay. 2023. "Potret Konflik Lahan Tambang Emas di Pahuwato." Diakses pada tanggal 4 Desember 2025 melalui: <https://mongabay.co.id/2023/12/21/potret-konflik-lahan-tambang-emas-di-pahuwato-2/>

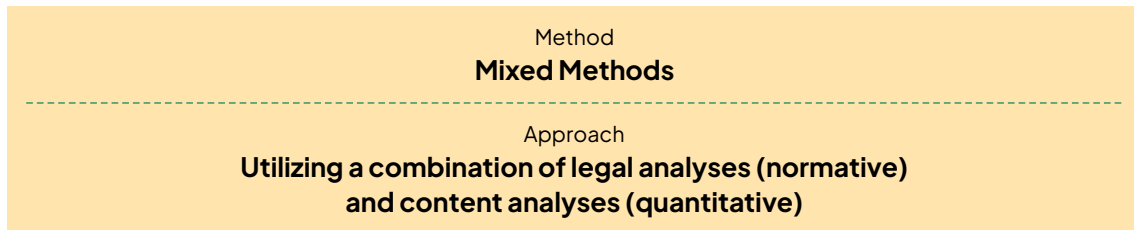
5 Hibata. 2025. "12 Tuntutan FORMALINTANG: Bongkar Suap, Cabut Izin, dan Hingga Cabut Izin Perusahaan Tambang di Pahuwato." Diakses pada tanggal 4 Desember 2025 melalui: <https://hibata.id/12-tuntutan-formalintang-bongkar-suap-cabut-izin-dan-hingga-cabut-izin-perusahaan-tambang-di-pahuwato/>

6 Focus Group Discussion, Agustus 2025.

7 Focus Group Discussion, Agustus 2025.

# Research Method

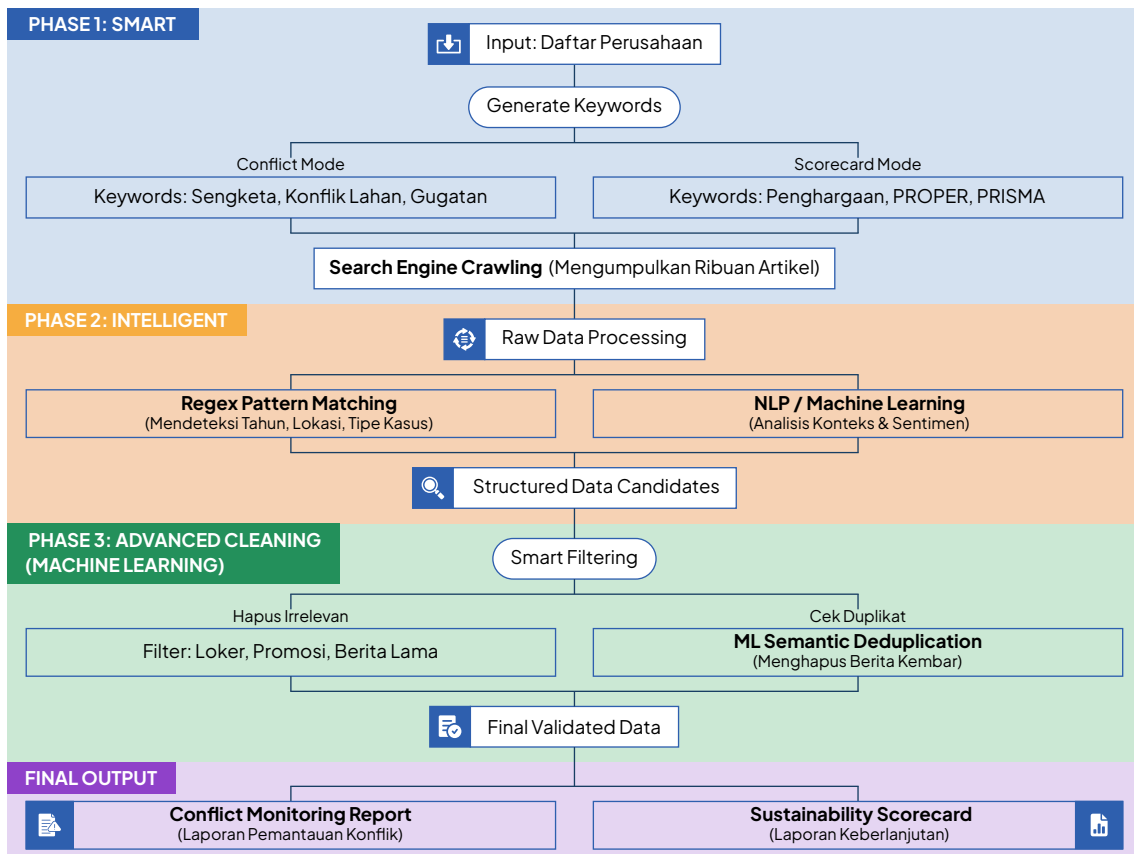
## Research Methodology and Approach



The mixed research methods used in this study allow quantitative, qualitative, and even normative methods to be carried out in a single series of studies.<sup>8</sup> The results are expected to provide a critical and progressive overview of policies, practices, and what should be done in the future to promote due diligence practices in relation to the environment and human rights in Indonesia.

Web scrapings (open data collection) were also conducted in this study to examine data on alleged negative business practices and human rights violations involving 15 companies. Web scraping was chosen because it is capable of gathering information that is scattered, dynamic, and not always documented in official reports.

### Data Processing Workflow



<sup>8</sup> John W. Creswell. (2009). *Research Design: Qualitative, Quantitative, and Mixed Method Approaches (Third Edition)*. SAGE Publications.

## Scopes and the Unit of Analysis

The companies that comprise the units of analysis of this study consist of 15 publicly listed companies (Tbk) in the energy sector that are listed as LQ45 constituents based on IDX Announcement No. Peng-00139/BEI.POP/07-2025 dated July 25, 2025, with an effective period from August 1 to October 31, 2025. The selection of these units of analysis is based on the legal position of the companies as issuers that have conducted public offerings and are listed as public companies, so that they are legally subject to obligations such as information disclosure, governance, and supervision.

The “energy sector” companies referred to in this study are companies that have material connections to the energy sector, either directly through their core business activities or indirectly through subsidiaries that carry out activities in the energy supply chain. Therefore, in this study, the “energy sector” is not limited to mining companies such as coal and minerals, but also includes bioenergy. Bioenergy refers to energy production activities sourced from biological commodities and, usually, involves the plantation sector. Thus, the scope and unit of analysis in this study consist of LQ45 energy sector companies in a broad sense.

According to the guidelines and methodology of indices published by the IDX, entities included in the LQ45 index are “selected companies from among the selected (the best of the best; crème de la crème).” To be indexed in the LQ45, 80 stocks with high liquidity and large free float market capitalization are first selected, supported by good fundamentals and corporate compliance. These 80 stocks are then selected based on the LQ45 index to produce the 45 best stocks (LQ45 companies). Thus, the companies that become the units of analysis are not only important because of their financial capabilities, but also because they meet certain legal and regulatory qualifications such as compliance, governance, and information disclosure.

The list of companies which comprises the unit analysis of this study:

1 PT Adaro Minerals Indonesia Tbk

2 PT Amman Minerals Internasional Tbk

3 PT Aneka Tambang Tbk

4 PT Barito Pacific Tbk

5 PT Bukit Asam Tbk

6 PT Indah Kiat Pulp & Paper Tbk

7 PT Indo Tambangraya Megah Tbk

8 PT Indofood CBP Sukses Makmur Tbk

9 PT Japfa Comfeed Indonesia Tbk

10 PT Medco Energi Internasional Tbk

11 PT Merdeka Battery Minerals Tbk

12 PT Merdeka Copper Gold Tbk

13 PT Pertamina Geothermal Energy Tbk

14 PT United Tractors Tbk

15 PT Vale Indonesia

## Data Sources

- 1 Sustainability Annual Report**  
Annual Report for Sustainability or CSR Report
- 2 Official Sites and BEI Sources**  
Publicly available documents and information on the corporations
- 3 Documents on National Policies**  
PROPER (Ministry of Environment), PRISMA (Ministry of Law), TKBI (Financial Service Authority), Norma 100 (Ministry of Manpower), LKPM (Investment Coordination Boards)
- 4 National and Local News Outlets**  
Report of incidents, environmental conflicts, labor disputes, allegations of activities that violate human rights
- 5 Reports from Civil Society Organization**  
CSO/NGO that published reports regarding finding in the fields and cases concerning impacted communities
- 6 Database and Public Repository**  
Court verdicts, permit and licensing information system, and publicly disclosed company report
- 7 Focus Group Discussion and Interview**  
FGD notes and inputs from stakeholders

## Research Stages

The stages are arranged sequentially as such:



1

### Evaluation of Current National Instruments

Critical and comparative analysis of PROPER, PRISMA, TKBL, Norma 100, and LKPM to identify gaps in indicators, responsibilities, and accessibility of the data.

#### ➤ Aim

To identify sectoral weakness and the need for integrative indicators.

#### ➤ Output

National instrument evaluation report; preliminary draft for Prisma-ESG indicators.



2

### Focus Group Discussion (FGD)

An FGD involving stakeholders: Ministry of Environment, Ministry of Law, Ministry of Human Rights, Ministry of Manpower, Investment Coordinating Board, Financial Service Authority, APINDO (Indonesian Employer Association), Human Rights Commission, and civil society representatives.

#### ➤ Aim

Validating the relevance of the current indicators, terminologies, and verification mechanism.

#### ➤ Output

FGD notes and documentations; matrix of selected indicators and revision of the research framework.



3

### Development of Prisma-ESG Framework

Integrating the result of evaluation and FGD to produce 5 dimensions and 50 measurable indicators.

#### ➤ Aim

Establishing the structure and the operation of Prisma-ESG.

#### ➤ Output

Prisma-ESG final document: description of dimensions, indicators, and scoring guidance.



4

### Companies Content Analysis

Applying the newly constructed instruments on the public documents of 15 LQ45 energy sector companies using manual coding done by the researchers.

#### ➤ Aim

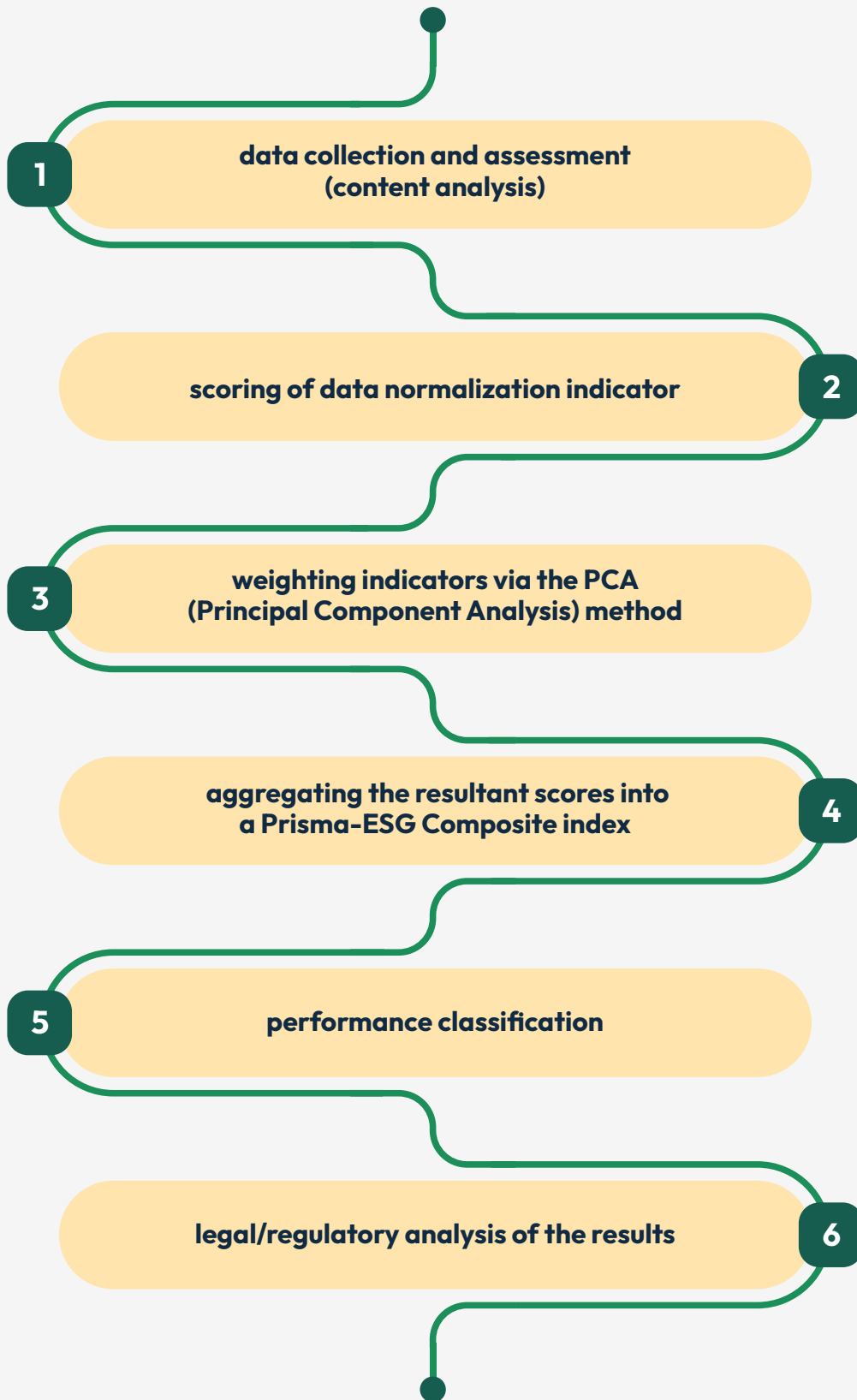
Measuring the level of disclosure and the quality of company's data for each indicator.

#### ➤ Output

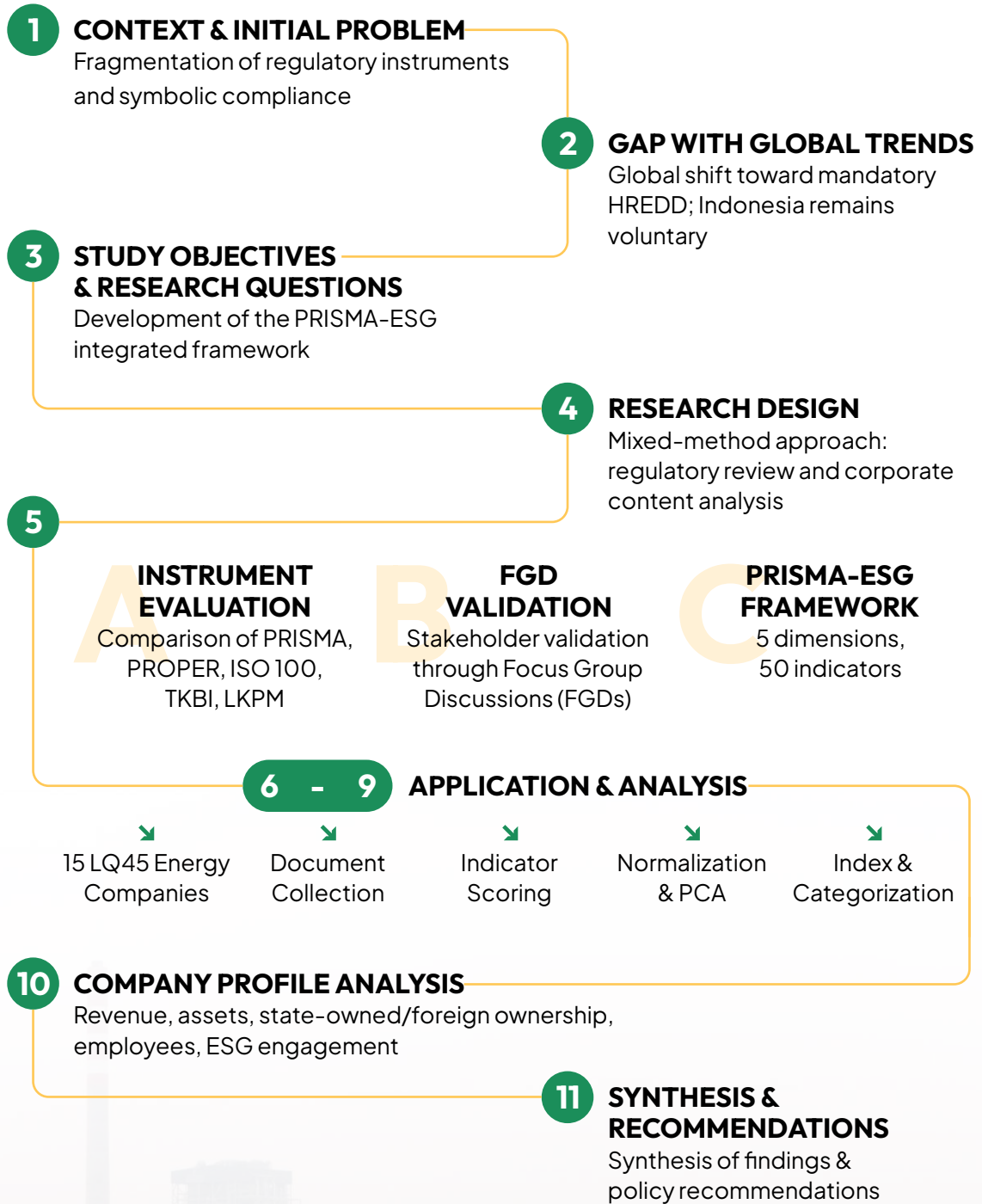
Company-indicators matrices with score for each indicator.

## The Flow of Analysis and Weighting (Overview)

After finalizing the Prisma-ESG framework (with 5 dimensions and 50 indicators), the flow of the implementation of the analysis process is such:



The analytical flow of this study was developed according to the framework depicted below:



## The Development of Business Regulation and Human Rights: Practices in Japan, China, Thailand, South Africa, and Chile

In recent years, several countries in Asia have taken steps to implement the UN Guiding Principles on Business and Human Rights (UNGPs) through various policies and legal frameworks at the national level. Each country has developed its own approach to encourage responsible business conduct. The following examples from Japan, China, Thailand, South Africa, and Chile illustrate the range of strategies that have been planned, from voluntary guidelines to mandatory measures.

 <p><b>Japan</b></p> 	<b>Document</b>	The National Action Plan on Business and Human Rights (Japan NAP) 2020–2025
	<b>Areas</b>	Labour (Promotion of Decent Work); Promotion and Protection of Children’s Rights; Human Rights Associated with the Development of New Technologies; Rights and Roles of Consumers; Equality before the Law (Persons with Disabilities, Women, Persons of Diverse Sexual Orientation and Gender Identity, and Other Groups); Acceptance of and Coexistence with Foreign Nationals.
	<b>Approach</b>	Encourages companies to respect human rights and adopt responsible business practices, supported by inter-ministerial policy coherence, awareness-raising, and alignment with international standards and competitiveness goals.
	<b>Follow-up Action</b>	Guidelines on Respecting Human Rights in Responsible Supply Chains (GRHR) 2022
	<b>Objective</b>	To protect and promote human rights for society as a whole, including international society; To ensure policy coherence in relation to business and human rights; To ensure and enhance the international competitiveness and sustainability of Japanese business enterprises; To contribute to achieving the SDGs.
	<b>International Reference Framework</b>	<ul style="list-style-type: none"> <li>● UN Guiding Principles on Business and Human Rights.</li> <li>● OECD Guidelines for Multinational Enterprises.</li> <li>● ILO MNE Declaration.</li> <li>● Other international standards.</li> </ul>
	<b>Mandatory/Voluntary</b>	Voluntary



## China



<b>Document</b>	The Human Rights Action Plan of China (2021–2025)
<b>Areas</b>	Economic, Social and Cultural Rights, Civil and Political Rights, Environmental Rights, Protecting the Rights of Particular Groups, Education and Research on Human Rights, Participating in Global Human Rights Governance.
<b>Approach</b>	Not a dedicated BHR Action Plan, but it calls on Chinese businesses to follow the UNGPs in overseas trade and investment, conduct human rights due diligence, and fulfil their social responsibility. BHR issues are addressed through sector-specific guidelines, such as the 2014 GSRM and the Chinese Due Diligence Guidelines.
<b>Follow-up Action</b>	Pre-existing sectoral guidelines on BHR developed before China's National Action Plan framework (not follow-up actions): <ul style="list-style-type: none"> <li>● Guidelines for Social Responsibility in Outbound Mining Investments (GSRM 2014).</li> <li>● Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (Chinese Due Diligence Guidelines).</li> </ul>
<b>Objective</b>	To strengthen the protection of human rights in line with national development priorities, address social inequalities, promote people-centered and sustainable development, enhance protection for vulnerable groups, and expand China's role in global human rights governance.
<b>International Reference Framework</b>	<ul style="list-style-type: none"> <li>● Universal Declaration of Human Rights and other international human rights conventions.</li> <li>● UN Guiding Principles on Business and Human Rights.</li> <li>● OECD Due Diligence Guidance on Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*</li> </ul>
	<i>*Applicable for the Chinese Due Diligence Guidelines.</i>
<b>Mandatory/Voluntary</b>	Voluntary.



## Thailand



<b>Document</b>	The National Action Plan on Business and Human Rights (2023–2027)
<b>Areas</b>	Labour, community, land, natural resources, and the environment, human rights defenders, and Transboundary investment and multinational enterprises.
<b>Approach</b>	A dedicated BHR National Action Plan (2023–2027) focused on four priority areas (labour; community/land/environment; human rights defenders; and transboundary investment), linking each area to UNGP pillars and national development plans.
<b>Follow-up Action</b>	Planning to introduce mandatory human rights and environmental due diligence.
<b>Objective</b>	<ul style="list-style-type: none"> <li>● To protect individuals and communities from human rights violations caused by the business sector, and to prevent, mitigate or provide interventions for the negative impacts caused by it;</li> <li>● To promote responsible business practices and respects for human rights throughout the supply chain with the aim of sustainable economic growth.</li> </ul>
<b>International Reference Framework</b>	<ul style="list-style-type: none"> <li>● UN Guiding Principles on Business and Human Rights;</li> <li>● the Sustainable Development Goals (SDGs);</li> <li>● the International Covenant on Economic, Social, and Cultural Rights (ICESCR);</li> <li>● The Universal Periodic Review (UPR); etc.</li> </ul>
	<i>(This includes all international human rights instruments that Thailand has ratified)</i>
<b>Mandatory/Voluntary</b>	Voluntary



## South Africa



<b>Document</b>	Human Rights and Business Country Guide (2015)
<b>Areas</b>	Labour, environment, indigenous peoples, gender, forced labour, protection of minorities, health and occupational safety, working conditions,
<b>Approach</b>	The Guide has is drawn from the Danish Institute for Human Right's (DIHR) existing library of human rights due diligence recommendations, as well as international frameworks, principles and guidelines in partnership with South African Human Rights Commission (SAHRC) which is a National Human Rights Institution established in terms of the South African Constitution.
<b>Follow-up action</b>	No follow up action, just a guide for companies
<b>Objective</b>	For companies to identify impacts of their business and comply with national laws and international frameworks
<b>International Reference Framework</b>	UN Guiding Principles on Business and Human Right
<b>Mandatory/Voluntary</b>	Voluntary



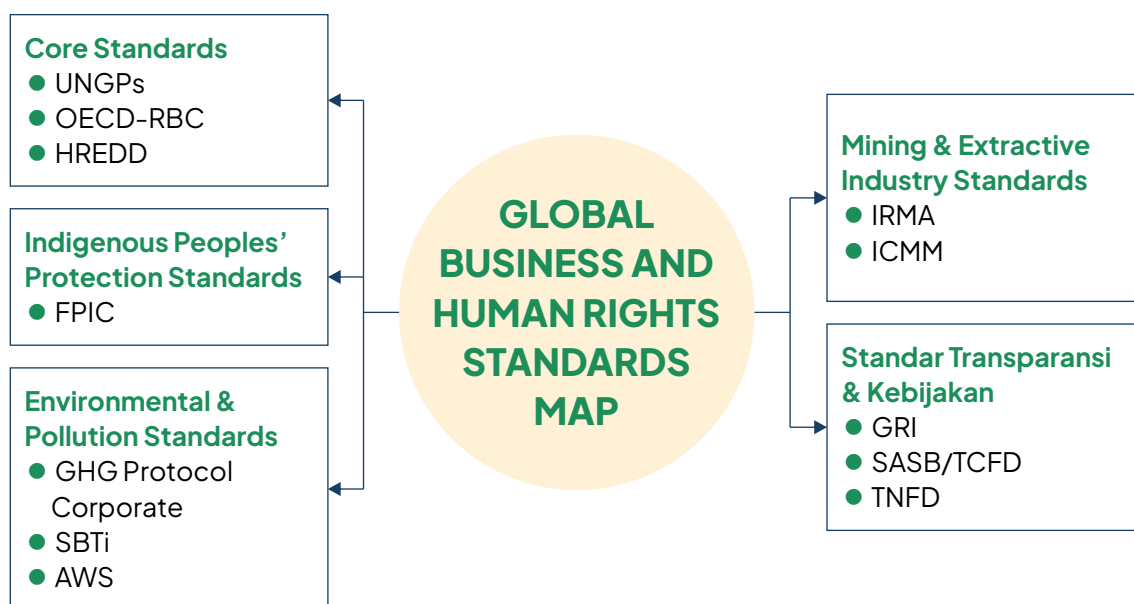
## Chile



<b>Document</b>	National Action Plan (2017-2020) and National Action Plan (2022-2025)
<b>Areas</b>	Child labour, human rights
<b>Approach</b>	Provides information to state actors/other stakeholders to support businesses to conduct due diligence and support human rights to be monitored. Encourages businesses to follow the UN Guiding Principles.
<b>Follow-up action</b>	Monitoring and action of the National Action Plan (NAP), new plans released every three years. NAP is seen as a living document to be a reflection of stakeholder consultation.
<b>Objective</b>	This Action Plan seeks to strengthen human rights in the business community and State actors.
<b>International Reference Framework</b>	<ul style="list-style-type: none"> <li>● UN Sustainable Development Goals, 2030;</li> <li>● International Bill of Human Rights;</li> <li>● Paris Agreement on Climate Change;</li> <li>● UN Guiding Principles on Business and Human Rights;</li> <li>● OECD Guidelines for Multinational Enterprises.</li> </ul>
<b>Mandatory/Voluntary</b>	Voluntary



## Global Benchmarking: Updated Map of International Standards



This globally applicable map of standards shows the many standards that have been implemented to promote business practices that prioritize human rights and environments. However, these standards leave behind the key question of whether they are capable of creating the desired social, cultural, or even political and economic conditions; namely, a sustainable environment and a safe and prosperous social order. Or, rather, are they created solely to respond to the crisis of public legitimacy faced by the corporate business world? This means that, in practice, these standards only serve to fulfill the interests of the markets.<sup>9</sup>



<sup>9</sup> Stories of how global standards were created in response to the crisis of public legitimacy faced by global extractive companies, an effort that also received support from international organisations, can be found, for example, in Lian Sinclair. (2024). *Undermining Resistance: The Governance of Participation by Multinational Mining Corporations*. Manchester University Press.



**There are a lot of institutions that are responsible for doing this and that [almost identical with PRISMA] for business, why not make just one for conveniences? Tools such as PRISMA overlap with the ones owned by the other ministries.**

— (Indonesian Employers' Association/APINDO)

## Implementation in Indonesia: Complicated and Unimpactful

In response to global demands for the state to promote improvement and respect for human rights in all business activities under the UNGPs guidelines established through UN Human Rights Council Resolution No. 17/4 of 2011,<sup>10</sup> the Indonesian government had included the issue of business and human rights in its 2015–2019 National Action Plan (RAN) (through Presidential Regulation No. 75 of 2015). This effort was then followed by the 2021–2025 RAN (through Presidential Regulation No. 53 of 2021). Furthermore, the National Human Rights Commission (Komnas HAM) had also issued the National Human Rights Commission Regulation No. 1 of 2017 about the Ratification of the National Action Plan on Business and Human Rights.

The government had put forward efforts to encourage corporations to respect human rights aspects in all business activities through the Business and Human Rights Risk Assessment (PRISMA) instrument that was released in 2021. At that time, there was no strong legal basis to cover PRISMA because it had not been integrated in the 2021–2025 National Action Plan (RAN). Hence, in 2023 the government issued Presidential Regulation No. 60 of 2023. Not long after, the National Human Rights Commission (Komnas HAM) also issued Standard Norms and Regulations No. 13 on Business and Human Rights.

Despite the existing set of regulations, PRISMA still has various shortcomings that pose challenges in realizing business governance that respects human rights. At the very least, some of the shortcomings of PRISMA include:<sup>11</sup>

- 1 **It is still generic in nature and does not fully comply with the UNGPs**
- 2 **Based on self-assessment**
- 3 **Does not involve external parties such as the government or the communities in the assessment process**
- 4 **Web-based and voluntary in nature**
- 5 **Formalistic, relying solely on administrative document checks**
- 6 **To assess the level of risk, not to capture the real conditions in the field**
- 7 **The indicators developed do not cover adequate categories, for example, they do not highlight aspects of state violence, gender, evictions, or dispossession.**

<sup>10</sup> Kementerian HAM. (2025). *Pedoman PRISMA: Pedoman Risiko Bisnis dan HAM*. Direktorat Jenderal Pelayanan dan Kepatuhan Hak Asasi Manusia

<sup>11</sup> Interview result with P, August 2025

In addition, PRISMA tends to overlap with other assessments, because it does not differ much from the previous assessment instruments established by the government, such as Norma 100 and the Company Performance Rating Program in Environmental Management (PROPER). For further examination, consider the following comparison table of instruments that are similar to PRISMA and were also established by the government.

### Comparison of Human Rights and Environmental Due Diligence Instruments in Indonesia

INDICTORS	PRISMA	NORMA 100	PROPER	TKBI	LKPM
<b>Responsible Institutions</b>	Ministry of Human Rights	Ministry of Manpower	Ministry of Environment	Financial Service Authority	Ministry of Investment and Downstream Industry
<b>Legal Basis</b>	Presidential Regulation No. 60 of 2023	Directorate General of Guidance and Supervision of Labour Inspection and Occupational Safety and Health Decree No 5/50/PW.11.00/VII/2023	Ministry of Environment and Forestry Regulation No. 1 of 2021	Law No. 4 of 2023 and Financial Services Authority Regulation No. 51 of 2017	Government Regulation No. 28 of 2025, Ministry of Investment and Downstream Industry/ Indonesia Investment Coordinating Board Regulation No. 5 of 2025 and No. 5 of 2021
<b>Requirement</b>	Voluntary	Voluntary	Voluntary	Voluntary	Mandatory
<b>Assessment Model</b>	Self-Assessment	Self-Assessment	Self-Assessment	Self-Assessment	Self-Assessment
<b>Scoring Tools</b>	Administrative documents check	Administrative documents check	Administrative documents check and non-mandatory on-field verification	Sustainability report and corporate governance evaluation	Financial Investment Activity Report based on the OSS system and investment performance report
<b>Accessibility of the Information</b>	Limited disclosure	Non-disclosure	Limited disclosure	Non-disclosure	Non-disclosure
<b>Stated Goals</b>	Identifying the level of human rights risks in business activities	Monitoring the compliance of the companies regarding labor and employment provisions	Encouraging environmentally sustainable performance	Integrating the sustainability aspect in the financial sector	Monitoring companies' investment realizations and reporting compliance

Thus, as a voluntary and independently administered human rights assessment instrument, rather than helping, PRISMA actually adds to the administrative burden on businesses that are already faced with various other reporting obligations.<sup>12</sup> Not only that, PRISMA has also not been effectively integrated with the existing assessment instruments, such as PROPER, Norma 100, and LKPM. In fact, in some aspects it shows contradictions in policies. LKPM, for example, is more oriented towards business targets and measurements than giving full attention to human rights aspects.<sup>13</sup> This makes the efforts to assess and monitor corporate human rights responsibilities to be unsynchronized and less meaningful.

<sup>12</sup> Interview result with M, August 2025

<sup>13</sup> Interview result with M, August 2025

It appears that bureaucratic complexity still characterizes business and human rights assessments in Indonesia. Each ministry and agency utilizes different assessment tools. This is a very uncommon practice in other countries, such as Thailand, Japan, South Africa, China, and Chile. In their practical implementation, these countries do not have overlapping assessment instruments established by their governments. As such, Indonesia has to learn and dare to do the same, focusing on developing and implementing a single but robust assessment instrument to compel each company to comply and implement it properly.

## Criticism of PRISMA

	Substantive and Analytical Criticism	Consequences for the Quality of Human Rights Assessment
 Document-centric design of its instruments	PRISMA considers the mere existence of policy documents, SOP, or reports as indicators without further assessment of their implementation or impact in the field.	Scoring processes had become formalistic and resulted in false compliance and failed to detect the actual impact and loss on human rights that occurred in the field.
 Focus on Internal Risks instead of External Human Rights Risks	The risk-oriented approach of PRISMA focuses more on the risks to the company, not the risks to rights-holders as required by UNGPs/OECD standards.	Loss of human rights orientation; the actual human rights risks in society are not being measured.
 The Scoring Instruments have High Risk of Partiality	In the dimension of human rights impact, PRISMA based its scoring on the assessed company's self-assessment, which carries the risk of partiality on behalf of the company.	The measurements of the risk value is not objective and has low accountability.
 Not Integrating Climate, Environmental, and Sustainability Aspects	The early version of PRISMA did not include environmental, climate, water, or biodiversity as part of human rights assessment.	It failed to capture the main risk of energy, biofuel, and mining sectors.
 The Absence of Mechanism for Verification or Triangulation	The instruments only went as far as self-assessment; there are no independent verifications or requirements for tangible proof.	Low validity, relatively easy to manipulate, and ineligible to serve as the base for state-level decision making.
 Did not take into account the Effectiveness of Remediation	PRISMA does not measure the quality of reporting and remediation mechanisms; it only takes into account the existence of a channel for reporting and complaints.	The remediation aspect is still unmeasured and an assessed company could still score 'good' despite failing to deliver remediation.
 The Structure of the 12 Indicators and 14 Questions are not Based on the Condition in the Field.	The indicators were not designed based on the material condition of the sectoral risks.	The scoring was unfocused and did not support mitigation priorities.
 Inconsistency in the Scoring of Policy Aspect	Scoring indicators for some company policies are inconsistent, such as human rights and privacy.	There is no basis for a strong commitment towards adequate and consistent human rights governance for the company.
 Labor and Agrarian Bias	PRISMA questionnaires are dominated by agrarian as well as employment and labor issues; while the environmental and mining safety issues are not adequately covered.	The instruments are not very relevant for the energy and extractive sector.
 Bias in the Scoring Regarding Employment and Labor Issue Dimension	There are no requirements for the company to appoint a direct workers' representative for the assessment of employment and labor dimension.	The scores in the dimension of employment and labor rights are irrelevant as they are submitted by the company itself or its representative.
 Does not Contain any Global Benchmark	There is no threshold aligned with UNGPs, OECD Due Diligence, or IFC.	The result is incompatible with the global HREDD standards and requirements.
 Does not Measure any Positive Performance	PRISMA only assesses risk mitigation without also assessing positive contribution or improvement in human rights.	The instruments are static in nature, and do not encourage any transformation in human rights governance.
 Unable to Function as Due Diligence	Does not map the supply chain; does not assess the involvement of the concerned parties and rights holder; and does not contain any due diligence cycle.	From the methodological stand point, it does not meet the definition of international due diligence.

## Experiences from 15 Companies: Green on Paper, Red on the Field

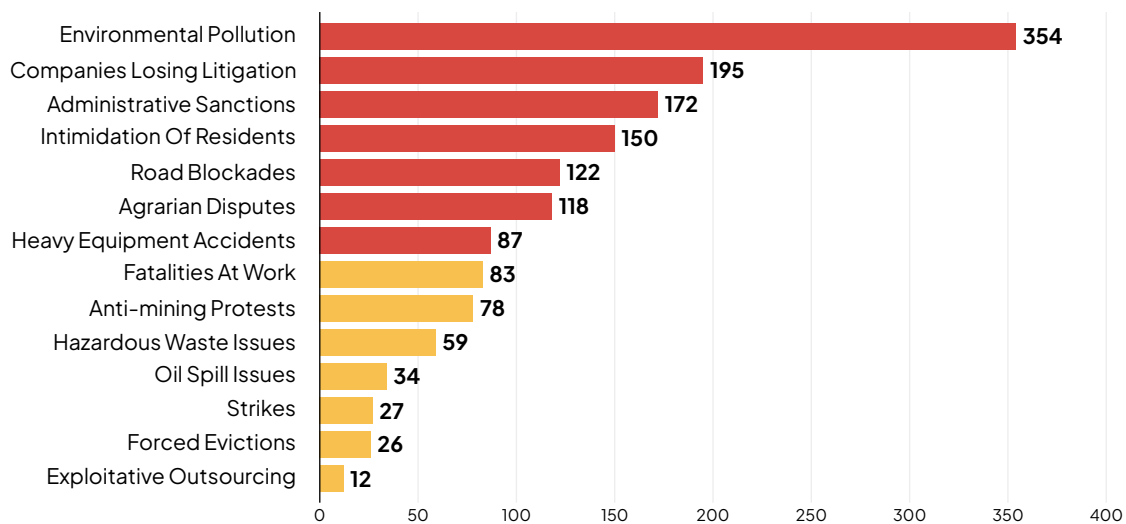
Next, consider the fifteen LQ45 companies from the energy and natural resources sector that were sampled in this study. These fifteen companies set themselves as major players in the field of environmental sustainability and the promotion of human rights values. Through their scores on various assessment instruments, they paint a green image of their corporations so it would look attractive to investors and the public. All of the certificates, high scores, and awards are used as the means to crown themselves.

### Scoring of 15 LQ45 Companies in Various Sustainable Indices

Company Name	Proper	PRISMA	ESG	Other Awards
PT Adaro Minerals Indonesia Tbk	Gold		Active	Energy and Mining Editor Society untuk mempercepat transisi energi 2023
PT Barito Pacific Tbk			Active	Investor Trust dan BGK Foundation Predikat Green untuk kategori Transparansi Penurunan Emisi 2024
PT Indofood CBP Sukses Makmur Tbk	Green		Active	Best Literacy For Climate Resilience BEI 2024
PT Merdeka Copper Gold Tbk		PRISMA 2025	Active	Anugerah Bisnis dan HAM 2025 SETARA Institute
PT Amman Minerals Internasional Tbk	Blue	PRISMA 2025	Active	Good Mining Practice Award 2024
PT Merdeka Battery Minerals Tbk			Active	Asia Sustainability Reporting Rating (ASRRAT) 2025
PT Japfa Comfeed Indonesia Tbk	Blue		Active	ESG Initiative Award (EIA) 2024
PT United Tractors Tbk	Gold		Active	K3 Zero Accident Award 2025
PT Medco Energi Internasional Tbk	Green		Active	Zero Lost Time Injury - LTI) 2025
PT Indah Kiat Pulp & Paper Tbk	Blue		Active	Gold Champion BISRA 2025
PT Bukit Asam Tbk	Gold		Active	Asia Best Companies to Work for in Asia Indonesia 2025
PT Indo Tambangraya Megah Tbk		Peduli HAM 2024	Active	ESG Transparansi 2025 BGK Foundation
PT Pertamina Geothermal Energy Tbk	Gold		Active	Bronze Best Community Program Awards Annual Global CSR & ESG 2025
PT Vale Indonesia	Green	PRISMA 2025	Active	Anugerah Bisnis dan HAM 2025 SETARA Institute
PT Aneka Tambang Tbk	Gold		Active	Environmental & Social Innovation Award (ENSIA) 2025

Like roasting away from the fire, a “green” status on paper does not guarantee that these companies are truly free from various human rights and environmental problems. This study collected open data on 15 companies to investigate (1) agrarian disputes, (2) forced evictions, (3) intimidation of residents, (4) environmental pollution, (5) hazardous waste issues, (6) oil spill issues, (7) fatalities at work, (8) accidents involving heavy equipment, (9) strikes, (10) anti-mining protests, (11) road blockades, (12) companies losing litigation, (13) administrative sanctions imposed on companies, and (14) exploitative outsourcing practices.

**Figure 1. Frequency of Issue Occurrence (2020–2025)**



Source: Processed by CELIOS and PUSHAM UII (2025)

Between 2020 and 2025, data collected from various digital sources showed the seven most problematic issues in sustainability and human rights governance among 15 LQ45 companies in the energy sector. Environmental pollution ranked first. Of the 15 companies, PT Bukit Asam Tbk, PT Medco Energi Internasional Tbk, and PT Aneka Tambang Tbk received the highest exposure to this issue. The frequency of environmental pollution issues appearing in each of these companies was 42, 35, and 31 times, respectively.

The second most frequently reported issue related to corporate legal disputes, particularly companies losing court cases. This study found that PT Amman Minerals Internasional Tbk, PT Medco Energi Internasional Tbk, and PT Adaro Minerals were the top three companies most intensely exposed to this issue. In order, the frequency of court legal dispute issues appearing was 31, 29, and 21 times, respectively.

The third issue is related to the imposition of administrative sanctions on companies. With a frequency of 34 occurrences, PT Aneka Tambang Tbk ranks highest in terms of exposure to the issue of administrative sanctions. It is followed by PT Pertamina Geothermal Energy Tbk, with a frequency of 31 occurrences, and PT Amman Minerals Internasional with 17 occurrences.

Intimidation of residents followed in fourth place. Based on open data collection, this study reveals that the LQ45 energy sector companies most prominent in issues of intimidation of residents in their business activities are PT Aneka Tambang Tbk (21 times), PT Medco Energi Internasional Tbk (19 times), and PT Amman Minerals Internasional Tbk (15

times). This issue is followed by the fifth issue, road blockades, where PT Amman Minerals Internasional Tbk, PT Japfa Comfeed Indonesia Tbk, and PT Aneka Tambang Tbk appear with remarkable intensity in digital media coverage. In order, the frequency of appearance of these three companies is 19 times, 18 times, and 15 times.


The sixth most discussed issue in the digital space was related to agrarian disputes. This study identified PT Bukit Asam Tbk, PT Adaro Minerals Tbk, and PT Medco Energi Internasional as the companies most exposed to agrarian conflict issues. The frequency of appearance of each company was 19 times, 18 times, and 12 times, respectively.

The last issue that marks the top seven issues in sustainability and human rights governance of LQ45 companies is heavy equipment accidents. This study found that PT Amman Minerals Internasional Tbk, PT Medco Energi Internasional Tbk, and PT Merdeka Copper Gold Tbk are the top three companies that appear most frequently in discussions about heavy equipment accidents in the digital space. The frequency of appearance of each company is 15 times, 10 times, and 9 times, respectively.

**The results of this open data collection show that although the public is presented with impressive scores in corporate sustainability and human rights governance, environmental destruction, conflicts, and land disputes were, have been, and still occurring in the field. These issues seem to be untouched by the green ratings obtained by companies.**

This study presents a mapping of the conflict footprint and environmental and human rights risks of 15 LQ45 companies in the energy sector.



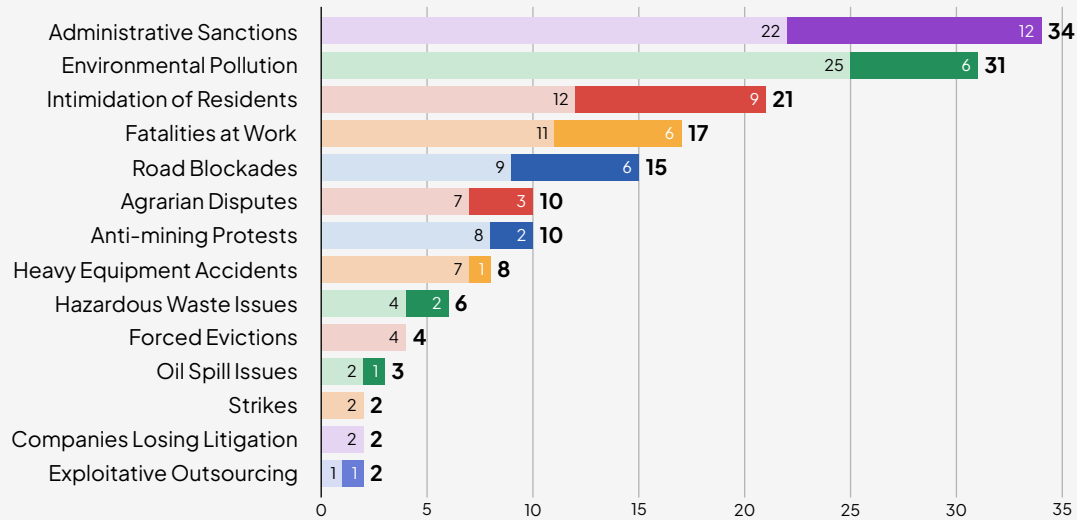
 Dokumentasi PUSHAM UII

# Conflict Track Record and ESG Risk Data (Environmental, Social, and Governance)

## PT Aneka Tambang Tbk

■ Human Rights    ■ Environment  
■ Occupational Health & Safety (OHS)    ■ Social    ■ Legal    ■ Supply Chain

Time Range    Total Findings  
**2020 – 2025**    **175**  
■ 2020 – 2024 (Archive)    ■ 2025 (Latest)

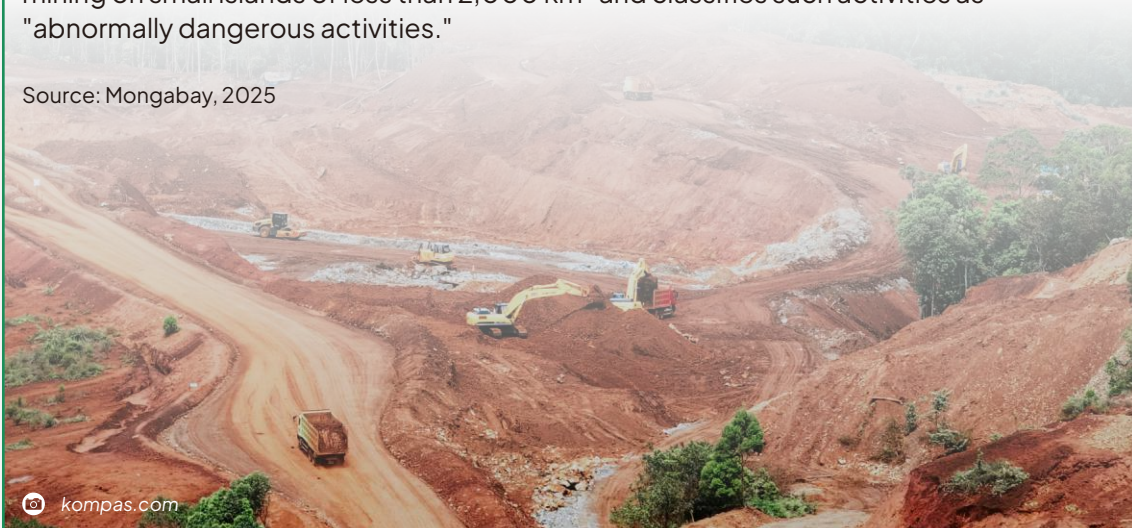


Source: Processed by CELIOS and PUSHAM UII (2025)

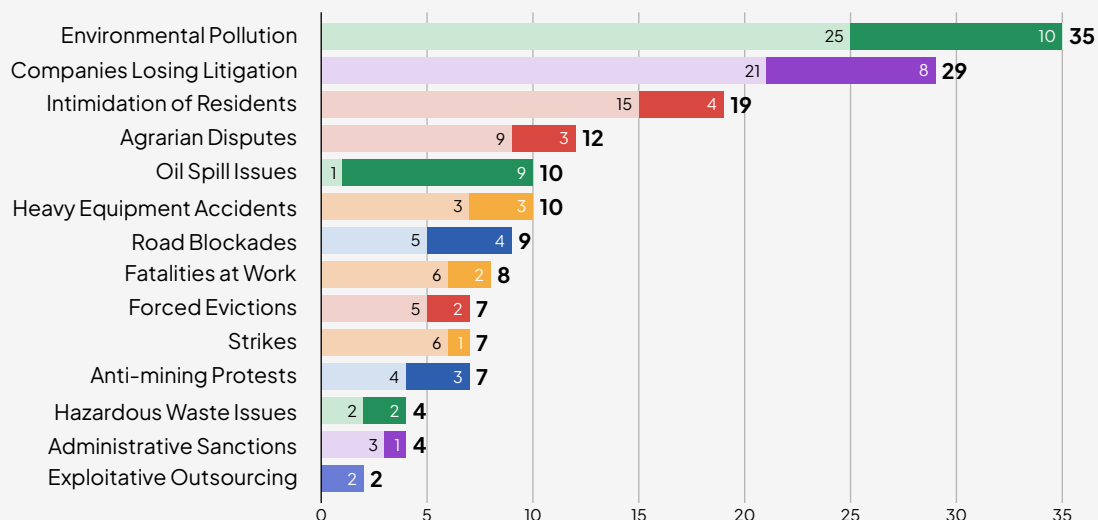
## PT Aneka Tambang Menggerus Raja Ampat

PT Aneka Tambang, through PT Gag Nikel, operates on Gag Island in Raja Ampat, a small island covering approximately 6,500 hectares that is designated as a protected forest; the company continues its mining activities despite the revocation of four other nickel mining permits in the area, with operations recommencing on September 3, 2025. Open-pit mining practices on the island have deforested more than 500 hectares of forest and natural vegetation, causing soil runoff and coastal sedimentation that threaten the coral reefs and marine ecosystems of Raja Ampat, a habitat for around 75% of the world's coral species. These activities are allegedly in violation of Law No. 1 of 2014 on PWP3K and Constitutional Court Ruling No. 35/PUU-XXI/2023, which prohibits mining on small islands of less than 2,000 km<sup>2</sup> and classifies such activities as "abnormally dangerous activities."

Source: Mongabay, 2025



kompass.com



Source: Processed by CELIOS and PUSHAM UII (2025)

## The Deadly Smell from Medco's Oil and Gas Fields

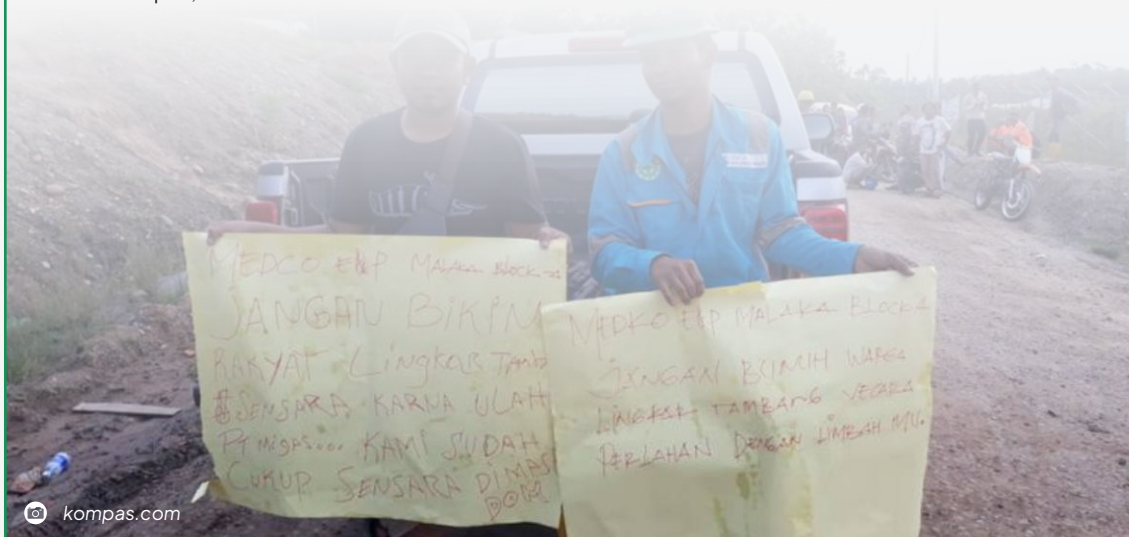
### Repeated gas odor pollution

Residents around the Block A oil and gas field (East Aceh) have repeatedly been exposed to stinging odors of the gas (incidents occurred in 2019, 2021, and September 24, 2023), causing dozens of residents to experience shortness of breath, dizziness, nausea, and 30 people to be treated at the Zubir Mahmud Regional General Hospital.

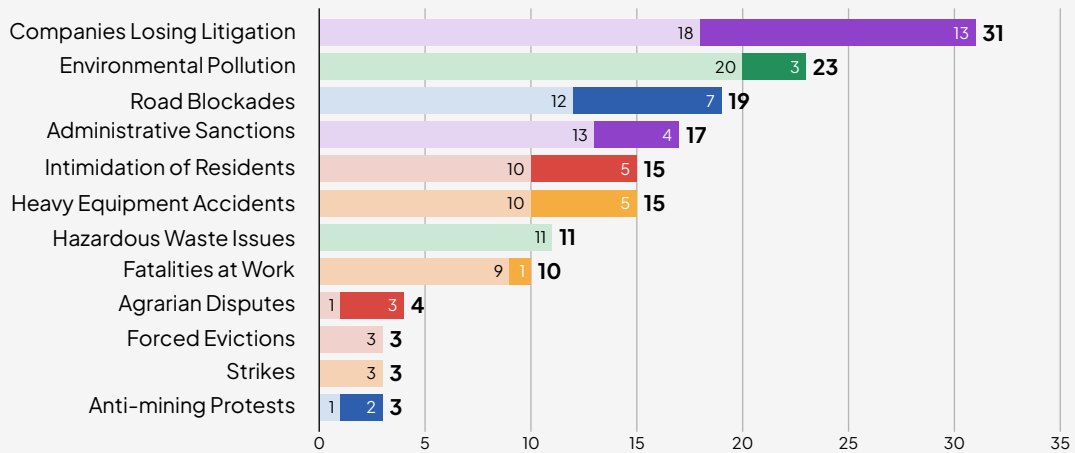
### Health threats to residents, including infants

Residents report living “shrouded in gas odor” every day. In one case, a 7-month-old infant developed pneumonia, suspected to be related to frequent exposure to unhealthy foul odors, as the home is only approximately 500 meters from Medco's facilities.

Source: Kompas, 2023



kompas.com



Source: Processed by CELIOS and PUSHAM UII (2025)

### Amman Mineral in the Vortex of Alleged Serious Violations

Allegations of violations by PT Amman Mineral Nusa Tenggara (AMNT) have been circulating since the Public Discussion on October 30, 2022, which addressed issues of human rights, the environment, employment and labor rights, and the rights of local communities.

The People’s Alliance Against Mining Mafia (Amanat KSB) reported a number of alleged violations in the 25,000-hectare mining area on Sumbawa Island, including:

- Unilateral termination of employment
- Workplace accidents
- Union busting
- Blacklisting and alert lists of workers
- Inhumane working hours and social media restrictions
- Dumping of hazardous waste/tailings into the deep sea
- Sale of scrap iron
- Lack of transparency regarding PPM funds and post-mining programs

Source: CNN, 2022 & Tirto, 2022

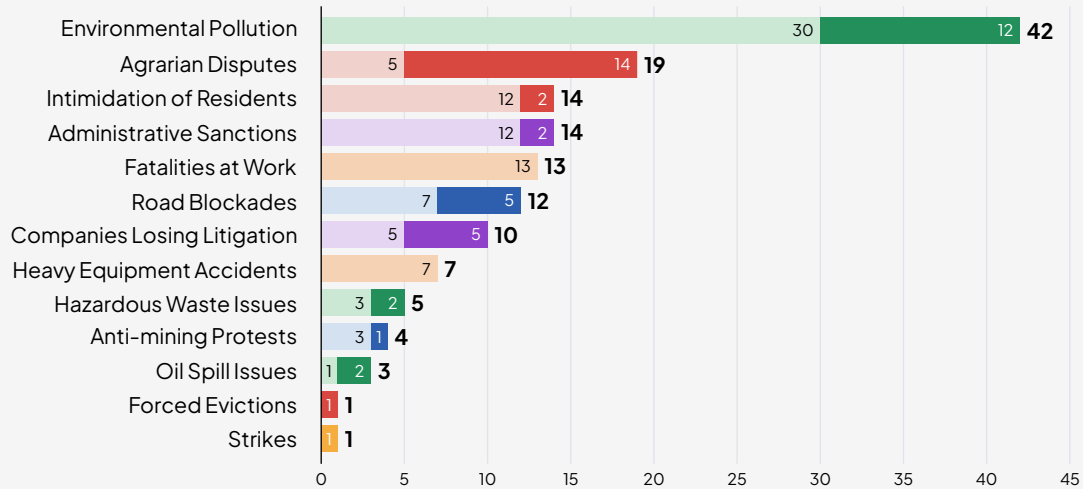


[www.thejakartapost.com](http://www.thejakartapost.com)

# PT Bukit Asam Tbk

■ Human Rights 
 ■ Environment 
 ■ Occupational Health & Safety (OHS) 
 ■ Social 
 ■ Legal 
 ■ Supply Chain

Time Range **2020 - 2025** Total Findings **152**  
■ 2020 - 2024 (Archive) ■ 2025 (Latest)



Source: Processed by CELIOS and PUSHAM UII (2025)

## 10 Years of Abandoned Mining Pits: PT Bukit Asam Ordered to Restore Damaged Land in Lahat

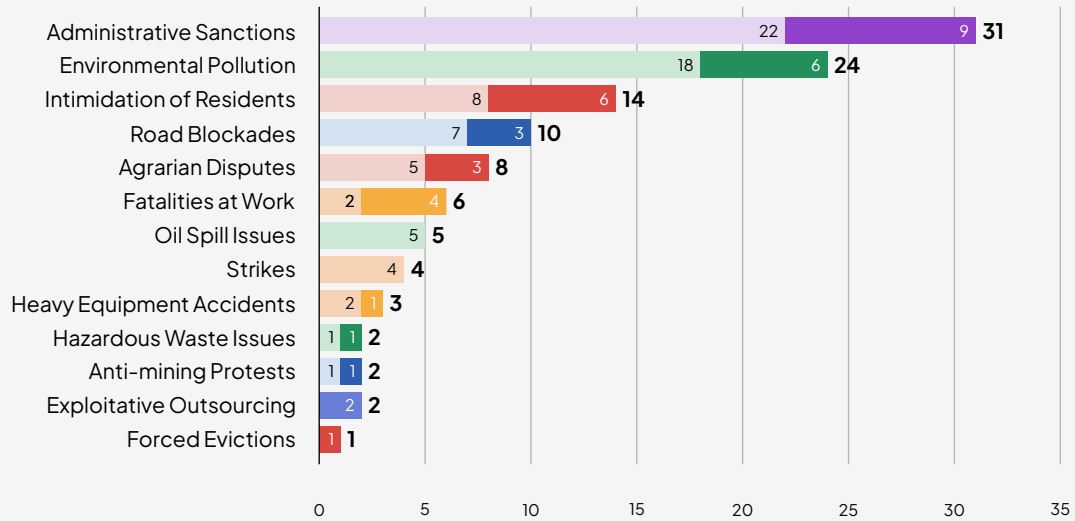
PT Bukit Asam Tbk (PTBA) was sued by civil society for environmental damage caused by mining activities in Merapi Village, East Merapi District, Lahat, South Sumatra. The lawsuit was filed on August 18, 2023, and resulted in a ruling by the Lahat District Court that granted part of the lawsuit.

In the ruling, PTBA was found to have committed an unlawful act by allowing two mining areas to remain abandoned for nearly 10 years without rehabilitation as required by law. The disputed areas, spanning approximately 8 hectares and 5.65 hectares respectively, each have abandoned excavation sites that have undergone spontaneous combustion and dangerous void holes.

Source: Eko Prasetyo, 2024



[www.thejakartapost.com](http://www.thejakartapost.com)



Source: Processed by CELIOS and PUSHAM UII (2025)

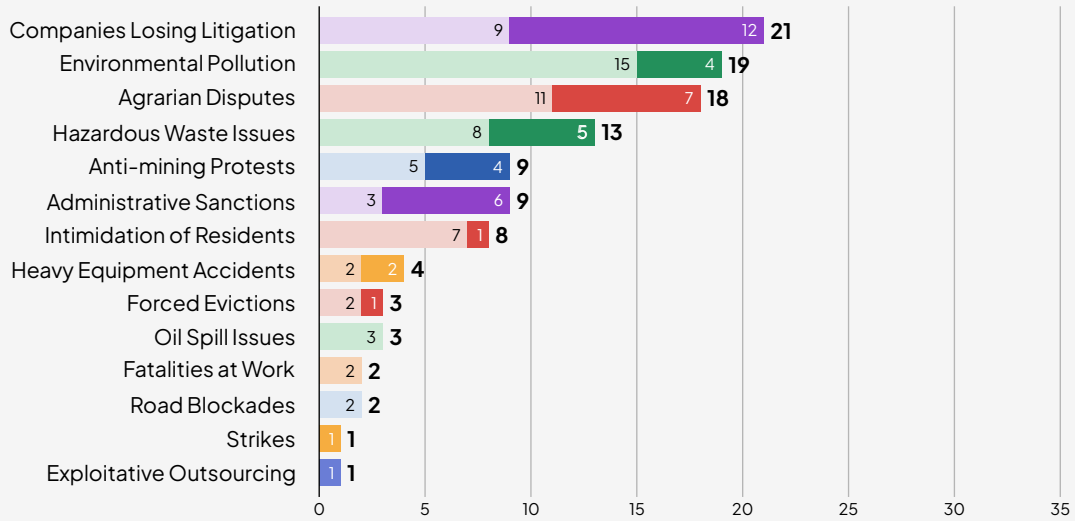
### Pertamina Geothermal Energy Lahendong 40 Years of Geothermal Energy, 40 Years of Darkness

- 40 years of geothermal exploitation, but the surrounding villages remain poor and dark, with frequent power outages in the electricity-producing area.
- Environmental and health impacts: mass respiratory infections, rapid corrosion of zinc roofs, door hinges, and vehicles; waste and sedimentation in cultivated land; noises from the well; drastic decline in agriculture due to decline in groundwater.
- Minimal compensation and CSR: no scholarships, business capital, or vocational training centers; billions in production bonuses are not enjoyed by affected residents.
- Transparency questioned: air quality test results not disclosed; residents push for independent audit and are prepared for class action.
- Irony and injustice: the area supplies electricity to many provinces, yet its basic infrastructure is poor and its residents' economic well-being lags behind.

Source: CELIOS, 2024 & Hendra Mokerowu, 2025



kelung.id



Source: Processed by CELIOS and PUSHAM UII (2025)

### ADARO: Green in Name, Black in Practice

PT Adaro Energy Indonesia Tbk, Indonesia's second-largest coal producer, earned US\$ 2.49 billion profits in 2022 (up 167% from 2021). As of September 2023, its production reached 50.73 million tons of coal.

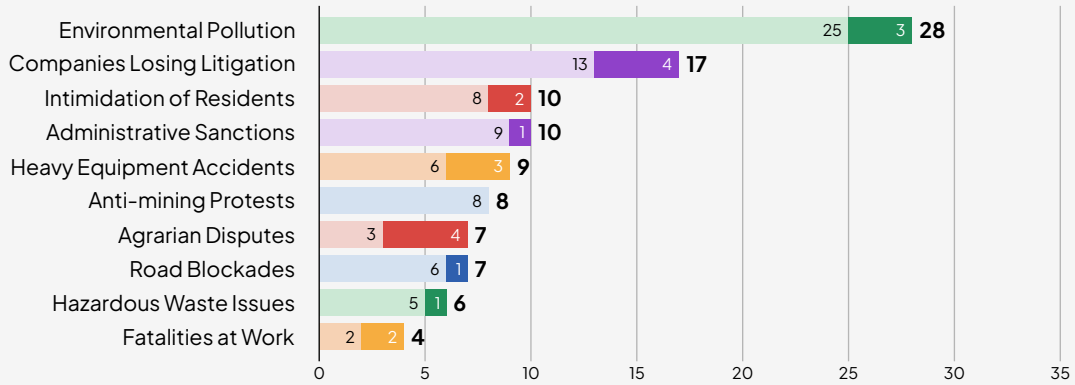
Adaro claims to be transitioning to clean energy by building an aluminum smelter for the EV industry in the Indonesian Green Industrial Zone (KIHI), North Kalimantan. However, this project actually relies on a 1.1 GW to 5 GW coal-fired power plant in its full phase, which contradicts the narrative of clean energy.

For the smelter and power plant projects, Adaro secured a US\$1.58 billion loan (May 16, 2023) through KAI and KPI, financed by five major Indonesian banks (BRI, BNI, Mandiri, BCA, Permata).

Source: CELIOS & Market Forces, 2023



apnews.com



Source: Processed by CELIOS and PUSHAM UII (2025)

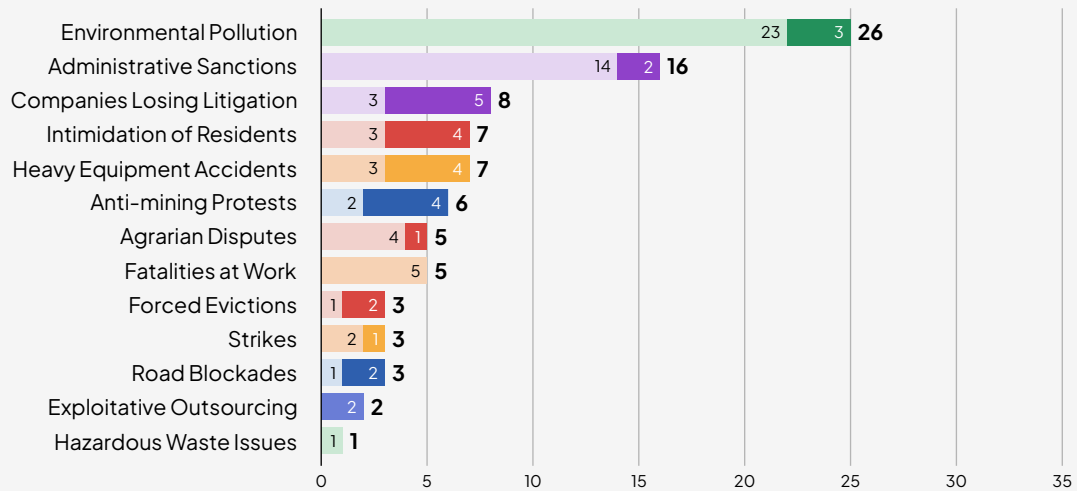
### The Resistance of Banyuwangi’s People: 310 KM Demanding Justice from Merdeka Copper Gold

A total of 43 residents of Sumberagung Village, Pesanggaran, cycled 310 km from Banyuwangi to Surabaya (February 15–20, 2020) to demand the revocation of gold mining permits. They urged the revocation of the mining permits for PT Bumi Suksesindo (BSI) covering an area of 4,998 hectares (production operations from 2012 to 2030) and PT Damai Suksesindo (DSI) covering an area of 6,558 hectares (exploration until 2022), as well as environmental restoration in Mount Tumpang Pitu and Mount Salakan. Both companies are under Merdeka Copper Gold Tbk, whose shares are linked to Saratoga Sedaya Investama, Provident Capital, and Garibaldi Thohir. The residents' refusals sparked clashes, the establishment of protest tents, road blockades, and arrests that were considered to be fabricated, including the case of Agus Hariawan. The main issues in this conflict include the alleged criminalization of residents, threats of environmental and livelihood destruction, disaster risks, and ongoing agrarian conflicts.

Source: Mongabay, 2020



mongabay.co.id



Source: Processed by CELIOS and PUSHAM UII (2025)

### Indah Kiat Pulp & Paper Suspected of Utilizing Illegal Timber

Two companies affiliated with the APP Group (Sinar Mas Group), namely PT Arara Abadi and PT Indah Kiat Pulp & Paper Tbk (IKPP), were officially reported to the Ministry of Environment and Forestry on March 7, 2024, for alleged environmental and forestry crimes.

Jikalauhari's investigation in February 2024 found the following allegations:

Logging of 376.8 hectares of natural forest in Indragiri Hilir, Riau 60.36 hectares in the Production Forest (HP) area 316.44 hectares in the Other Use Area (APL)	Peatland clearing and acacia planting in APL
	Field findings: 10-meter logs, 40 cm in diameter, water canal, two worker camps, and heavy excavator equipment
	Alleged illegal supply of natural timber from Arara Abadi to the PT IKPP factory

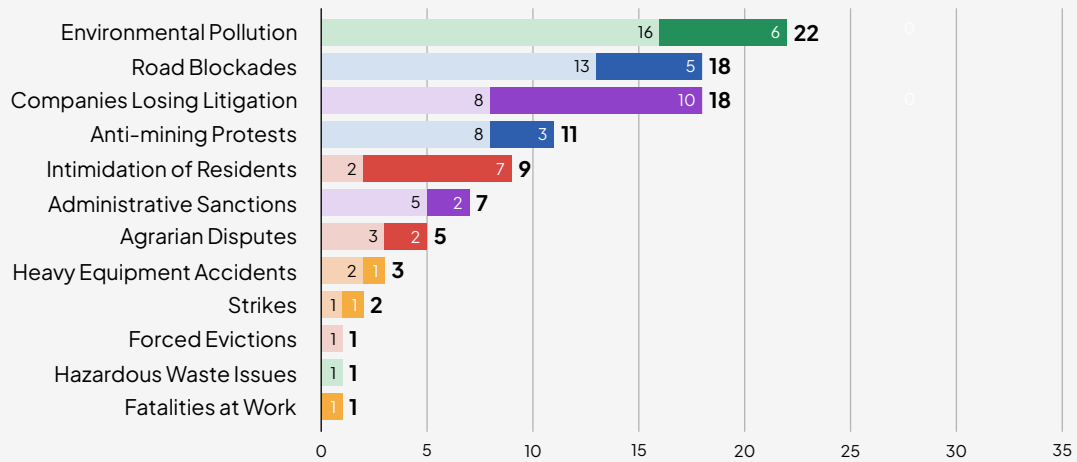
Source: Tempo 2024



# PT Japfa Comfeed Indonesia Tbk

■ Human Rights 
 ■ Environment 
 ■ Occupational Health & Safety (OHS) 
 ■ Social 
 ■ Legal 
 ■ Supply Chain

Time Range **2020 - 2025** Total Findings **98**  
■ 2020 - 2024 (Archive) ■ 2025 (Latest)



Source: Processed by CELIOS and PUSHAM UII (2025)

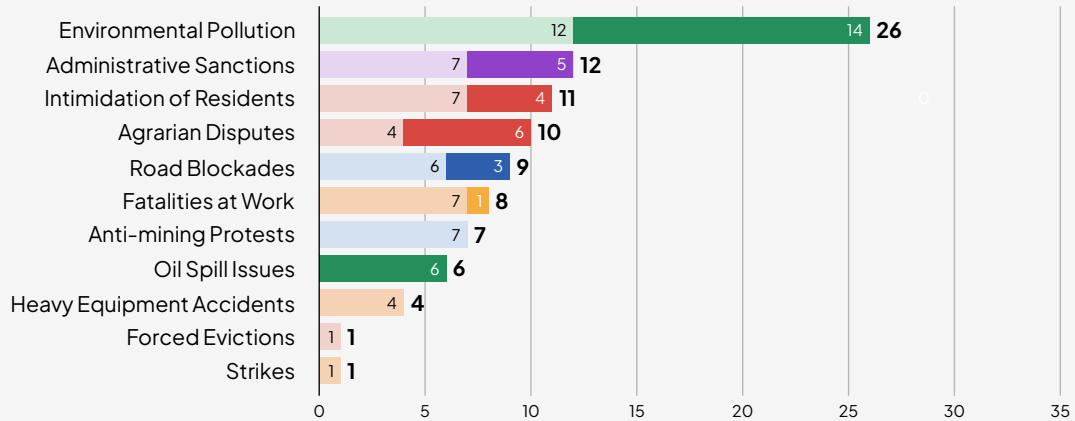
## PT Japfa Comfeed Indonesia Tbk in the Circle of Hazardous Waste Pollution Practices

Civil society groups reported alleged violations of hazardous waste management permits by PT Ciomas Adisatwa and PT Santosa Agrindo, two companies under PT Wabin Jayatama, a company wholly owned by PT Japfa Comfeed Indonesia Tbk. Both companies produce hazardous waste and are suspected of polluting the environment around their facilities. When civil society groups held a hearing with the Serang Regency Government, the companies failed to show proof of hazardous waste management permits.

Source: Jaring Garuda NKRI (2024)



topmedia.co.id



Source: Processed by CELIOS and PUSHAM UII (2025)

### Impact of Pipeline Leak Worsens, PT Vale Indonesia Failed to Take Immediate Action

The leaking of an oil pipeline owned by PT Vale Indonesia Tbk in Lioka Village, Towuti District, East Luwu Regency, has clearly caused losses to residents. Through the Solidarity of Victims of PT Vale, affected residents are demanding accountability and recovery regarding the incident.

Two months after the initial incident, oil continues to flow in several areas of farmland, lakes, rivers, and the mouth of Lake Towuti.

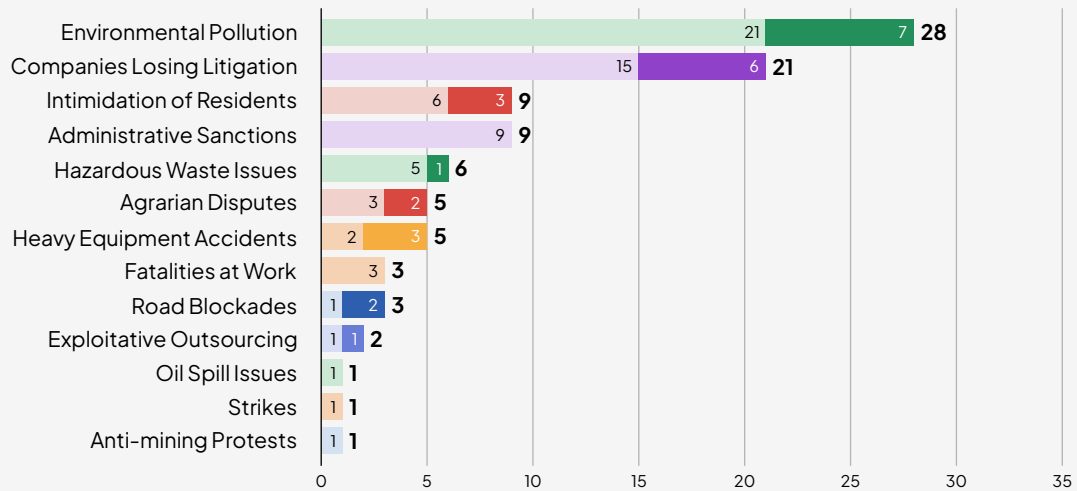
There has been damage to the ecosystem.

The agricultural activities of residents and local fishermen have come to a halt.

Despite these impacts, PT Vale has not immediately compensated residents for their losses.

Source: RakyatSulsel (2025)





Source: Processed by CELIOS and PUSHAM UII (2025)

### Floods, Mud, Polluted Rivers: Merdeka Battery Minerals Subsidiary Questioned

On Wednesday, May 21, 2025, a group of people staged a demonstration in the SCBD area, South Jakarta. The demonstration demanded the revocation of the operating license of PT Sulawesi Cahaya Mineral (PT SCM) in Rوتا District, Konawe Regency, Southeast Sulawesi. PT SCM is a subsidiary of PT Merdeka Minerals Battery Tbk, with a 51% shareholding.

This demand is based on the adverse impact of PT SCM's activities on the social and environmental situation, including:

- Flooding and mudslides in Wiwirano Village, North Konawe.
- Changes in river water color, strongly suspected to be caused by mining activities which are contaminating the water.
- Threats to public safety.

Source: Media Sultra (2025) dan Suara Sultra (2025)

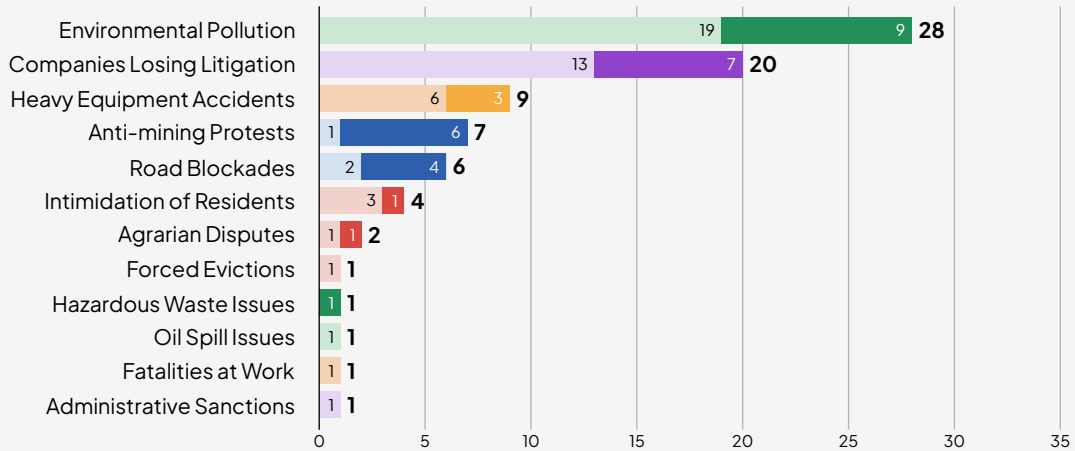


Media Sultra

# PT United Tractors Tbk

■ Human Rights 
 ■ Environment 
 ■ Occupational Health & Safety (OHS) 
 ■ Social 
 ■ Legal 
 ■ Supply Chain

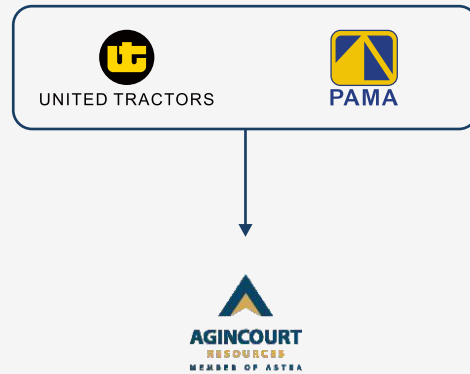
Time Range **2020 - 2025** Total Findings **82**  
■ 2020 - 2024 (Archive) ■ 2025 (Latest)



Source: Processed by CELIOS and PUSHAM UII (2025)

## United Tractors' Footprint Behind the Tapanuli Floods

The major disaster that struck Tapanuli did not happen in isolation. It grew out of a long chain of extractive activities and weak oversight of forest governance. One of the key actors in this chain is PT Agincourt Resources, a gold mining company 95% owned by PT Danusa Tambang Nusantara, an entity controlled by PT United Tractors Tbk (60%) and PT Pamapersada Nusantara (40%).

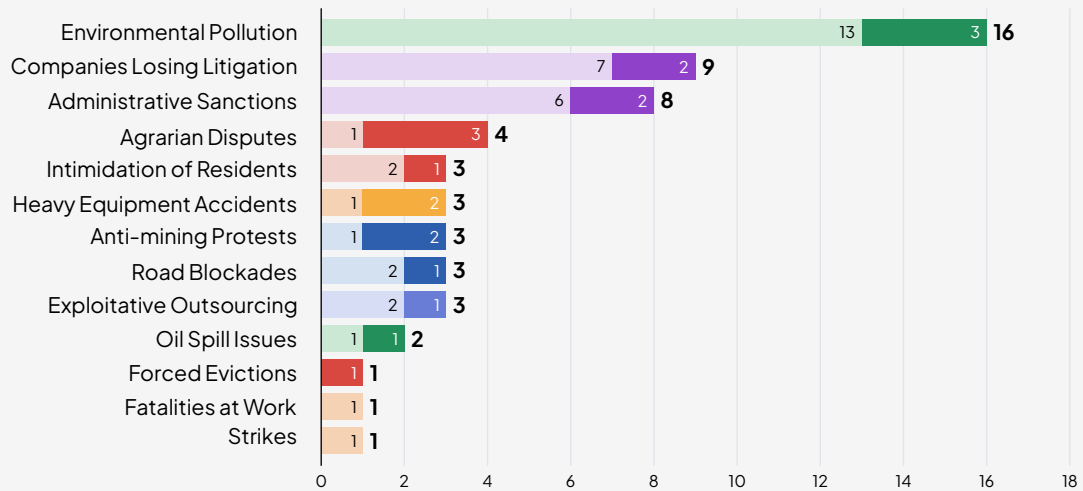


Amidst intense mining operations and pressure on the landscape, floods and landslides in North Sumatra claimed at least 307 lives, injured 646 people, displaced 41,952 people, and left 167 people missing. A total of 201 of the victims were from the Tapanuli region, which is within the radius of impact of the extractive company.

Source: Walhi & Tempo, 2025



ANTARA-Kodir Pohan



Source: Processed by CELIOS and PUSHAM UII (2025)

### Subsidiary of PT Indo Tambangraya Megah Tbk Evicts Residents and Allegedly Pits Community Members Against Each Other

Residents of Bentian Besar, West Kutai Regency, are demanding compensation for 400 hectares of land from PT Tepian Indah Sukses (PT TIS). This claim stems from the fact that the company, which is 99.99% owned by PT Indo Tambangraya Megah Tbk, has evicted residents. As a result, residents have lost access to their cultivated lands, lost their livelihoods, and suffered social and cultural losses. PT TIS has not provided immediate compensation for these losses.

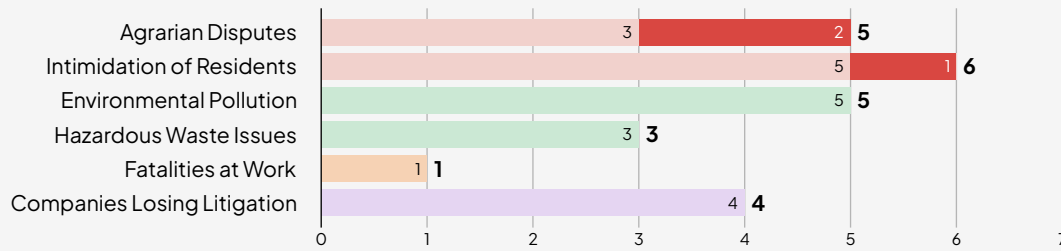
Source: RRI (2024)



## PT Barito Pacific Tbk

■ Human Rights 
 ■ Environment 
 ■ Occupational Health & Safety (OHS) 
 ■ Social 
 ■ Legal 
 ■ Supply Chain

Time Range **2020 – 2025** Total Findings **24**  
■ 2020 – 2024 (Archive) ■ 2025 (Latest)



Source: Processed by CELIOS and PUSHAM UII (2025)

### Barito Group: Green on Paper, Gloom in Reality

PT Lestari Asri Jaya (LAJ) manages a 61,495-hectare concession in Tebo, Jambi, as a buffer zone for Bukit Tigapuluh National Park, and in 2018 received US\$95 million in green financing from the TLFF with claims of being a “green project and zero deforestation.” However, forest loss of around 13,000 hectares was recorded between 2001 and 2010 and more than 32,000 hectares between 2011 and 2014, including 2,590 hectares cleared before Michelin's investment (findings by Mighty Earth). Social conflicts lasted from 2012 to 2019 and resulted in one death, many injuries, and the criminalization of activists such as Junawal, who was sentenced to 4.5 years in prison. Three SAD groups were affected by the loss of their living space and were strong-armed into what was considered as an unclear and dubious partnership scheme. Habitat fragmentation also triggered conflicts with elephant populations, with one resident killed in 2021 and five elephants killed between 2013 and 2022.

Source: Tempo, 2024

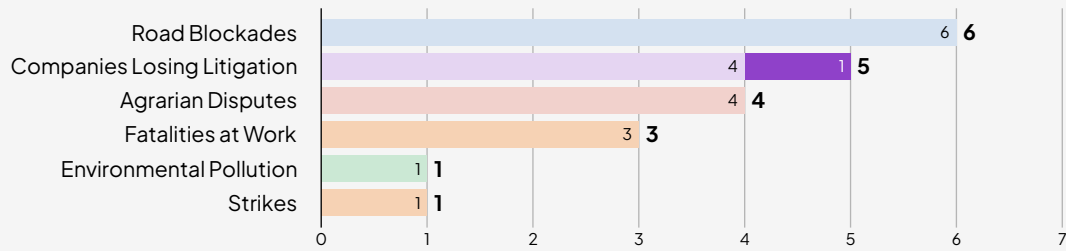


Tempo.co

## PT Indofood CBP Sukses Makmur Tbk

■ Human Rights 
 ■ Environment 
 ■ Occupational Health & Safety (OHS) 
 ■ Social 
 ■ Legal 
 ■ Supply Chain

Time Range **2020 - 2025** Total Findings **20**  
■ 2020 - 2024 (Archive) ■ 2025 (Latest)



Source: Processed by CELIOS and PUSHAM UII (2025)

### Indofood Becomes the Largest Contributor of Plastic Waste in Indonesia

The results of the Pawai Bebas Plastik brand audit in 11 coastal points in Indonesia revealed that Indofood is the largest contributor of plastic waste, followed by Unilever Indonesia and Mayora Indah. A total of 79.7% of the plastic waste found was in the form of sachets, a type of single-use plastic that is very difficult to recycle.

The audit, which involved 231 volunteers, found:



These findings reinforce the results of the Pawai Bebas Plastik brand audit (2018–2021), which shows that large FMCG companies—Indofood, Mayora, Unilever, Danone, and Wings—consistently dominate the list of plastic waste contributors in Indonesia.

The plastic waste crisis will not be resolved if the burden is placed solely on consumers, while producers continue to produce single-use packaging.

Source: Tempo, 2022



menitini.com



**If we are being frank about it, [in truth] we never pay attention to human rights [in the LKPM Report], we only focused on how much investment could get in.**

— Ministry of Investment and Downstream Industry

## PRISMA-ESG and Improving Business and Human Rights Risk Assessment Instruments

**PRISMA-ESG (Penilaian Risiko Bisnis dan HAM berbasis Environmental, Social, and Governance Framework; or Business and Human Rights Risk Assessment based on Environmental, Social, and Governance Framework in English) was developed as the first instrument in Indonesia to integrate five dimensions of corporate sustainability performance.**

These five dimensions are environmental performance, sustainable finance, human rights & supply chain risks, labor, and investment accountability. In the literature, there are calls for corporate sustainability performance to be viewed as a multidimensional construct<sup>14</sup> that went beyond the constraint of one singular dimension alone, whether that be environmental or social dimension by themselves.

Recent studies recommend<sup>15</sup> that any sustainability indices should be built as multidimensional constructs (e.g., environmental, social, governance) rather than one dimensional measurement, in order to improve their reliability and relevance. Conceptually, the formulation of this index stemmed from criticism of the fragmentation of national assessment systems that are sectoral in nature and unconnected to one another. As a result, cross-dimensional transparency, integration, and accountability remain weak.



 PUSHAM UII Documentation

<sup>14</sup> Silvia Cantele, Stefano Landi, Silvia Vernizzi, Measuring corporate sustainability in its multidimensionality: A formative approach to integrate ESG and triple bottom line approaches, <https://onlinelibrary.wiley.com/doi/full/10.1002/bse.3872>

<sup>15</sup> Bezerra, P. R. S., Schramm, F., & Schramm, V. B. (2021). A literature review on models for assessing corporate sustainability. *International Journal of Sustainable Engineering*, 14(6), 1306–1318. <https://doi.org/10.1080/19397038.2021.1999531>

## Why PRISMA need to be Integrated with ESG (Human Rights and ESG Perspective)

Reason for Integration	Explanation (Human Rights + ESG)
ESG had failed to capture the impact of structural human rights loss	ESG assessed many positive performances, but did not map the social conflict, forced labor, workers' safety while PRISMA carried the human rights lens.
PRISMA had been too administrative	PRISMA only examined the administrative documents without directly assessing the impact on the environment or the governance. ESG integration creates evidence-based assessment.
Human rights and ESG are inseparable	Land conflicts, tailing, pollution, and workplace accidents are interconnected. Integration prevents unbalanced analysis.
Preventing greenwashing and social-washing	Integration forces businesses to prove that green practice does not stand alone and apart from human rights.
For a more comprehensive due diligence	Integration creates human rights and environmental due diligence that are in line with global standards.
Closing the blind spots in the national regulation	There are no national-level instruments that assess human rights, environments, and financial investment within a single system.
Human rights-based investment accountability	Ensuring capitals are not channeled towards high social and environmental risks.
Encourage openness and independent verification	Integration makes independent audits and publication of the results mandatory.
Substantive performance indicator	Human rights+ESG resulted in assessments that reflect the real condition in the company.
Supporting just energy transitions	Integration ensures that the green transition would not sacrifice labor and local communities.

The main weakness of the initial version of PRISMA lies in its risk-oriented nature and its inability to integrate:

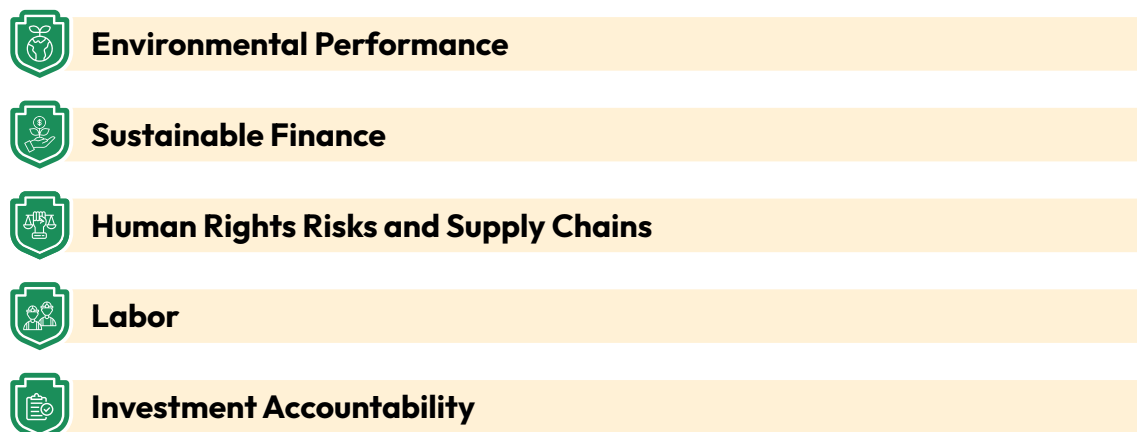


Meanwhile, the ESG approach often strayed from its basis in human rights. It emphasizes sustainability but tends to neglect the dimensions of social justice and workers' rights. PRISMA-ESG was created to bridge these two approaches. It combines the field of PRISMA (which is based on human rights) with the ESG sustainability framework (which is based on governance and the environment). This concept combines two main foundations:



These two pillars stressed out that corporates' performance cannot be measured solely in business and financial terms, but also by their contribution to maintaining a balance between environmental sustainability, social justice, and public integrity.

Prisma-ESG implements these two pillars into five main dimensions, each of which has a set of measurable indicators that enable quantitative and qualitative assessments of corporate sustainability practices.

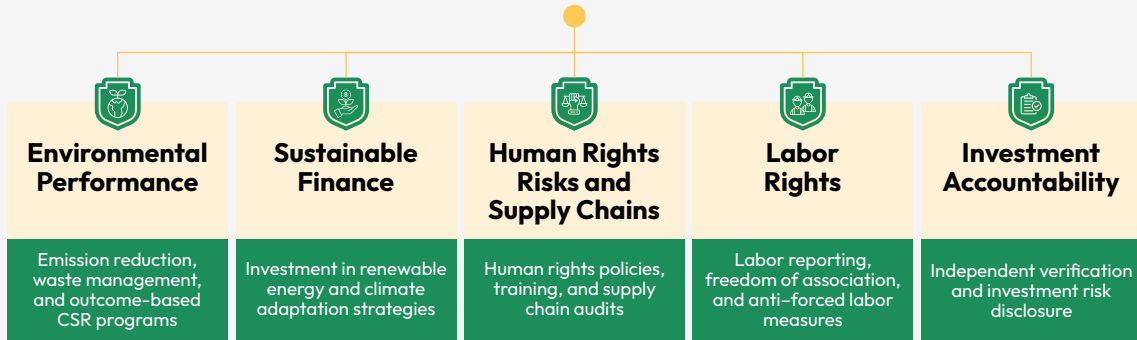


Moral

Integrity

# PRISMA-ESG

## Penilaian Risiko Bisnis dan HAM Berbasis Environmental, Social, and Governance Framework



### Producing 5 dimensions and 50 indicators as an assessment instrument

**Indicators:**

1. Environmental permits are published and consistent with government data.
2. Wastewater quality and air emissions data are published periodically or in real time.
3. Data on hazardous waste management (volume, methods, and certified partners) is available.
4. Environmental reports are prepared periodically and verified by an independent third party.
5. Energy and water consumption data are disclosed along with efficiency targets.
6. Greenhouse gas emissions inventory (Scope 1, 2, 3) is published with net-zero or SBTi targets.
7. Environmental innovations such as green technology and circular economy are reported openly.
8. Environmental CSR programs list measurable outcomes or impacts.
9. Environmental reports refer to global standards (GRI, TCFD, CDP) and are externally verified.

**Indicators:**

1. Company emission targets are aligned with the Paris Agreement or NDC and verified by an independent third party.
2. Material climate risks are disclosed publicly in the company's public reports.
3. The company invests in renewable energy and low-carbon technologies.
4. Climate adaptation strategies are implemented through disaster-resilient infrastructure and business model adjustments.
5. Company operations comply with NDPE policies and do not contribute to deforestation or biodiversity loss.
6. Ecosystem rehabilitation and restoration programs are implemented and published periodically.
7. Circular economy programs are implemented through EPR policies, recycling, and resource efficiency.
8. Do No Significant Harm (DNSH) test results are published as a form of environmental transparency.
9. Regulatory safeguards are implemented, including compliance with AMDAL, environmental permits, and PROPER.
10. Green projects and climate adaptation involve the active participation of local communities.

**Indicators:**

1. Human rights policies are published and independently verified.
2. Human rights policies refer to international standards.
3. Employment data (gender, contracts, turnover) is disclosed.
4. Human rights training and development data is available.
5. OHS data (accidents, fatalities, occupational diseases) are published.
6. Information on labor unions, collective bargaining agreements, and social dialogue is open.
7. Personal data protection policies are implemented.
8. Diversity and inclusion data (gender, disability, age) is published.
9. Emissions, energy, water, and waste data are accompanied by clear targets.
10. Information on land use, indigenous communities, and FPIC is available.
11. CSR reports present measurable outcomes.
12. Complaint mechanisms and case data are available.
13. Human rights audits of the supply chain are conducted and independently verified.
14. Material human rights risks are disclosed and externally verified.

**Indicators:**

1. Labor reports are published openly.
2. Wage structure and scale, including gender pay gaps, are disclosed.
3. Employment relationship data (fixed-term contracts, permanent contracts, outsourcing) is presented transparently.
4. Company policies support freedom of association, bipartite negotiations, and collective bargaining agreements (CBAs).
5. Participation in the Social Security Agency for Employment (BPJS Ketenagakerjaan) and the Social Security Agency for Health (BPJS Kesehatan) is clearly reported.
6. Work accident data and K3 certification (such as ISO 45001) are published.
7. Anti-forced labor policies are implemented, and data on the placement of local and migrant workers is available.
8. Policies prohibiting child labor are implemented, and supply chain audits are conducted to ensure compliance.
9. Data on female worker participation, including in managerial positions, is disclosed.
10. Mechanisms for protection against violence and sexual harassment in the workplace are available and implemented.

**Indicators:**

1. Data on total and local labor force realization is published periodically.
2. Data on workforce additions and reductions are disclosed consistently over the past year.
3. Investment constraints arising from regulatory aspects are identified and reported.
4. Investment barriers stemming from social and environmental factors are disclosed openly.
5. Mitigation strategies for social, land, and environmental barriers are developed and implemented.
6. The status of business licensing is published with a statement of "free from legal disputes."
7. Investment risk management is verified by independent parties through ESG ratings, auditors, or supervisory agencies such as the OJK.

## How would this Study Address PRISMA-ESG as an Instrument of Evaluation?

The development of PRISMA-ESG in this study stemmed from the realization that the existing instruments had not been able to comprehensively capture the relationship between business, human rights, and the environment. In practice, this situation has led to fragmented assessments (human rights, environment, labor, and financial sustainability), each in their separate boxes. It has also given rise to false compliance. Companies could pass formal assessments, but still leave a trail of social conflict and damage in the field.

This study tries to deliberately address these weaknesses by developing PRISMA-ESG as an assessment framework that:



Technically, PRISMA-ESG could enhance PRISMA in three ways:

### 1 Cross-Instrument Indicators Integration

- The human rights risk dimensions and the structure of the questions are taken from PRISMA.
- The environmental performance indicators, waste management, emissions, and reporting transparency are taken from PROPER.
- The labor relations aspects, occupational health and safety, as well as worker protection are taken from Norma 100.
- The sustainable finance and climate risk factors are taken from TKBI.
- The investment, licensing, and business realization aspects are taken from LKPM.

All of these are then filtered into 50 indicators which are then divided further into 5 main dimensions: Environmental Performance, Sustainable Finance, Human Rights & Supply Chain Risks, Labor, and Investment Accountability.

### 2 Constructing the Scoring System and the Indices

- Each indicator is assessed based on public disclosure and verifiable evidence (annual reports, sustainability reports, official documents, case data, and other public sources).
- Each indicator's value is normalized and weighted to calculate the score for each dimension and a PRISMA-ESG composite index for each company.
- The scores are then classified into categories of "very high, high, moderate, low, very low," which in this report are simplified into "**good**" and "**bad**" labels for policy analysis purposes.

### 3 Bridging the Score with the Reality in the Field

- The index does not end in figures. It would be linked to maps of conflicts and cases (environmental, social, human rights, occupational safety and health, legal, supply chain) to validate whether companies with high scores are truly conflict-free, and vice versa.
- This step is important to correct PRISMA's previous tendency, which is to be very document-centric and being unable to depict the traces of violations in the field.

The PRISMA-ESG instruments drafted in this study are designed to be used by various actors and institutions:

#### Government and Regulatory Bodies

- As a risk mapping tool to determine sectors and companies that require priority oversight (e.g., nickel, coal, gold, copper, high-risk renewable energy).
- As a basis for regulatory harmonization, for example, to consolidate human rights and environmental assessment obligations into a single national framework and link them to licensing, sanctions, and incentives.
- As a performance indicator for countries beyond GDP and investment value, for example by making the PRISMA-ESG score part of the indicators of successful business and human rights policies.

#### Corporations

- As an internal reflection tool to identify weaknesses in five dimensions (environment, sustainable finance, human rights & supply chain, labor, investment accountability).
- As a guide for developing a more systematic human rights and environmental due diligence (HREDD) process, as PRISMA-ESG indicators already incorporate national standards and global references.
- As a basis for communication with investors and stakeholders, through regular disclosure of scores and improvements.

#### Investor dan Lembaga Keuangan

- As a screening tool to identify companies with high social and environmental risks, beyond simply labeling them as “ESG active.”
- As a basis for linking financing decisions to human rights and environmental performance, for example, by conditioning financing on improvements in specific scores.

#### Civil Societies, Academics, and Impacted Communities

- As data-driven advocacy tools, that would enable them to show that a company's “green” claims are not consistent with its human rights, environmental, or investment accountability scores.
- As a base for independent monitoring, because the indicators can be filled in and retested using public data and field findings.

**That way, PRISMA-ESG could provide a redesign in evaluating business, human rights, and environment. It transformed from an administrative self-assessment tool into an evidence based and multi-dimensional instrument of evaluation.**





**Oftentimes,  
human rights issues  
are not taken into account  
in the legislation drafting  
process.**

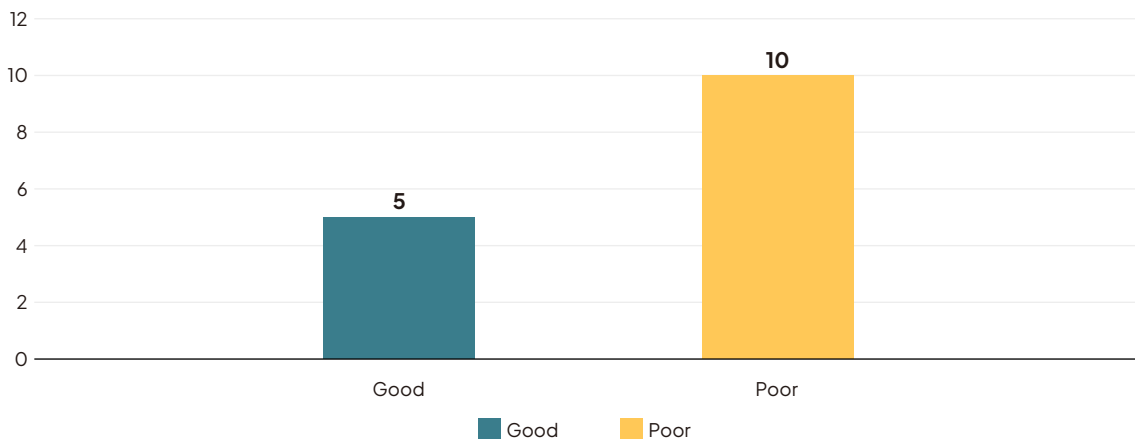
— Directorate General of Legislation, Ministry of Law of  
the Republic of Indonesia

## Behind the LQ45's Attractive Score: Assessing Energy Companies' Performance through PRISMA-ESG

This study assesses the human rights performance of 15 energy companies indexed in the LQ45 using PRISMA-ESG. The assessment covers environmental, financial sustainability, human rights & supply chain risk, labor, and investment accountability dimensions. The results of this assessment illustrate the extent to which the business practices of these companies are in line with human rights standards.

The assessment results show that although the LQ45 rating indicates a high level of compliance among the 15 companies assessed, their sustainability and governance performance is still far below human rights standards. A total of 66.7% of LQ45-indexed energy companies received low scores in PRISMA-ESG. This gap indicates that the majority of companies whose shares are most actively traded on the market are actually rather passive in their efforts to uphold human rights standards.

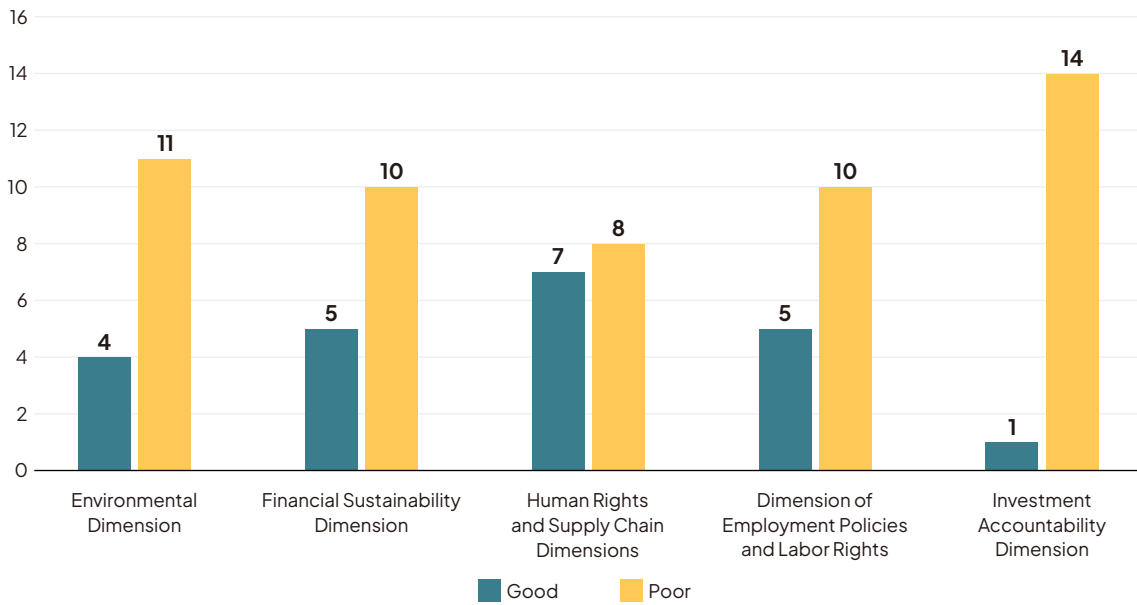
**Figure 2. Distribution of LQ45 Energy Companies under the PRISMA-ESG Framework**



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.

This passivity in respecting and upholding human rights is represented through five dimensions tested in PRISMA-ESG. Covering the dimensions of the environment, financial sustainability, human rights & supply chain risks, labor rights & welfare, and investment accountability, the results of the assessment for each dimension shows that the sustainability and human rights governance performance of the majority of LQ45 companies is consistently in an alarming state. In each dimension, LQ45 companies with poor scores are always outnumbered by those with good scores.

**Figure 3. PRISMA-ESG Index Comparison by Dimension**



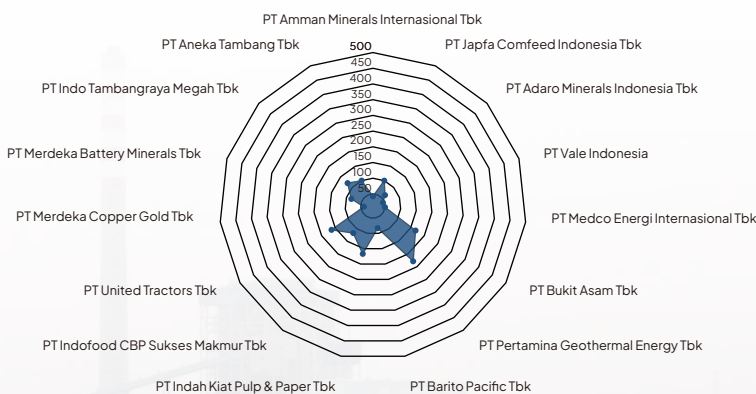
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**An LQ45 status does not automatically reflect the quality of the sustainability governance. High liquidity in the stock market is not directly proportional with the commitment to uphold human rights and environment**

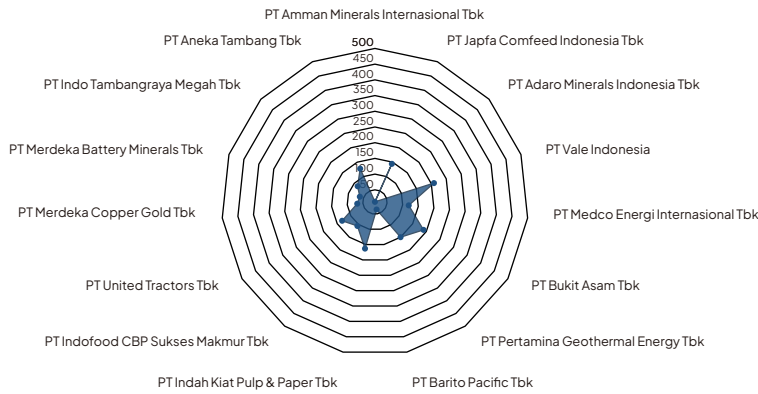


**Environmental Dimension**



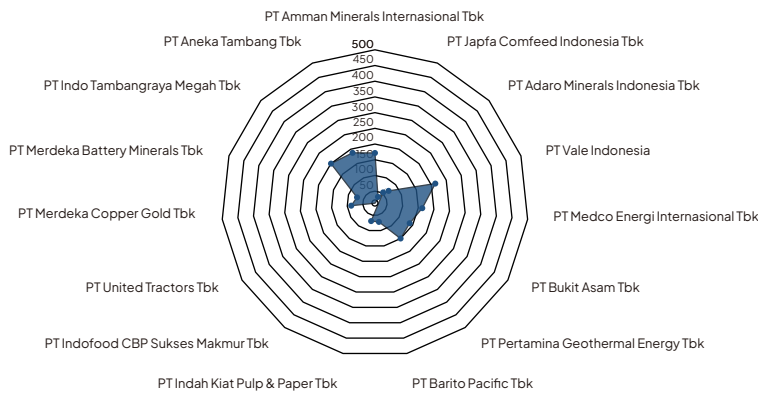
In the Environmental dimension, 77.3% of LQ45 companies in the energy sector received poor scores in PRISMA-ESG. This shows that the majority of companies that have been regarded as well-established and competitive have failed to meet good, healthy, and sustainable environmental standards.

### Financial Sustainability Dimension



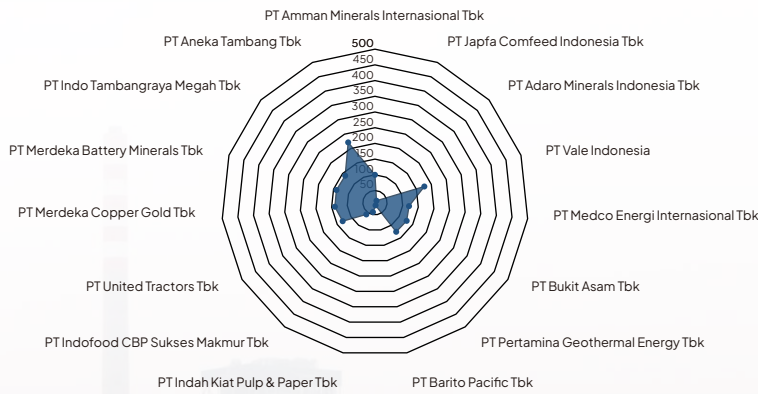
In the financial sustainability dimension, 66.7% of LQ45 companies in the energy sector performed poorly in PRISMA-ESG. These scores indicate lack of commitment to sustainability in finance on the part of the majority of LQ45 companies in the energy sector.

### Human Rights And Supply Chain Dimensions



In the human rights and supply chain dimensions, 53.3% of LQ45 companies in the energy sector showed performance that did not meet the expected standards in PRISMA-ESG. This confirms the weakness of human rights due diligence practices and the high potential for human rights violations in the company's chain of activities.

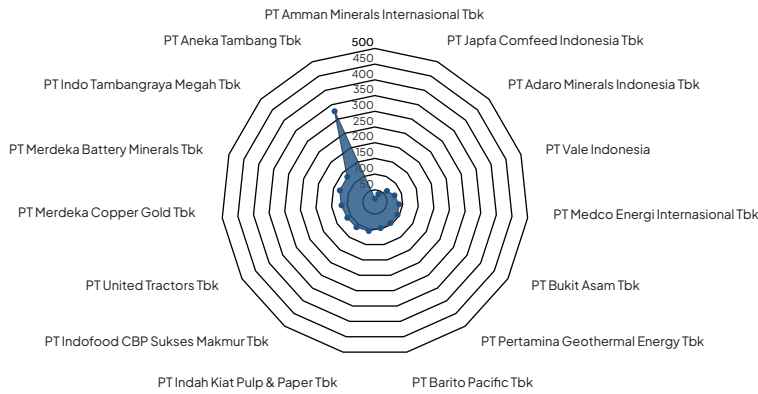
### Dimension of Employment Policies and Labor Rights



In the dimension of employment policies and labor rights, 66.7% of LQ45 companies received poor scores in PRISMA-ESG. This indicates a wide gap between corporate commitments and the conditions of their workers.



## Investment Accountability Dimension



In the investment accountability dimension, 93.3% of LQ45 companies in the energy sector received poor scores in PRISMA-ESG, indicating the widest gap amongst all PRISMA-ESG dimensions. This finding shows that the investment performance of companies that are stable and most active in the market lacks transparency and is not accompanied by adequate social and environmental risk assessments. This practice opens the door to financing high-risk business activities, such as in the energy sector, without public control or clear accountability mechanisms.

In addition to assessing scores for each dimension, this study also records the sustainability and human rights governance performance of LQ45 companies in the energy sector based on economic characteristics, ownership, employment, sustainability management, and the company's industry/commodity focus. This approach provides a more guided view for the group of companies that show the highest risk and the weakest performance.



Dokumentasi CELIOS

## Revenue-Based Assessment of LQ45's Energy Sector Companies

This study divides LQ45 energy sector companies into two revenue groups to examine their economic characteristics: above USD 1 billion and below USD 1 billion. The emphasis on companies with revenues above USD 1 billion is because these companies generally have a large scale of operations and a more complex structure. As such, their exposure to human rights and environmental risks is higher than that of companies with smaller revenues. Revenues of more than USD 1 billion also indicate greater capacity to develop good governance that uphold human rights, both through company policies and mature due diligence measures.

This study identified 13 companies with annual revenue of USD 1 billion and over:

- 1 PT Adaro Minerals Indonesia Tbk
- 2 PT Amman Minerals Internasional Tbk
- 3 PT Aneka Tambang Tbk
- 4 PT Barito Pacific Tbk
- 5 PT Bukit Asam Tbk
- 6 PT Indah Kiat Pulp & Paper Tbk
- 7 PT Indo Tambangraya Megah Tbk
- 8 PT Indofood CBP Sukses Makmur Tbk
- 9 PT Japfa Comfeed Indonesia Tbk
- 10 PT Medco Energi Internasional Tbk
- 11 PT Merdeka Battery Minerals Tbk
- 12 PT Merdeka Copper Gold Tbk
- 13 PT United Tractors Tbk

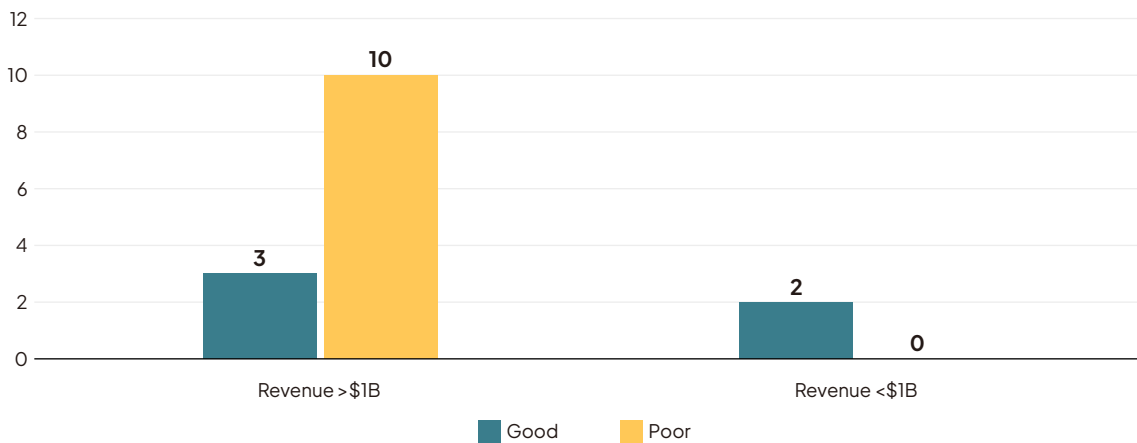
The PRISMA-ESG assessment results show that 10 out of 13 companies with revenues exceeding USD 1 billion received poor ratings. Revenues exceeding USD 1 billion indicate the large scale of these companies' operations and, generally, they have comprehensive internal structures that enable them to ensure strict compliance and governance, such as legal teams, internal audit teams, and dedicated compliance officers. However, this study reveals that according to PRISMA-ESG criteria, the majority of these super-large revenue companies performed poorly. This indicates that the compliance and governance performance of super-large revenue companies is still very weak in terms of respect for human rights.



**Companies with more than USD 1 billion annual revenue should possess the complete tools such as legal team, audit team, and compliance team that in theory should enable these companies to perform better in issues concerning human rights. However, the fact is that 10 out of 13 of such companies received poor scores.**



Figure 4. Proportion by Revenue > \$1 Billion



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.



## Assessment of LQ45 Energy Sector Companies Based on Total Assets

In addition to revenue, this study also categorizes LQ45 energy sector companies based on total assets, namely companies with total assets above USD 5 billion and below USD 5 billion. The PRISMA-ESG assessment then focuses on companies with total assets of more than USD 5 billion. It was decided to focus on these companies because, in general, they not only have complex organizational structures, but also extensive supply chains with cross-regional operations. With such a large scale of assets, there is a strong financial foundation to encourage more established and comprehensive respect for human rights.

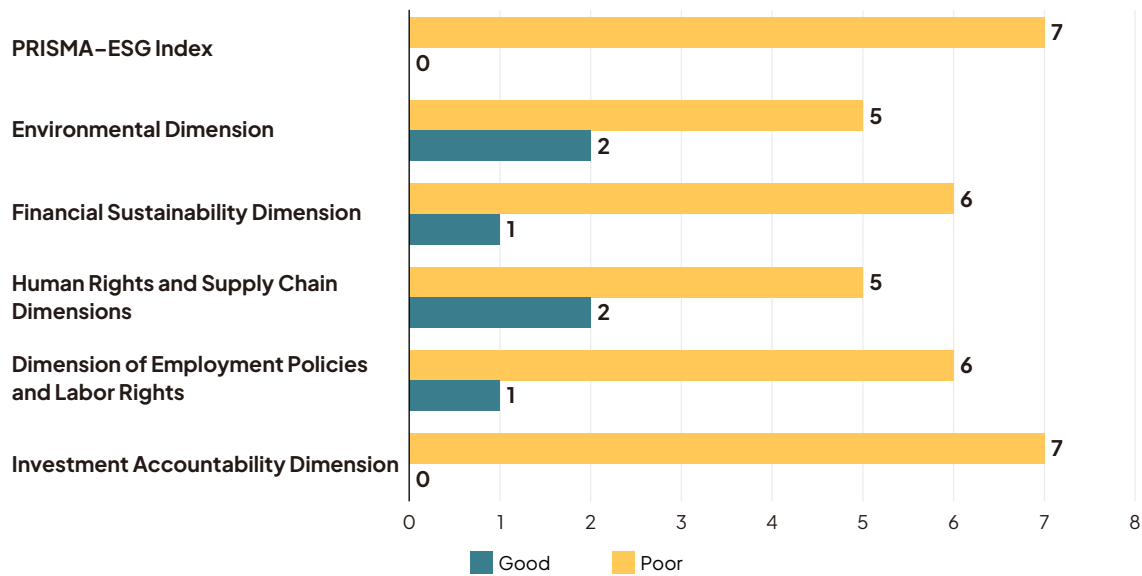
Based on this criterion, there are 7 companies with more than USD 5 billion of assets:

- 1 **PT Amman Minerals Internasional Tbk**
- 2 **PT Barito Pacific Tbk**
- 3 **PT Indah Kiat Pulp & Paper Tbk**
- 4 **PT Indofood CBP Sukses Makmur Tbk**
- 5 **PT Medco Energi Internasional Tbk**
- 6 **PT Merdeka Copper Gold Tbk**
- 7 **PT United Tractors Tbk**

The overall results of the PRISMA-ESG assessment show that all LQ45 companies in the energy sector received poor scores in human rights governance. In each dimension, the study reveals that the majority of companies consistently performed poorly.

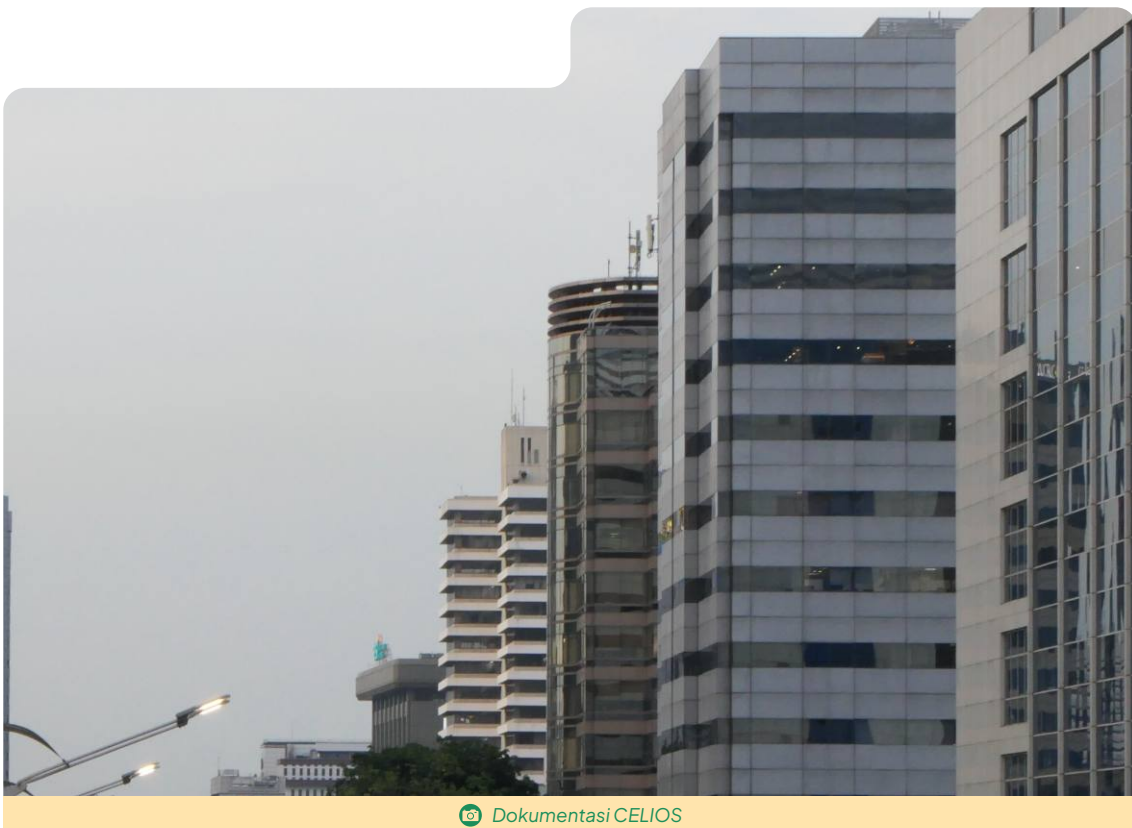
In the dimensions of environmental and human rights & supply chain risks, 71.4% of companies with total assets of more than USD 5 billion received poor scores in PRISMA-ESG. In terms of financial sustainability and employment policy and labor rights, their governance was even worse. A total of 85.7% of companies with assets exceeding USD 5 billion received poor scores. Amidst this concerning performance, the most glaring shortcoming is in investment accountability: 100% of companies received poor scores.

**Figure 5. Proportion by Total Assets > USD 5 Billion**



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.

This study illustrates that large assets do not automatically translate into robust governance. Companies with assets exceeding USD 5 billion have the financial and managerial capacity to manage environmental, social, and human rights risks to high standards. However, the fact remains that most, if not all, scores poorly on the investment accountability dimension.



## Assessment of LQ45 Energy Sector Companies Based on State-Ownership

This study divides the 15 companies assessed based on their share ownership and finds two important ownership groups to highlight. One of these is companies owned by state-owned enterprises (SOEs). The assessment of LQ45 SOEs is important given that these companies are financed by the state and carry public service mandates. This study argues that SOEs should set an example in governance standards that respect human rights and the environment. Beyond their influence on society and the business supply chain, human rights performance in SOE governance has direct implications for state accountability.

Based on ownership characteristics, this study found three companies with SOE ownership, namely:

- 1 PT Aneka Tambang Tbk
- 2 PT Bukit Asam Tbk
- 3 PT Pertamina Geothermal Energy Tbk

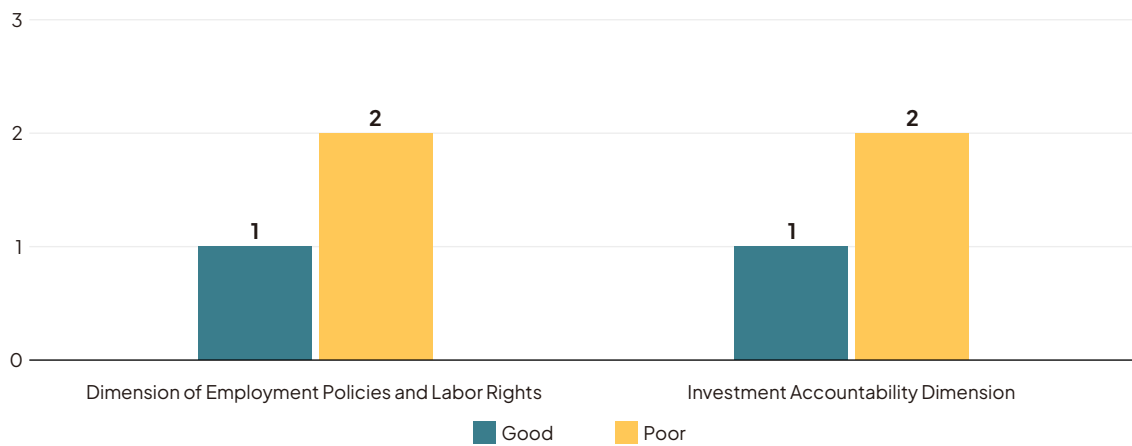
The PRISMA-ESG assessment results show that the human rights performance of LQ45 SOEs in the energy sector is still concerning, especially in two dimensions: employment policy & labor rights and investment accountability. In these two dimensions, the study reveals that 66.7% of LQ45 SOEs in the energy sector received poor scores in the employment & labor rights dimension. This indicates that labor and industrial relations, workforce development, including occupational health and safety aspects, have not been managed with optimal accountability. At the same time, instead of setting a positive example for transparency, accountability, and risk, the PRISMA-ESG assessment results show that the investment accountability of LQ45 SOEs in the energy sector remains a serious problem.



**As state-owned enterprises, BUMN is supposed to be a role model in the protection of workers' rights and investment transparency. Yet, PRISMA-ESG results show the opposite: the majority of LQ45's BUMN have failed in fulfilling the basic standard in two fundamental areas.**



**Figure 6. Proportion by State-Owned Enterprise (SOE) Ownership**



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.



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## Assessment of LQ45 Energy Sector Companies Based on Foreign Ownership

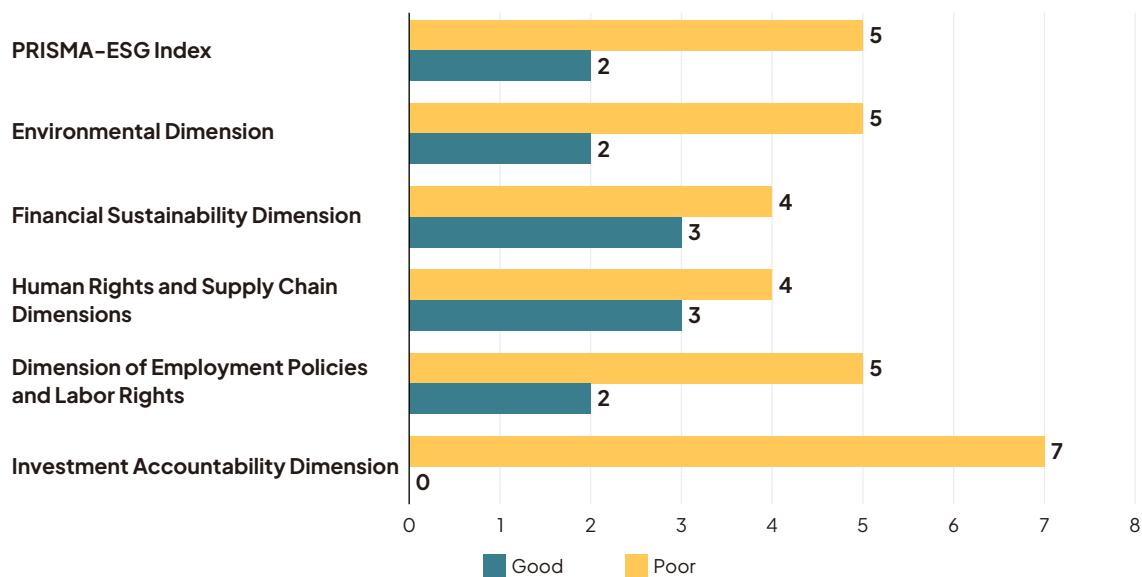
In addition to state-owned enterprises, this study also highlights the assessment of LQ45 energy sector companies with foreign ownership. It is important to highlight the human rights performance of companies with foreign ownership because these companies generally operate within international investment networks and are closely linked to global standards, including in the context of the environment, social and human rights, and good governance. Therefore, LQ45 energy sector companies with foreign ownership should demonstrate a higher and stricter level of compliance with human rights and environmental standards than purely domestic companies.

This study identifies 7 LQ45 energy sector companies with foreign ownership above 25%, namely:

- 1 **PT Indah Kiat Pulp & Paper Tbk**
- 2 **PT Indo Tambangraya Megah Tbk**
- 3 **PT Indofood CBP Sukses Makmur Tbk**
- 4 **PT Japfa Comfeed Indonesia Tbk**
- 5 **PT Medco Energi Internasional Tbk**
- 6 **PT United Tractors Tbk**
- 7 **PT Vale Indonesia**

Similar to the performance of LQ45 SOEs in the energy sector, 71.4% of LQ45 companies with foreign ownership in the energy sector received poor scores in PRISMA-ESG. Foreign ownership usually forms the basis for a company to implement higher and stricter governance standards. This is due to the influence of international standards that must be followed in terms of corporate governance. However, the PRISMA-ESG assessment results show the opposite. Not only were the global standards in business and human rights not being adhered to, but the majority of LQ45 companies in the energy sector with foreign ownership are also neglecting their responsibility to respect human rights, as reflected by the predominance of poor scores in every dimension of PRISMA-ESG of these companies.

**Figure 7. Proportion by Foreign Ownership > 25%**



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label “good” covers the High and Very High categories, whilst “poor” covers Moderate, Low, and Very Low.

In the environmental dimension, this study reveals that 71.4% of LQ45 energy sector companies with foreign ownership received poor scores in PRISMA-ESG. A total of 57.1% of companies received poor scores in terms of financial sustainability and human rights & supply chain risks. Similar to environmental dimension, 71.4% of companies received poor scores in terms of employment & labor rights. Amidst this poor performance, the most concerning situation was seen in the investment accountability dimension: 100% of foreign-owned LQ45 companies in the energy sector received poor scores.



**Foreign ownership has no impact on the improvement of governance as more than 70% still scored poorly.**



Instead of raising awareness and governance standards, as well as acting as guidelines for implementing corporate policies, foreign ownership has functionally been absent in ensuring that companies fulfill their responsibility to uphold human rights.



## Assessment of LQ45 Energy Sector Companies Based on Total Workers

Based on the total number of their workers, this study highlights three groups of LQ45 energy sector companies, namely companies with a total of more than 1K, more than 5K, and more than 10K workers.

According to this classification, LQ45 energy sector companies with more than 1K employees are:

- 1 PT Amman Minerals Internasional Tbk
- 2 PT Aneka Tambang Tbk
- 3 PT Barito Pacific Tbk
- 4 PT Bukit Asam Tbk
- 5 PT Indah Kiat Pulp & Paper Tbk
- 6 PT Indo Tambangraya Megah Tbk
- 7 PT Indofood CBP Sukses Makmur Tbk
- 8 PT Japfa Comfeed Indonesia Tbk
- 9 PT Medco Energi Internasional Tbk
- 10 PT Merdeka Battery Minerals Tbk
- 11 PT Merdeka Copper Gold Tbk
- 12 PT United Tractors Tbk
- 13 PT Vale Indonesia

LQ45 energy sector companies with more than 5k workers are:

- 1 PT Amman Minerals Internasional Tbk
- 2 PT Indah Kiat Pulp & Paper Tbk
- 3 PT Indofood CBP Sukses Makmur Tbk
- 4 PT Japfa Comfeed Indonesia Tbk
- 5 PT Medco Energi Internasional Tbk
- 6 PT Merdeka Copper Gold Tbk
- 7 PT United Tractors Tbk

LQ45 energy sector companies with more than 10k workers are:

- 1 PT Indah Kiat Pulp & Paper Tbk
- 2 PT Indofood CBP Sukses Makmur Tbk
- 3 PT Japfa Comfeed Indonesia Tbk
- 4 PT United Tractors Tbk

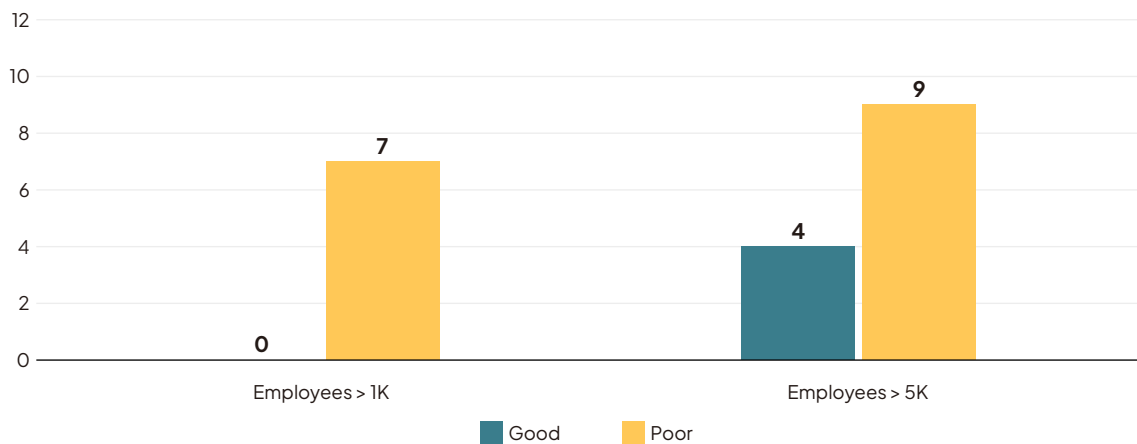
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**The larger the number of employees, the worse the human rights performance. All companies with more than 5,000 employees scored poorly, and companies with over 10,000 employees all failed on both PRISMA-ESG dimensions.**

”

The PRISMA-ESG assessment results show that all LQ45 companies in the energy sector with more than 5,000 employees received poor scores. In the group of companies with lower organizational complexity (more than 1,000 employees), poor scores still plagued the human rights performance of LQ45 companies in the energy sector, which only scored 69.2%.

**Figure 8. Proportion by Workforce Demographics – Total PRISMA-ESG**

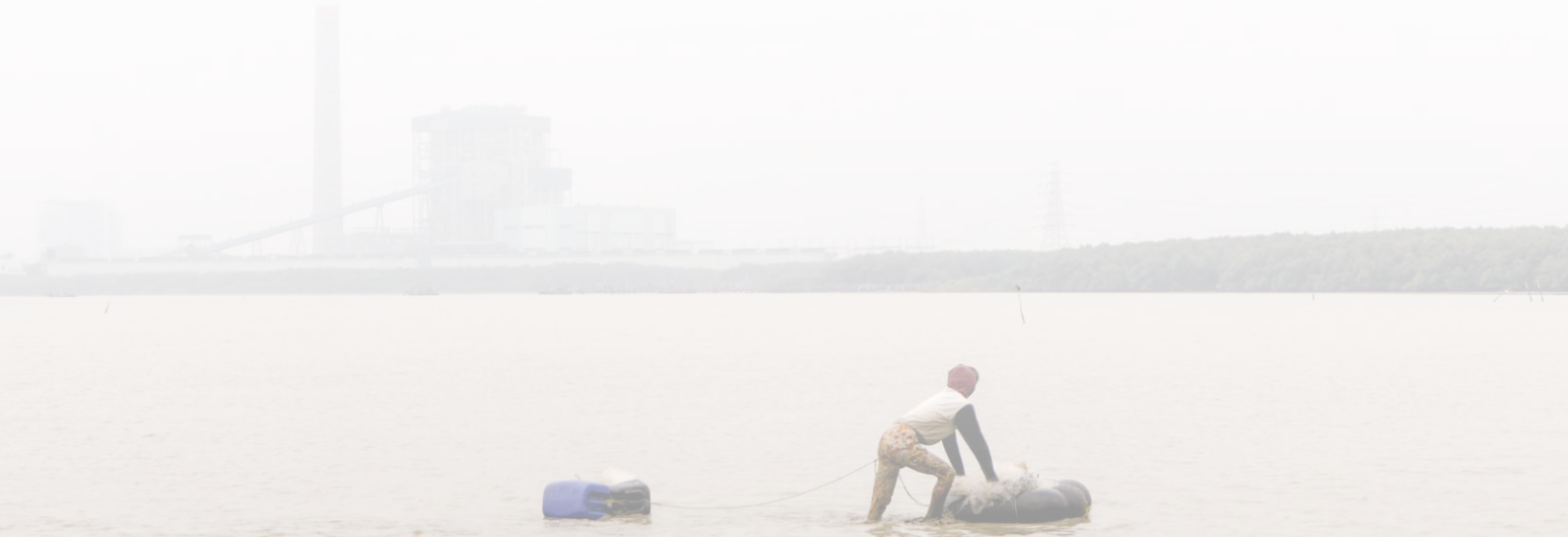


The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.

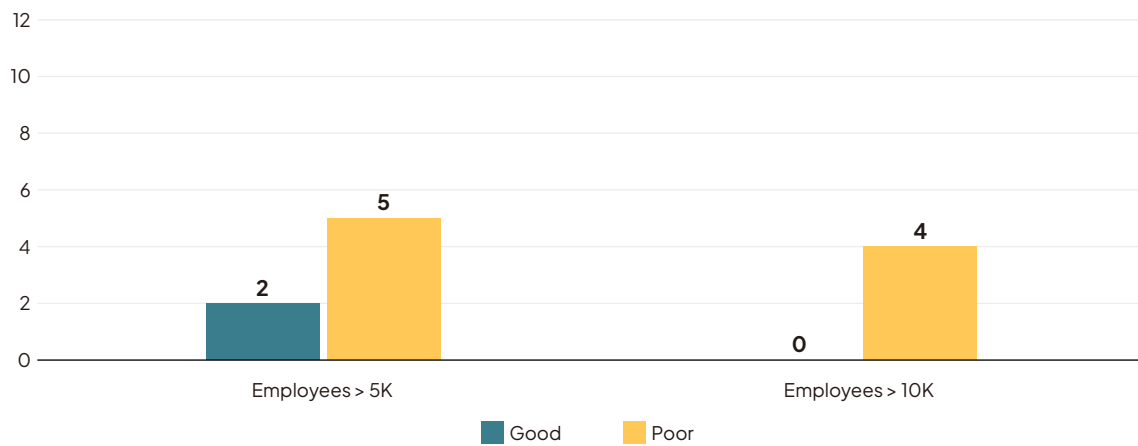
On the dimensions of human rights and supply chain risks as well as employment and labor practices, this study reveals that 71.4% of LQ45 companies in the energy sector with more than 5,000 employees received poor scores in the dimension of human rights and supply chain risks. The assessment results also show that in terms of risk and supply chain, human rights compliance efforts worsened in companies with higher organizational complexity, where 100% of LQ45 companies in the energy sector with more than 10,000 employees received poor scores.

The same pattern is also seen in the dimension of employment and labor rights issues. This study reveals that 85.7% of LQ45 companies in the energy sector with more than 5,000 employees received poor scores in the dimension of employment and labor rights issues. Similar to their performance in the human rights risk and supply chain dimensions, 100% of LQ45 companies in the energy sector with more than 10,000 employees received poor scores in the PRISMA-ESG dimension of employment and labor rights.

This shows that the higher the complexity of a company's employee management, the lower the implementation of their responsibility to uphold human rights, especially in terms of disclosure of human rights risks, supply chains, and employment and labor rights. At the same time, this high level of organizational complexity is directly proportional to the high potential for human rights impacts and losses that can be caused.

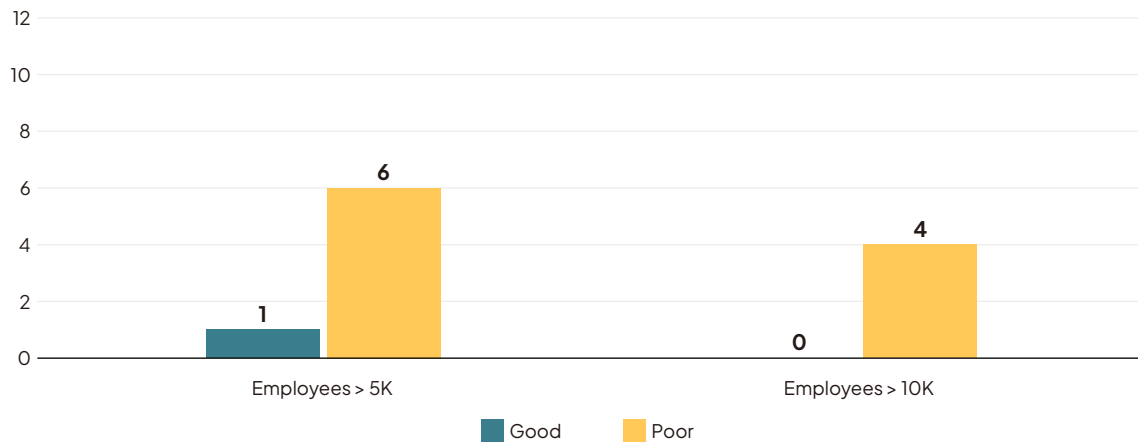


## Human Rights and Supply Chain Dimensions



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.

## Dimension of Employment Policies and Labor Rights



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.



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## Assessment of LQ45 Energy Sector Companies Based on Number of Permanent Employees (PKWTT)

From an employment perspective, this study highlights the proportion of permanent employees (PKWTT) in 15 LQ45 energy sector companies. The assessment focuses on companies with more than 1,000 permanent employees. A large proportion of permanent employees should reflect the stability of employment relationships and the company's commitment to fulfilling labor rights. Companies with a large number of PKWTT generally also have a more formal human resource structure with systematic labor management. However, does a strong human resource structure correlate directly with satisfactory human rights performance? Therefore, their assessments become crucial.

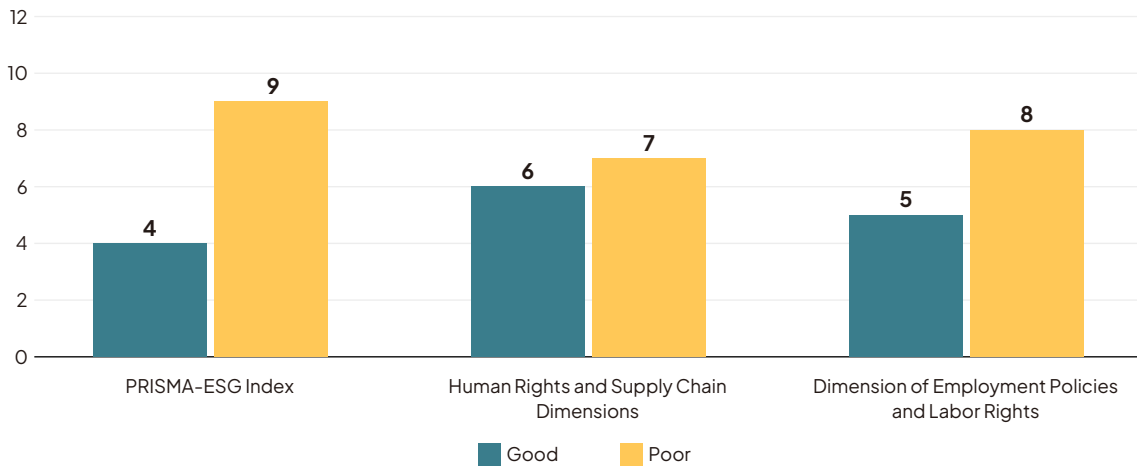
This study identified 13 companies with more than 1,000 permanent employees, including:

- 1 PT Amman Minerals Internasional Tbk
- 2 PT Aneka Tambang Tbk
- 3 PT Barito Pacific Tbk
- 4 PT Bukit Asam Tbk
- 5 PT Indah Kiat Pulp & Paper Tbk
- 6 PT Indo Tambangraya Megah Tbk
- 7 PT Indofood CBP Sukses Makmur Tbk
- 8 PT Japfa Comfeed Indonesia Tbk
- 9 PT Medco Energi Internasional Tbk
- 10 PT Merdeka Battery Minerals Tbk
- 11 PT Merdeka Copper Gold Tbk
- 12 PT United Tractors Tbk
- 13 PT Vale Indonesia

The PRISMA-ESG assessment results show that 69.2% of LQ45 energy sector companies with more than 1,000 permanent employees received poor scores. This indicates that despite having formal and relatively standardized human resource management systems, the majority of companies do not yet have the adequate capabilities to comply with proper human rights governance standards.

This study reveals that 53.8% of LQ45 companies in the energy sector with more than 1,000 permanent employees also received poor scores on the dimensions of human rights and supply chain risks. A not so different, but even more concerning, situation was also evident in terms of employment and labor rights: 61.5% of companies received poor scores. This indicates that the majority of companies with relatively stable human resource management systems do not have a solid approach in managing social risks. The majority of companies also have not yet implemented strict and optimal supply chain monitoring and worker rights fulfillment mechanisms.

**Figure 9. Proportion by Permanent Employee Demographics > 1K**



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.



Dokumentasi CELIOS

## Assessment of LQ45 Energy Sector Companies Based on ESG Reporting Activity

Concerning the sustainability reports regularly published by all assessed companies, these reporting practices demonstrate the formal compliance of LQ45 energy sector companies with global reporting regulations and standards. However, the overall results of the PRISMA-ESG assessment show that 66.7% of companies received poor scores. This signals that formal compliance with global reporting standards does not necessarily translate into good corporate human rights performance in substance.

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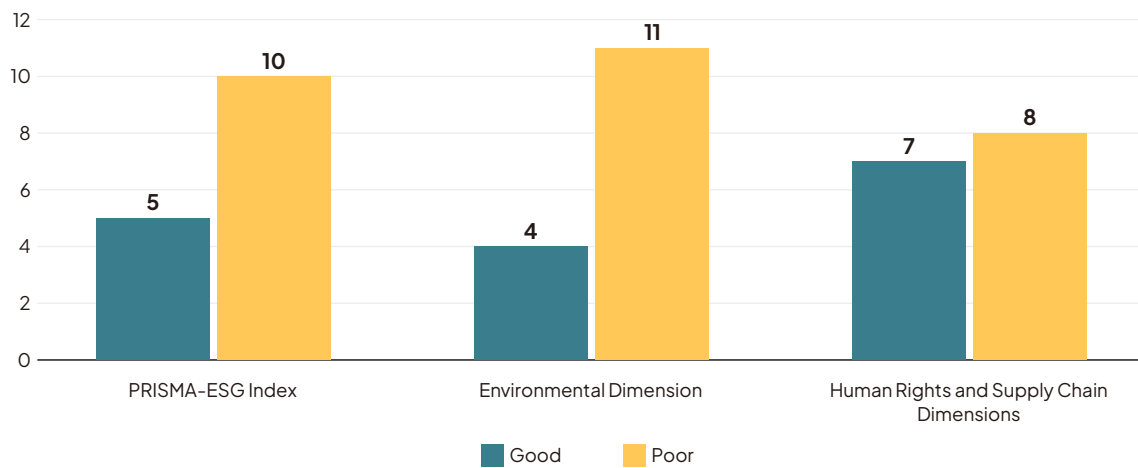
**The presence of an ESG report does not automatically guarantee good environmental performance. Even when all companies routinely publish such reports.**

”

This study revealed further that the greatest weakness lies in the environmental dimension. As many as 73.3% of LQ45 companies in the energy sector that actively and regularly report on sustainability actually scored poorly in this area. This situation indicates the failure of the majority of companies to mitigate the ecological risks of their extractive activities, including in managing emissions and energy efficiency.


Another weakness is also demonstrated by the dimensions of human rights and supply chain risks. As many as 53.3% of companies received poor scores. Not only did they fail to mitigate ecological risks, but these assessment results also indicate that the implementation of responsibility to uphold human rights through human rights due diligence mechanisms has not been a top priority in corporate sustainability governance.

**Figure 10. Proportion by Sustainability Report Activity**



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.



 Dokumentasi CELIOS

## Assessment of LQ45 Energy Sector Companies in Electric Vehicle/Battery Development

Companies' involvement in the electric vehicle and battery industry gives them a strategic position in the global energy transition agenda. However, this industry is often highlighted for sustainability issues related to the critical raw materials and human rights governance in the supply chain. This situation makes it relevant to assess the human rights performance of LQ45 energy sector companies involved in the production of electric vehicles and batteries.

This study identifies 10 companies directly involved in the electric vehicle/battery industry, namely:

- 1 **PT Adaro Minerals Indonesia Tbk**
- 2 **PT Amman Minerals Internasional Tbk**
- 3 **PT Aneka Tambang Tbk**
- 4 **PT Bukit Asam Tbk**
- 5 **PT Indo Tambangraya Megah Tbk**
- 6 **PT Medco Energi Internasional Tbk**
- 7 **PT Merdeka Battery Minerals Tbk**
- 8 **PT Merdeka Copper Gold Tbk**
- 9 **PT United Tractors Tbk**
- 10 **PT Vale Indonesia**

The overall results of the PRISMA-ESG assessment show that 60% of companies received poor scores. In the environmental dimension, the study reveals that 80% of companies received poor scores. This indicates that being involved in what is perceived as an environmentally friendly commodity supply chain does not automatically guarantee good human rights performance by companies. In fact, the majority of companies failed to demonstrate good environmental performance, particularly in terms of emissions control, energy efficiency, and mitigation of other ecological impacts. Instead of showing a strong adherence to the spirit of energy transition, these companies' participation in the electric vehicle/battery industry is treated as a mere extension of their usual business practice.

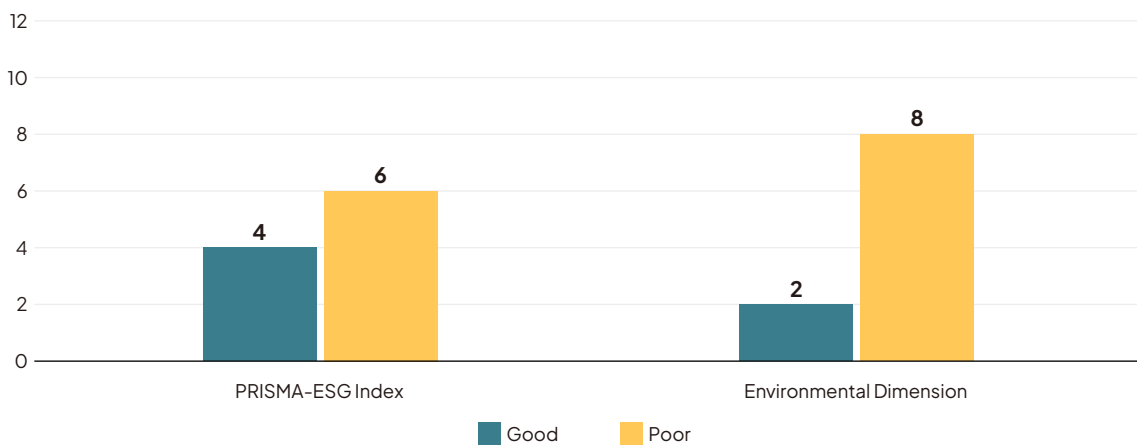
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**80% of the companies that are involved in the supply chain of electric vehicles have instead received poor scores in the dimension of environment.**

”

Companies' motivation in joining the electric vehicle industry are more opportunistic than transformative. The majority of the companies have maintained the same pattern of extractive operation as the contemporary conventional industry.

**Figure 11. Proportion by Involvement in Electric Vehicle/Battery Development**



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.



Dokumentasi CELIOS

## Assessment of LQ45 Energy Sector Companies with a Focus on Coal

Companies that focus on coal commodities typically have high environmental and social risks. These include environmental degradation, adverse impacts on public health, and carbon risks. Given the high exposure to these risks, companies focused on coal commodities should have robust human rights impact assessment and mitigation systems in place to minimize various environmental and social harms. But how is it in reality?

This study identifies a number of LQ45 energy sector companies focused on coal commodities. These companies are:

- 1 **PT Adaro Minerals Indonesia Tbk**
- 2 **PT Bukit Asam Tbk**
- 3 **PT Indo Tambangraya Megah Tbk**
- 4 **PT United Tractors Tbk**

The overall results of the PRISMA-ESG assessment show that these companies consistently fall into the poor category in each dimension assessed. This situation indicates the high human rights impact of companies that are focused on coal.

In the dimension of environmental sustainability, this study reveals that 50% of LQ45 companies focused on coal commodities received poor scores. This indicates a major problem in managing the ecological impact of coal business activities. This alarming situation is even more apparent in the sustainable finance dimension, where the study reveals that as many as 75% of companies received poor scores. This indicates that the financing strategies and capital allocation of these companies do not yet support the human rights governance that are required from a financial perspective.

50% of the companies received poor scores in the dimensions of human rights and supply chains risks. In the dimension of employment and labor rights, the PRISMA-ESG assessment results show an even more concerning situation, with 75% of companies receiving poor scores. This illustrates that coal business activities still place very little emphasis on the responsibility to uphold human rights. Instead of mitigating the impact of their business activities on human rights, the majority of LQ45 coal companies have failed to demonstrate commitment to human rights due diligence mechanisms, effective supply chain monitoring, and the fulfillment of workers' rights.

This study reveals that the most serious weakness lies in the dimension of investment accountability. 100% of LQ45 coal companies received poor scores. This indicates a lack of transparency and accountability mechanisms in the management of company investments.

**Figure 12. Proportion with a Coal Focus**



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.



Dokumentasi CELIOS

## Assessment of LQ45 Energy Sector Companies with a Focus on Nickel

In Indonesia, nickel is currently a flagship high-priority industry. As the companies that stood in the center of the global battery industry, nickel mining and processing companies and their activities are often put in the spotlight and reported for not meeting the proper human rights and environmental standards. The main risks of these industrial activities include water pollution, occupational safety, community relocation, and supply chain accountability.

The contrast between its strategic position and environmental, social, and humanitarian risks it carries makes assessing the human rights performance of companies focused on nickel commodities relevant. In the context of LQ45 energy sector companies, this study identifies a number of companies that are focused on nickel commodities, namely:

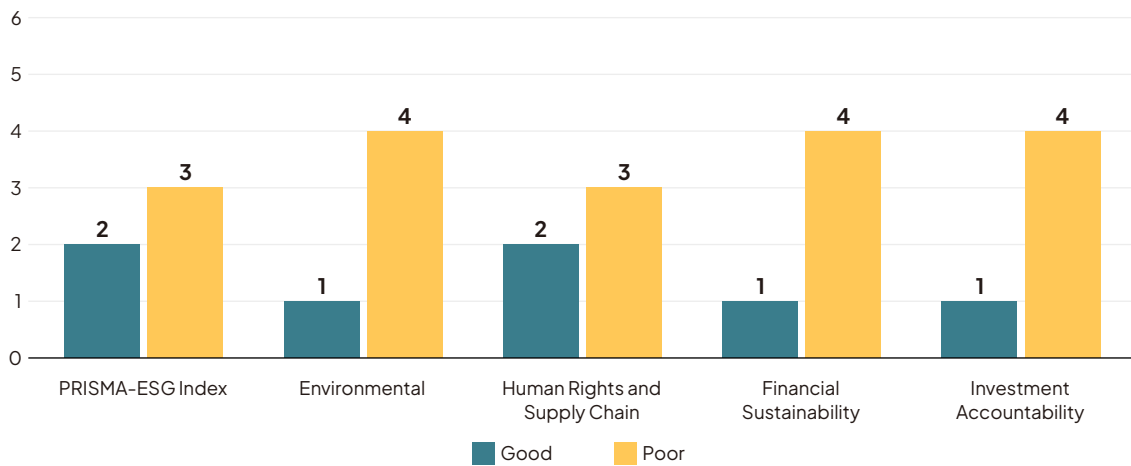
- 1 **PT Aneka Tambang Tbk**
- 2 **PT Merdeka Battery Minerals Tbk**
- 3 **PT Merdeka Copper Gold Tbk**
- 4 **PT United Tractors Tbk**
- 5 **PT Vale Indonesia**

The overall results of the PRISMA-ESG assessment show that 60% of companies received poor scores. Although nickel is often considered as an important commodity in the global energy transition agenda, this study reveals that as many as 80% of companies are in the 'poor' category. This not only shows the poor performance of human rights governance of the majority of companies in the nickel industry, but also the high risk of environmental damage caused by these companies' activities, such as land degradation, water pollution, carbon emissions, and other waste products.

The study also revealed that 60% of companies scored poorly in the areas concerning risks in human rights and supply chains. The dominance of companies with poor human rights performance indicates that the human rights impact of this industry remains very high, yet the majority of nickel companies do not conduct adequate human rights due diligence, including in their supply chains.

A more concerning situation was also found in the aspect of economic sustainability, where 80% of LQ45 nickel companies received poor scores on the dimensions of financial sustainability and investment accountability. This indicates that the financial management and long-term investment strategies of the majority of nickel companies listed in LQ45 have not yet integrated human rights standards adequately. The same applies to transparency and accountability mechanisms, which are only very weakly implemented.

**Figure 13. Proportion with a Nickel Focus**



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.



Dokumentasi CELIOS

## Assessment of LQ45 Energy Sector Companies with a Focus on Copper

In the energy transition agenda, copper plays an important role in the production of more environmentally friendly energy. Despite its positive contribution, the copper extraction process is also reported to carry serious environmental impacts, including waste problems and extensive land use. Therefore, companies that focus on the copper industry must have adequate standards of governance and environmental and human rights management. The same applies to LQ45 energy sector companies.

This study identifies two LQ45 energy sector companies that focus on copper commodities. These companies are:

1 **PT Amman Minerals Internasional Tbk**

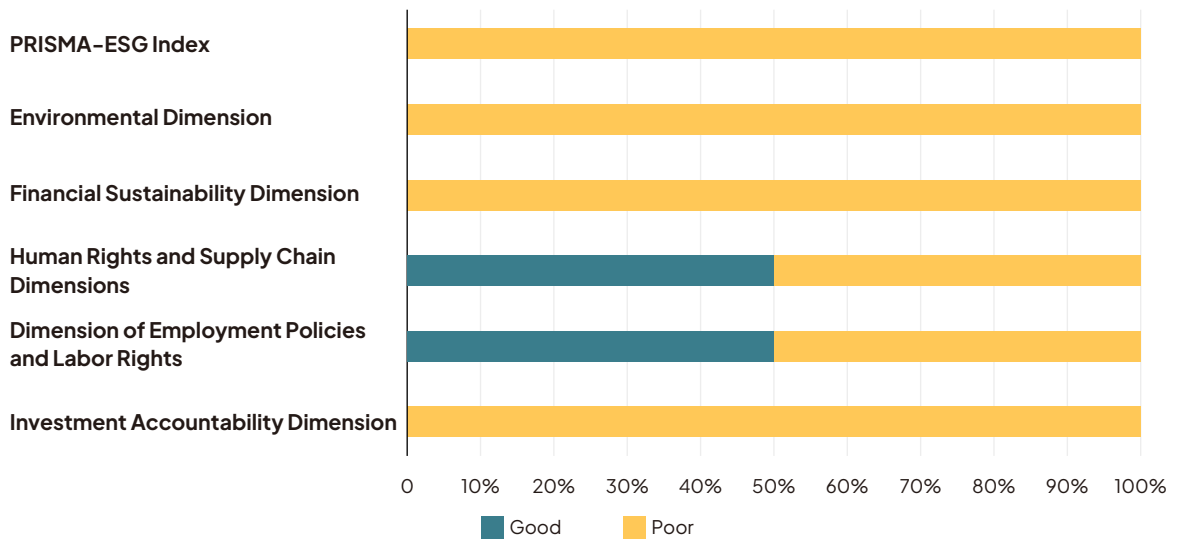
2 **PT Merdeka Copper Gold Tbk**

The overall results of the PRISMA-ESG assessment show that 100% of LQ45 copper companies received poor scores. Copper business activities are still far from the expected human rights standards. Because human rights standards have not been properly integrated into corporate governance, the assessment results justify that the copper sector has high risk in the field of sustainability and human rights in every single dimension assessed.

This study reveals that 100% of LQ45 copper companies consistently score poorly on the dimensions of environmental sustainability, financial sustainability, and investment accountability. This is not only a warning about the significant ecological impact of copper industry activities, but also illustrates that the management of environmental risks and impacts has not yet been integrated into investment planning, financing strategies, or accountability mechanisms for business activities.

In terms of disclosure of human rights, supply chain, and labor-related risks, 50% of LQ45 copper companies received poor scores. Although the results differed from the other three dimensions, this assessment confirms that sustainability and human rights issues, especially from a social perspective, remain a major challenge that has not been adequately addressed or managed adequately by companies.

**Figure 14. Proportion with a Copper Focus**



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.



Dokumentasi CELIOS

## Assessment of LQ45 Energy Sector Companies with a Focus on Gold

This study also assesses LQ45 energy sector companies that focus on gold commodities. The assessment was conducted because the gold industry carries high risks to the environment and human rights, ranging from wastes and environmental pollution to land conflicts involving local communities. Behind the high economic value of gold, this aspect is important to highlight because it is prone to weak human rights governance.

This study identified four LQ45 energy sector companies that focus on gold commodities. These companies are:

1 **PT Amman Minerals Internasional Tbk**

2 **PT Aneka Tambang Tbk**

3 **PT Merdeka Copper Gold Tbk**

4 **PT United Tractors Tbk**

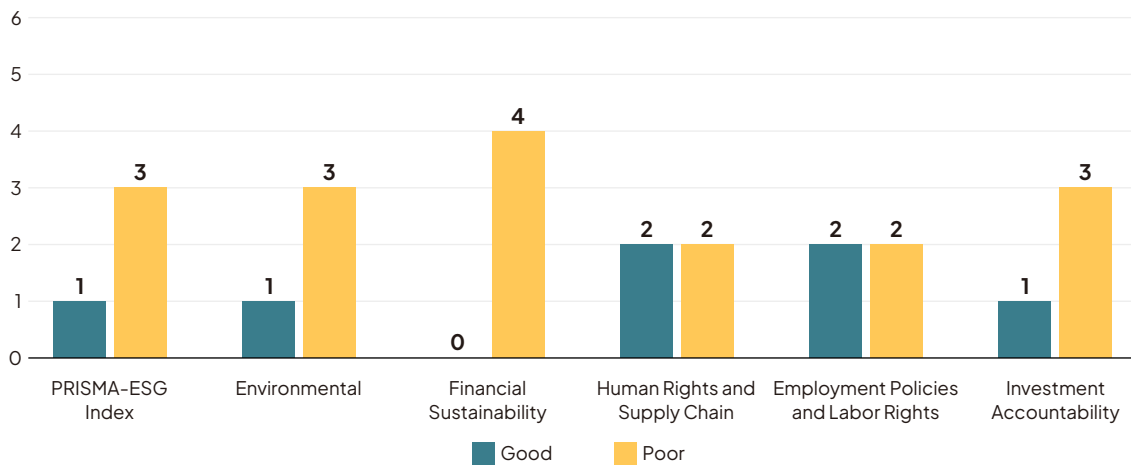
The overall results of the PRISMA-ESG assessment show that 75% of LQ45 gold companies received poor scores. Despite the high credibility of these companies in the eyes of the market and investors, the PRISMA-ESG assessment shows the implementation of corporate responsibility in human rights is still low.

For each dimension, this study reveals that 75% of LQ45 gold companies received poor scores in the environmental and investment accountability dimensions. The LQ45 rating does indicate that companies have complete licenses and relatively good regulatory compliance, but the results of this assessment paint a different picture. The majority of companies fail to comply with strict governance on environmental risks and financing accountability.

50% of companies received poor scores in the areas of human rights and supply chain risks, as well as employment and labor practices. This indicates that risk management capabilities are still focused on business risks and marginalize human rights risks arising from company activities, including those within the supply chain ecosystem. Workers' protection and the treatment of the communities that are directly affected are also serious concerns based on the results of this assessment.

The financial management dimension shows the most prominent weakness in human rights governance among LQ45 gold companies: 100% of companies received poor scores. This indicates that human rights standards are not integrated into companies' financing strategies and financial risk management.

**Figure 15. Proportion with a Gold Focus**



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.



Dokumentasi CELIOS

## Assessment of LQ45 Energy Sector Companies with a Focus on Renewable Energy

Renewable energy industries such as geothermal and biofuel are increasingly prominent amidst today's massive energy transition agenda. However, there are also numerous reports showing that these companies are operating with adverse impacts on the environment and human rights, such as land conflicts, water pollution, direct health impacts on communities, and supply chain transparency issues. With the label of "green industry," these companies should also ensure that the energy transition process is fair without harming the environment and human rights. However, looking at LQ45 companies in the energy sector, how is the reality?

This study identifies 8 LQ45 companies in the energy sector that focus on the renewable energy industry. These companies are:

- 1 **PT Aneka Tambang Tbk**
- 2 **PT Barito Pacific Tbk**
- 3 **PT Medco Energi Internasional Tbk**
- 4 **PT Merdeka Battery Minerals Tbk**
- 5 **PT Merdeka Copper Gold Tbk**
- 6 **PT Pertamina Geothermal Energy Tbk**
- 7 **PT United Tractors Tbk**
- 8 **PT Vale Indonesia**

The overall PRISMA-ESG assessment results show that 62.5% of LQ45 renewable energy companies received poor scores. Despite carrying the green energy label, this indicates that sustainability performance and human rights governance are not yet fully reflected by the majority of LQ45 renewable energy companies. These weaknesses are more evident in each of the dimensions assessed.

In the dimension of environmental performance, 75% of LQ45 renewable energy companies are in the poor category. This shows that the businesses sector which are perceived to be low-carbon are not necessarily that environmentally friendly. For the majority of companies, sustainability and human rights governance still face serious issues in terms of land use, emissions in the production chain, and waste management.

In the dimension of financial sustainability, 75% of companies also received poor scores. This shows that human rights standards have not yet become strict guidelines in the financing strategies and financial risk management of the majority of LQ45 renewable energy companies.

In the human rights, supply chain, and labor risks dimension, the study found that 50% of companies scored poorly. This continues to indicate serious problems because green energy companies have not yet integrated adequate human rights responsibilities into their activities, particularly those related to business risks to the human rights of communities surrounding the companies, supplier monitoring, and fulfillment of workers' rights.

The dimension of investment accountability turns out to be the weakest here. As many as 87.5% of companies received poor scores. This shows that although this sector promotes a green narrative and sustainability, the aspects of transparency and accountability in financing are still very weak and do not clearly reflect respect for human rights.

**Figure 16. Proportion with a Renewable Energy Focus**



The scoring categories were determined using the equal-range method based on the index values of all companies. Range of categories includes: Very High (> 61.50), High (> 29.43 to 61.50), Moderate (-2.64 to 29.43), Low (-34.71 to -2.64), and Very Low ( $\leq$  -34.71). The label "good" covers the High and Very High categories, whilst "poor" covers Moderate, Low, and Very Low.



Dokumentasi CELIOS

## PRISMA-ESG Findings Framework for LQ45 Energy Sector Companies

This section summarizes the major patterns that emerged from the application of PRISMA-ESG to 15 LQ45 companies in the energy sector. This framework shows how company characteristics (economic scale, ownership, number of employees, reporting activity, and commodity focus) correlate with human rights, environmental, and investment governance performance across the five dimensions of PRISMA-ESG.

Company Segment / Characteristics	Environment	Sustainable Finance	Human Rights & Supply Chain Risks	Employment	Investment Accountability	Key Patterns
All LQ45 companies in the energy sector	✗ (77.3% poor)	✗ (66.7% poor)	✗ (53.3% poor)	✗ (66.7% buruk)	✗✗ (93.3% poor)	Overall, sustainability and human rights performance is low across all dimensions, most severely in investment accountability.
Revenue > USD 1 billion			✗ (76.9% poor)			10 out of 13 large-revenue companies performed poorly; financial scale is not directly proportional to respect for human rights.
Total assets > USD 5 billion	✗ (71.4% poor)	✗ (85.7% poor)	✗ (71.4% poor)	✗ (85.7% poor)	✗✗ (100% poor)	Companies with large assets consistently perform poorly, especially in terms of financial sustainability and investment accountability.
LQ45 state-owned enterprises in the energy sector	✗	✗	✗	✗ (66.7% poor)	✗ (66.7% poor, most prominent issues)	State-owned enterprises have failed to set an example; two weak points: employment and investment transparency.
Foreign ownership > 25%	✗ (71.4% poor)	✗ (57.1% poor)	✗ (57.1% poor)	✗ (71.4% poor)	✗✗ (100% bad)	Foreign ownership does not automatically improve governance; global standards are not reflected in practice.
Total employees > 5,000	✗	✗	✗ (71.4% bad)	✗ (85.7% poor)	✗	High organizational complexity → human rights and labor performance actually worsened.
Total workers > 10,000	✗	✗	✗✗ (100% poor)	✗✗ (100% poor)	✗	All companies with more than 10,000 employees failed in two key areas: human rights and supply chain risks, and labor practices.
Permanent employees (PKWTT) > 1,000	✗ (69.2% poor)	✗	✗ (53.8% poor)	✗ (61.5% poor)	✗	A formal HR system does not automatically guarantee human rights governance; supply chain control and workers' rights are weak.
ESG / active sustainability reporting	✗ (73.3% poor)	✗	✗ (53.3% poor)	✗	✗	Regular ESG reporting only reflects document compliance; it does not correlate with substantial performance, especially in terms of the environment.
Involved in the development of electric vehicles/batteries	✗ (80% poor)	✗	✗	✗	✗	Involvement in "green" supply chain doesn't change extractive patterns; business as usual.
Focus on coal	✗ (50% bad)	✗ (75% bad)	✗ (50% bad)	✗ (75% bad)	✗✗ (100% bad)	High carbon footprints lead to significant human rights and environmental risk patterns. High carbon footprints lead to significant human rights and environmental risk patterns.
Focus on nickel	✗ (80% bad)	✗ (80% bad)	✗ (60% bad)	✗	✗ (80% bad)	Key energy transition industry is fraught with risks and has weak financial governance.

Company Segment / Characteristics	Environment	Sustainable Finance	Human Rights & Supply Chain Risks	Employment	Investment Accountability	Key Patterns
Focus on copper	⊗ ⊗ (100% buruk)	⊗ ⊗ (100% buruk)	⊗ (50% buruk)	⊗ (50% buruk)	⊗ ⊗ (100% buruk)	The copper sector shows the highest sustainability risk; all environmental, financial, and investment dimensions fall into the poor category.
Gold focus	⊗ (75% buruk)	⊗ ⊗ (100% buruk)	⊗ (50% buruk)	⊗ (50% buruk)	⊗ (75% buruk)	Strong gold company in the market, weak in integrating human rights standards into financing and risk management.
Focus on renewable energy	⊗ (75% buruk)	⊗ (75% buruk)	⊗ (50% buruk)	⊗ (50% buruk)	⊗ (87,5% buruk)	The "green energy" label is not reflected in practice; investment accountability is weakest.



- ✔ relatively better (proportion of "good" ≥ 50%)
- ⊗ mostly bad (≥ 50% "bad")
- ⊗ ⊗ entirely poor (100% "poor")



## Improving Business and Human Rights Assessment Regulations

The evaluative findings in the previous sections show that in Indonesia, the implementation of corporate responsibility to uphold human rights is not yet supported by an adequate policy structure. In addition to assessment instruments that contain a number of issues, it is also important to examine how the current main regulatory framework related to business and human rights contributes to weak corporate environmental and human rights accountability. According to this study, the main problematic regulations consist of:

### Problematic PRISMA Instruments and BHR Regulations in Indonesia

Regulation	Description (HAM + ESG)	Revision
<b>Article 1</b> Definitions of business and human rights, business actors, and strategies  Presidential Regulation No. 60/2023	Lack of explicit inclusion of the environment, the climate crisis, deforestation or ecological risks as part of human rights risks	
<b>Article 2</b> Scope of the Three BHR Pillars  Presidential Regulation No. 60/2023	Does not define how business actors should exercise human rights due diligence	
<b>Article 3</b> Business and human rights actions  Presidential Regulation No. 60/2023	Short-term actions, not sustained, with no penalties or consequences for non-compliance	
<b>Articles 8–9</b> Secretariat and Governance  Presidential Regulation No. 60/2023	Does not specify technical competencies or analytical standards for business and human rights	
<b>Article 10</b> Implementation of Actions  Presidential Regulation No. 60/2023	There is no indicator for participation, particularly of the affected communities	
<b>Article 11–12</b> Monitoring, Evaluation and Reporting  Presidential Regulation No. 60/2023	There is no indicator for participation, particularly of the affected communities	

Regulation	Description (HAM + ESG)	Revision
<b>Article 1</b> <b>Definitions within the scope of Human Rights Law</b>  Law No. 39/1999	Business actors have not been explicitly included in the Human Rights Law	✓
<b>Articles 2–8</b> <b>Foundational Principles</b>  Law No. 39/1999	No provisions or enforceable measures to ensure that businesses respect for human rights in their activities	✓
<b>Article 67–70</b> <b>Basic Obligation</b>  Law No. 39/1999	There are currently no regulatory provisions regarding mandatory human rights and environmental due diligence	✓
<b>Article 2–4</b> <b>Intentionality, Objectives, Business Activity Implementation, and Compliance by Business Actors</b>  Law No. 40/2007	<ul style="list-style-type: none"> <li>● No provisions regulating and emphasizing the responsibility of business actors to respect human rights through mandatory human rights and environmental due diligence</li> <li>● No provisions requiring business actors to engage in public consultation with affected communities before, during and after business activities have commenced</li> <li>● No provisions regarding human rights and environmental due diligence in supply chains</li> </ul>	✓
<b>Article 66</b> <b>Mandatory Annual Report</b>  Law No. 40/2007	Does not regulate the board of directors' duty to disclose the results of human rights and environmental due diligence in the company's annual report.	✓
<b>Article 74</b> <b>Provisions concerning social and environmental responsibility</b>  Law No. 40/2007	Does not oblige social and environmental responsibility on companies whose business activities do not involve natural resources	✓
<b>Article 74 (2)</b> <b>Implementation of social and environmental responsibility</b>  Law No. 40/2007	<ul style="list-style-type: none"> <li>● Social and environmental responsibility is not incorporated into human rights and environmental due diligence</li> <li>● No clear indicators of human rights and environmental impacts are included in social and environmental responsibility reporting</li> </ul>	✓
<b>Business-friendly environment</b>  Law No. 6/2023	Human rights standards were not incorporated into the policy that aimed to create a business-friendly environment for business actors.	✓

To address the weaknesses in the current business and human rights policy framework, further steps are needed to fundamentally improve regulations and strengthen human rights and environmental protection mechanisms. Therefore, this study offers a roadmap for gradual and systematic regulatory improvement to ensure that business and human rights policy reform in Indonesia has a clear and measurable direction, priorities, and implementation stages.

## Strengthening the Legal Framework

### Improvement

#### Law

### Regulatory/Program Material

Integrating the mandate of corporate responsibility to respect human rights in its activities into the Human Rights Law.

### Responsible and Related Stakeholders

- Government, particularly the Ministry of Human Rights
- House of Representatives
- National Human Rights Commission
- Komnas HAM
- NGOs
- Academics
- Business organizations

#### Government Regulations

- Implementing the mandate of the Human Rights Law, containing guidelines for business and human rights assessment by corporations.
- Harmonizing regulations on business and human rights assessments by corporations with licensing and environmental assessment instruments (such as AMDAL).

- President
- Ministry of Law
- Ministry of Human Rights
- Ministry of Environment
- Ministry of Investment and Downstreaming/BKP
- Ministry of Manpower
- Ministry of State Secretariat
- Financial Services Authority
- National Human Rights Commission
- NGO
- Academics
- Business organizations

#### Presidential Regulation

Integrate the national strategy on business and human rights with the National Action Plan on Human Rights 2025-2030.

- President
- Ministry of Human Rights
- Ministry of State Secretariat
- National Human Rights Commission
- NGO
- Academics
- Business organizations

## Development of human rights assessment content by corporations

### Improvement

#### The nature of business and human rights assessments by corporations

### Regulatory/Program Material

- From voluntary to mandatory.
- Laws and government regulations stipulate that human rights assessment through a human rights due diligence scheme is mandatory.
- Mandatory human rights due diligence must be carried out periodically.

### Responsible and Related Stakeholders

- Ministry of Human Rights
- Ministry of Law
- National Human Rights Commission
- NGOs
- Academics
- Business organizations

#### Penalties for violations of business and human rights assessment obligations

- Administrative sanctions, including revocation of business licenses.
- Criminal sanctions in the form of fines, including additional criminal penalties such as compensation.

### Improvement

#### Human rights assessment indicators

### Regulatory/Program Material

- Establish evidence-based Minimum Performance Indicators (MPIs).
- Integrate environmental, financial, and investment accountability aspects.
- Apply a risk-based approach to high-risk subsectors such as nickel, coal, gold, and copper, which pose significant human rights risks.
- Focus on the enjoyment of human rights by rights holders.

#### Assessment and verification mechanisms

Require independent assessment and verification to address the risk of self-assessment bias.

#### Parties involved

Assessments are conducted by independent institutions (independent assessors), not by the instrument developers.

#### Publication of assessment results

- Verified assessment results are published in a data center for public accountability.
- Publication of granular data that includes specific and measurable data for each sub-sector, rather than general narratives.
- Link due diligence results to PRISMA scores.

## Public accountability

### Improvement

#### Oversight and reporting mechanisms

### Regulatory/Program Material

- Provide a public monitoring mechanism through the real-time publication of human rights assessment/due diligence results.
- Provide reporting mechanisms that are easily accessible to the public.
- Create a roadmap with measurable achievements, not just activities, and prioritize high-risk efforts on human rights.
- Make business and human rights reporting by the state an indicator of success, complementing GDP and investment figures.

### Responsible and Related Stakeholders

- Ministry of Human Rights
- Ministry of Law
- Ministry of Environment
- Ministry of Investment and Downstreaming/BKP
- Ministry of Manpower
- Ministry of State Secretariat
- Financial Services Authority
- National Human Rights Commission
- NGO
- Academics
- Business organizations

## Second 5-year period (2031–2035)

## Strengthening Enforcement and Monitoring Systems

### Improvement

#### Strengthening independent supervisory institutions or special units for monitoring corporate human rights governance

### Regulatory/Program Material

- Establish special units, task forces, or independent oversight institutions for corporate human rights governance.
- Establish minimum oversight standards for high-risk sectors such as nickel, coal, gold, and copper.
- Strengthen administrative, civil, and criminal sanction mechanisms for human rights/environmental impacts resulting from corporate activities.

### Responsible and Related Stakeholders

- Ministry of Human Rights
- Ministry of Law
- National Human Rights Commission
- NGOs
- Academics
- Business organizations

## Improved Integration, Data Management, and Reporting Mechanisms

### Improvement

#### Regulatory integration

### Regulatory/Program Material

Integrate human rights assessment/due diligence obligations into licensing processes such as environmental impact assessments, risk-based assessments, etc.

### Responsible and Related Stakeholders

- Ministry of Human Rights
- Ministry of Law
- Ministry of Environment
- Ministry of Investment and Downstreaming/BKP
- Ministry of Manpower
- National Human Rights Commission
- NGO
- Academics
- Business organizations

#### Data management and reporting mechanisms

- Develop a mandatory national reporting mechanism for companies, similar to current ESG reports.
- Human rights audits should be part of annual corporate audits.

- Ministry of Human Rights
- Ministry of Law
- National Human Rights Commission
- NGOs
- Academics
- Business organizations

## Guaranteed Access to Recovery

### Improvement

#### Strengthening law enforcement

### Regulatory/Program Material

- Strengthen real-time, independent, and secure state-based complaint mechanisms for victims in cases involving human rights and corporations.
- Develop best achievable standards for recovery protocols, including compensation, restitution, and environmental restoration.
- Develop law enforcement guidelines by adopting the single economic entity doctrine, enabling sanctions to be imposed on parent companies for human rights impacts caused by their subsidiaries.
- Provide supporting tools such as conflict maps and early warning systems for governments.
- Strengthen the competence of judicial actors for business and human rights cases.

### Responsible and Related Stakeholders

- Ministry of Human Rights
- Ministry of Law
- National Human Rights Commission
- NGOs
- Academics
- Business organizations

## Third five-year period (2036–2040)

## Policy Sustainability

### Improvement

#### Evaluation-based policy reform

### Regulatory/Program Material

- Conduct a comprehensive review and evaluation of policies in the first 10 years.
- Improve/amend ineffective norms/regulations and unsimplified bureaucracy.
- Establish a legal framework for mandatory human rights due diligence.

### Responsible and Related Stakeholders

- Ministry of Human Rights
- Ministry of Law
- National Human Rights Commission
- NGO
- Academics
- Business organizations



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