

Indonesia Business Links

Resource Centre for Corporate Citizenship

Community on Engagement 2015

INTRODUCTION

Indonesia Business Links (IBL) is a not-for profit organization initiated by business leaders and supported by UNDP and the Prince of Wales' International Business Leaders Forum in 1998. In 2001 it was registered under the Foundation Law, Republic of Indonesia. We operate a small headquarter in Jakarta, and implement programs in various parts of the country.

IBL's mission is to empower its development partners including small/medium enterprises, government, and civil society organizations. Therefore, mostly IBL works with local organizations as implementing partner in the areas where our programs are implemented.

IBL's activities are related to awareness campaign on business ethics and corporate social responsibility (CSR), building the capacity of corporate partners on sustainable business practices, and building/fostering partnership for development.

This Communication of Engagement (COE) recap IBL activities from 2013-2015, following the previous Communication of Engagement (COP). Over the past 3 years, we have continued to implement various programs and are engaged in various networks that also promote CSR domestically in Indonesia, as well as internationally. IBL is one of the co-founding members of the ASEAN CSR Network. IBL is also a co-founder of the Indonesia Global Compact Network.



IBL is active mostly in human capital development, environment, and anti-corruption. While IBL's corporate supporters advocate and implement good corporate governance, IBL exercises good corporate governance which is reflected in structure of organization. IBL's has three levels of Board i.e. Patron, Supervisor, and Management

IBL works are supported by donor agencies and corporate sponsors. To ensure its accountability, IBL has been fully audited since 2003 by independent finance auditors: PricewaterhouseCoopers, Ernst and Young, and Deloitte, consecutively.

Statement of Continued Support



As a not-for-profit organization, IBL promotes good business principles and partnership for development. IBL believes that its values, operations, and various empowerment programs are in line with the Ten Principles of the United Nations Global Compact.

Since 2007, IBL has been submitting Communication on Progress, and this year (2015) it produced a Communication of Engagement in line with its status as a non-business signatory of UN Global Compact. As in the past reports, IBL presents its progress of operations and activities which are relevant to the 10 principles of Global Compact.

In addition, IBL is continuously in active communication with in-country local network, Indonesia Global Compact Network (IGCN) to show case continued support and commitment to the UNGC. IBL involved in: i) events and networking, and ii) management of IGCN until September 2015, where the IBL's Executive has voluntary served in the Board of IGCN.

Yanti Triwadiantini, Executive Director - Indonesia Business Links

Internal Operation

Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

IBL operates based on its Charter of Business Principles, entailing the following principles:

- o Ensuring honesty and integrity in every aspect of work by acting in good faith
- o Providing a fair return to our suppliers of goods and services
- o Satisfying our clients and partners, including those within our own organization, with the timely provision of goods and/or services to agreed specifications
- o Respecting our social environment by maintaining an active partnership with the community
- o Demonstrating respect for our physical environment by adhering to company national, and international standards
- o Abiding by Indonesia and International laws
- o Acknowledging that people are our most valuable resources

IBL continues its commitment to support and respect human rights, by way of applying Guiding Principles in its daily operations. Internal and external stakeholders are treated with honesty and integrity in every aspect of work, in good faith and in providing fair returns. All staffs are adult and work freely under guided job description. The IBL's Code of Conduct and Standard Operating Procedure (SOP) have been expanded to children rights as IBL works with international youth organizations such as the International Youth Foundation, PLAN International, and Save the Children.

Awareness Raising Activities



From 2011 – early 2015, IBL conducted weekly a radio talk-show “CSR Wisdom” in collaboration with SmartFM 95.9, which the owner during that time gave a pro-bono air time for this campaign program. The program included a topic on human rights aspect of CSR implementation by companies. Unfortunately the program is currently discontinued due to lack of fund, as the radio partner changed its management and policy.

IBL is also active internationally, being a founding member of the ASEAN CSR Network (ACN). This organization is actively promoting human rights framework of action in collaboration with the UN Global Compact. IBL's participates in ACN's workshops and network with like-minded organizations from other ASEAN member countries.

Collaborative Action



Whilst in the past IBL conducted several awareness events on human rights theme, this year IBL assisted Save the Children to study private sector best practices in respecting children rights. A workshop was conducted in Jakarta in 2015, to allow corporations learning about best practices. We invited speakers from hotel industry in Bandung and Jakarta.

IBL is currently assisting Save the Children Indonesia in researching private sector roles on children rights protection. The study is a stock taking of Indonesian companies' current stage in terms of child-centered Corporate Social Responsibility (CSR). Save the Children is engaging IBL to conduct this stock taking with the goals:

- The retail and hospitality industries have commenced integrating child-centered CSR in their operations and strategies.
- Strengthened capacities of key private and public stakeholders in promoting and integrating child-centered CSR with the corporate sector.

In addition to this study, IBL has already involved earlier in the year on ICC-CSR Toolkit development process with Save the Children.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

IBL consistently abides by these principles. Continuous improvement has been undertaken from time to time to IBL's standard operating procedure. Equal opportunity policy for male/female employees is applied within the working environment of 20 staff members (10 women and 10 men).

In order to develop the capacity within the organization itself, IBL conducted training regarding the partnership brokering in collaboration with Partnership Brokering Association (PBA). Whilst the Executive Director of IBL has obtained an Accreditation on Partnership Brokering from PBA in 2009, IBL endeavors to increase the number of qualified staffs. In 2014, Ros Tenyson, Director and Founder of PBA, was invited to come from UK for delivering series of briefing sessions about partnership brokering to corporate and organization partners of IBL, and the government. This year, IBL runs regular training program for public.

Awareness Raising Activities



IBL's website and newsletters serve as communication tool with stakeholders on what IBL has been implementing to promote CSR in general, and human capital development in particular.

IBL has been fostering partnerships and CSR program related to building human capital particularly youth (aged 18-24).

Our footprints have started since 2003 in a few capital cities of Java, and now our youth empowerment programs have expanded to include entrepreneurship and employability for university students at fringe-areas of Jakarta and vocational students of north coast of West Java, respectively. Within this remit, IBL has strengthened its trainers' base by adopting the "Passport To Success" modules of soft skills from the International Youth Foundation (IYF). Such soft skills training program has improved thousands of young people in terms of good attitudes which help them getting jobs easier or becoming new entrepreneurs.

Currently IBL is supported by Accenture, CitiBank, JP Morgan, and CAT Foundation, to implement youth empowerment programs through which IBL is able to build partnership with a number of corporate leverage partners and governments agencies in the regions like West Java (Karawang, Cikarang, Cileungsi), Jabodetabek (Jakarta, Bogor, Depok, Tangerang, Bekasi), and Batam Island.

The youth empowerment program of IBL is implemented under various names i.e. YES (Young Entrepreneur Start-Up) Program, Muda Terampil, Skilled Youth, Equip Youth.

Our programs are endorsed by the Government through the Indonesia Youth Employment Network (IYEN) coordinated by the National Planning Agency (BAPPENAS). Through regular human resources forum, IBL establishes dialogues with human resources managers of program partners and wider business community in the project locations.

Environments

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Internally, IBL is encouraging its employees to save papers and energy as part of initiatives to promote environmental responsibility

Awareness Raising Activities



One of the major contribution from IBL in order to promote the true definition and interpretation of CSR supporting a precautionary approach environmental challenge was through a radio-talk show activity in Smart FM 95.9 titled “CSR Wisdom”. Every year in average 70 guest speakers took parts as campaigner of CSR. The show was hosted by Yanti Triwadiantini, Executive Director.

Adaro, Freeport, Swakarsa Sinarsentosa, and Unilever sponsored for book production, entitled CSR Wisdom. Some 1000 copies were printed in collaboration with D’Light Publishing, and used as education materials to wider society.

Collaborative Activity

In the last 3 years, IBL's environmental programs were predominantly related to corporate programs on responsible garbage management. The launch of Government Regulation on Extended Producers Responsibility (EPR) a few years ago has driven major companies to develop a collective action. Six companies (Coca Cola, Danone, Indofood, Nestle, Tetrapak, and Unilever) convened in 2011 under Coalition for Sustainable Packaging in their attempts to find good practices to implement EPR. IBL facilitated this partnership initiative, and assisted them in undertaking research, arranged a pilot program with local NGO (Yayasan Puter) in Jakarta, and provided technical assistance during their partnership process.



In 2013, IBL endeavored to continue facilitating a community program called Gerakan Mengelola Sampah (GEMAS), means Garbage Management Movement. This program was pioneered in 2012 by Danone, in collaboration with Kantor Berita Antara (The National News Agency), and Rekza Kencana (an importer of garbage collection machine) implemented a The program educated school children and public at large on behavioral change to clean/manage domestic wastes. JICA has then provided small fund to support the program in 2013 in different locations. Such endeavor has not been as easy as expected in terms of bringing more companies to join the initiative. Partly it was due to lack of fund raising capacity.

In 2014, IBL's role in building the capacity of development partners was demonstrated when Unilever empowered the community based "Garbage Banks". IBL mobilized trainer/coach to help the management of "Garbage Banks" sustaining their business. Although this program has been supported by Unilever, there is a great potential to invite other companies joining the initiative in a bigger scale and wider geographic locations. If IBL can obtain larger financial support, it would have been able to expand this initiative for bigger impact.

In addition, IBL also facilitates a few embryonic collective actions, one of which is the involvement of private sector in Disaster Risk Reduction (DRR) in collaboration with the National Platform of DRR. IBL has recently helped this organization in obtaining funding from the Japan Minister of Finance. The activity is currently undergoing, where IBL facilitates corporate workshops until early 2016.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

As mandated by its founders, IBL plays active roles in upholding business ethics in its operation. Every year IBL's financial report is audited by reputable auditor. In 2014 and 2015, Deloitte audited IBL on pro-bono basis, as their CSR contribution.

During 2013 – 2015, IBL's activities are related to building collective actions among companies in Indonesia, to promote business integrity:

1. AWARENESS CAMPAIGN

- IBL's a radio talk-show "CSR Wisdom" during 2011-2015 also enhanced the importance of integrity in business practices. IBL invited the Indonesian Committee on Anti Corruption (KPK), other like-minded organizations, and companies to join the radio talk.

2. EVENTS

- Conducted series of Workshop on Business Ethics with Star Energy (oil/gas company) for their management and employees. This program has been conducted since 2000, educating corporate executives and employees on managing ethical dilemmas in business operation. Through this program, IBL produced manuals, guide book, and books.
- Business Roundtable Meeting, December 2014: This activity was part of the collective initiative on anti corruption, initiated by Siemens, Chevron, PricewaterhouseCoopers, Freeport, and other companies to establish dialogues with like-minded anti-corruption organizations and other business associations. It was attended by key stakeholders including KPK, Transparency International Indonesia, KADIN, APINDO, Corporate representatives, and foreign missions. During this meeting, IBL launched the "Indonesia Integrity Initiative" which is envisioned as a multi-sector platform for promoting/improving business integrity in Indonesia.
- Business Integrity Forum, September 2015, supported by the Canadian Embassy, the ASEAN CSR Network, Vale Inc., Freeport, ITM, BHP Biliton, and ExxonMobil. This event identified key areas that are vulnerable to corruption and un-ethical practices. Those are permit/license, procurement/logistics, sales/marketing, finance/taxation, and CSR.



3. PUBLICATION:

Guide Book for the Mid-size Companies supplier/contractor of the oil/gas companies. This is part of a global project conducted by the Center for International Private Enterprise (CIPE). IBL's Board Member, Chrysanti H. Sedyono, was the Lead researcher and writer.

4. TOOLS:

IBL adopted a Self Assessment Tool for Integrity from the Integrity Initiative (Philippines), which is a joint venture of Makati Business Club and European Chambers of Commerce in the Philippines. This Tool has been tested and aims to be used to educate supply chain of large companies, for which the large companies take major empowering roles and/or be role models.

5. INTERNATIONAL COLLABORATION:

Joined the Regional Anti Corruption Working Group, under the auspices of the ASEAN CSR Network.

Ways Moving Forward

In 2016, IBL is undertaking stock-taking on all lessons learnt, and preparing its new strategic plan to be implemented 2017-2019.

Areas that would be enhanced are business integrity, human capital development (particularly new generation), and sustainable/green initiatives.

IBL would continue playing roles through awareness campaign, capacity building, and partnership development.

IBL would need to rejuvenate its business model to ensure organization sustainability in the long run. Whilst donor/grants are becoming less available and more strategic, IBL would seek alternative strategy to create steady financial stand.

Indonesia Business Links

Office Sahid Sudirman Residence 1st Floor, Suite 2

Jl. Jend. Sudirman Kav. 86

Komplek Hotel Sahid Jaya

Jakarta Pusat 10220 - Indonesia

Phone: +6221 5790 5649; 5793 2602/3

Fax +6221 5793 2603

Email: ibl@ibl.or.id