

# COMMUNICATION OF ENGAGEMENT (COE)

<b>Institution Name</b>	<b>HABITAT FOR HUMANITY INDONESIA</b>	<b>Reporting Period</b>
<b>National Director</b>	Susanto	2024
<b>Prepared by</b>	Esther Manuhutu, Andreas Hapsoro	

## NATIONAL DIRECTOR REMARKS

Habitat for Humanity Indonesia has been serving for 27 years in Indonesia where officially on the 1st of May 2024 we commemorate the founding of our institution 27 years ago. We are glad and grateful to announce that Habitat for Humanity Indonesia has been reaching more than 200,000 households through our core and various complementing programs. Our core program is housing and settlement, and the complemented such as environmental development, improvement through skill training, and other activities that support improving the welfare of low-income communities and natural disaster survivors.

Our vision is A world where everyone has a decent place to live and as part of worldwide affiliation with Habitat for Humanity International, based in Atlanta and part of the Asia Pacific region. We are living our mission by serving the people in need in 18 provinces out of 38 provinces throughout Indonesia by bringing people together to build homes, communities, and hopes.

Habitat Indonesia has been serving more than 200,000 households in need from low-income families with decent housing, access to clean water, sanitation, and public facilities (schools, clinics and waste management facilities). In addition, we empower people in need through capacity building regarding basic construction, healthy lifestyles, livelihoods, and labour-skilled training. There are 5 hub offices located in Batam, Mauk (Tangerang), Babakan Madang (Bogor), Yogyakarta, Surabaya, and Karawang to currently cover 18 provinces including Disaster Response in Central Sulawesi (Palu, Sigi and Donggala), NTT (Kupang and Lembata) West Sulawesi (Mamuju) and East Java (Lumajang) and West Java (Cianjur) and East Kalimantan (IKN).

Habitat Indonesia was registered as a UNGC member in 2013 and we diligently make an effort to support the 10 principles and 4 main pillars of the UN Global Compact in our daily activities and program. Our Communication of Engagement (COE) report for the year 2024, is as follows.

# 1. COE REPORT

## 1. a. Internal Organization

### Pillar 1. Human Rights

In supporting the UN principle Pillar 1. Human Rights, Habitat for Humanity Indonesia has been seeking to support the workers' wellbeing through:

1. Habitat Indonesia has a safeguarding policy that contains the purpose is strengthening the protection measures for children, women, disabled people, and other vulnerable groups, especially the beneficiaries and the communities around the locations where Habitat Indonesia works.

2. Organization policies that support a safe and secure working environment with safeguarding policies, such as:

- a. Employee Manual Habitat Indonesia
- b. Gender, Equality, Discrimination, and Inclusion Policy
- c. Anti-Bribery, Anti-Fraud, and Anti-Corruption Policy
- d. Volunteer Code of Conduct
- e. Background Screening Policy
- f. Conflict of Interest and Gift Acceptance Policy
- g. Safety, Security, and Anti-terrorism policy
- h. Safeguarding Policy

### Pillar 2. Labor Principle

In supporting the UN principle Pillar 2. Labor Principle, Habitat for Humanity Indonesia understand and ensures that work is not only available but also provides fair income, security in the workplace, social protection for families, better prospects for personal development, and social integration. It underscores the idea that work should contribute to the overall well-being of individuals and society as a whole. This principle aligns with the broader UN Sustainable Development Goals (SDGs), particularly Goal 8, which aims to promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

We also require that all staff take seriously their ethical responsibilities to safeguard our intended beneficiaries, their communities (especially children and women), and all those with whom we work. In line with the prevention of sexual exploitation and abuse, all staff must pass a thorough background screening and will be held accountable for upholding our policies around ethical behaviour, including safeguarding and whistleblowing.

### **Pillar 3. Environment Principle**

In supporting the UN principle Pillar 3. Environment Principle, in internal organization, Habitat Indonesia implementing the environmental principles of the United Nations Global Compact (UNGC) can involve various practices and initiatives aimed at reducing the environmental impact of daily operations. Here are some ways businesses have been applying these principles in an office environment:

**Energy Efficiency:** Encourage energy-efficient practices such as turning off lights and electronic devices when not in use, utilizing natural light, and investing in energy-efficient appliances and equipment.

**Waste Reduction and Recycling:** Implement waste reduction strategies such as reducing paper usage through digitalization, implementing a recycling program for paper, plastics, and other materials, and minimizing single-use items like plastic bottles and disposable utensils.

**Water Conservation:** Promote water conservation by fixing leaks, installing water-efficient fixtures, and encouraging employees to use water responsibly in daily activities like handwashing and dishwashing.

**Sustainable Procurement:** Source office supplies and equipment from environmentally responsible suppliers, prioritize products made from recycled materials, and choose products with minimal packaging.

**Green Building Practices:** If applicable, implement green building practices such as using eco-friendly building materials, including use the eco-brick, optimizing natural ventilation and lighting, and obtaining green building certifications like LEED (Leadership in Energy and Environmental Design).

**Education and Awareness:** Raise awareness among employees about the importance of environmental sustainability and provide training on eco-friendly practices and initiatives.

**Community Engagement:** Engage with the local community in through environmental initiatives such as tree planting, beach clean-ups, or participating in environmental awareness campaigns.

By incorporating these practices into the office environment, businesses can demonstrate their commitment to environmental responsibility and contribute to global efforts to address

climate change and promote sustainable development.

#### **Pillar 4. Anti-Corruption Principles**

In supporting the UN principles Pillar 4. Anti-Corruption principles, Habitat Indonesia underscores the importance of promoting transparency, accountability, and integrity in business operations to combat corruption effectively. Here's a breakdown of the specific anti-corruption principle:

Businesses should work against corruption in all its forms, including extortion and bribery.

To implement this principle effectively within internal organizational structures, Habitat Indonesia has been undertaking various actions:

**Develop and Implement Anti-Corruption Policies:** Establish clear and comprehensive anti-corruption policies that outline the organization's commitment to ethical business conduct and zero tolerance for corruption. These policies guide identifying, preventing, and addressing corrupt practices within the organization.

**Promote Transparency and Accountability:** Foster a culture of transparency and accountability by promoting open communication channels, disclosing relevant information to stakeholders, and holding individuals and entities accountable for their actions.

**Provide Anti-Corruption Training and Education:** Offer training programs and educational initiatives to employees, suppliers, and business partners to raise awareness about corruption risks, ethical business practices, and the consequences of engaging in corrupt activities.

**Implement Due Diligence Processes:** Conduct thorough due diligence processes when engaging with third parties, such as suppliers, contractors, and business partners, to assess corruption risks and ensure compliance with anti-corruption laws and regulations.

**Establish Reporting Mechanisms:** Implement confidential reporting mechanisms, such as hotlines or whistleblower policies, to enable employees and stakeholders to report suspected instances of corruption without fear of retaliation.

**Enforce Consequences for Violations:** Enforce disciplinary measures and consequences for individuals or entities found to have engaged in corrupt practices, including termination of contracts, legal action, and sanctions.

By adhering to Principle 10 of the UNGC and implementing robust anti-corruption measures within their organizations, Habitat Indonesia can contribute to building transparent, accountable, and ethical business environments conducive to sustainable development and economic prosperity.

Habitat Indonesia requires all entities to protect and use assets and resources under organizational goals, particularly utilizing these assets and resources optimally. All forms of bribery, fraud, corruption, and abuse of resources owned by Habitat Indonesia are serious violations. Habitat has an Anti-Bribery, Anti-Fraud, and Anti-Corruption Policy that applies to everyone who works at all levels, including the management of Habitat Indonesia, National Directors, senior managers, employees (whether permanent or temporary), consultants, contractors, seconded employees, day workers and other agency workers, agents, partners, donors, volunteers and everyone associated with Habitat Indonesia wherever they are. Habitat Indonesia is committed to zero tolerance for all forms of bribery, fraud, and corruption; and to conducting its affairs in an honest, ethical, legal, and dignified manner.

## **1. b. Program Activity**

### **Pillar 1. Human Rights Principles**

In supporting the UN principle Pillar 1. Human Rights Principles, through program activity, Habitat Indonesia promote human rights principles with

1. Using the 8 steps method in beneficiary selection, transparent and accountable social preparation & family selections (participatory method) for all projects, including disaster response projects
2. Comply with the IFRC Code of Conduct, Core Humanitarian Standard (CHS) and Sphere Minimum Standard
3. Equip the family we serve with basic construction, healthy house, Hygiene Promotion and Community Based Disaster Risk Management training to ensure the families (homeowners) are completed with the capacity to become our partners in monitoring the runs of the program during the project cycle.
4. Both parties, Habitat Indonesia and the community develop and establish community agreements in all of our programs, to ensure the community is part of the decision-makers.
5. Develop the Advocacy Guideline and implement it within the program, so the people in need are empowered for access to basic services, land tenures, and humanitarian shelters. The activities for this topic, such as creating awareness programs for decent housing through Youth Build, Women Build, Family Build, School Build, Build Beyond Faith etc.
6. Encourage community participation in our program by facilitating PASSA (Participatory Approach for Safe Shelter Awareness) activities within the communities.
7. Cash and Voucher Assistance (CVA) modality become one of the program approaches in assisting the temporary houses for Cianjur earthquake disaster survivors. This kind of modality gives the beneficiaries options in providing the materials for the construction of the temporary shelters. The beneficiaries have the opportunity to select what is most needed and where to buy the materials, to have the most efficient and effective temporary shelter provision.

## **Pillar 2. Labor Principles**

In supporting the UN principles Pillar 2. Labour Principles, through program activity Habitat Indonesia promote labour principles with

1. Limitation of volunteer activities from 18 years old and above – no child labour/activity at the construction site and non-construction program.
2. Sweat equity, get involved during the construction process, from the homeowner (beneficiary) to ensure they have dignity and ownership. Through this activity, the homeowner will have a statement in their mind that they who build their own house with their effort, their hand and their capacity.
3. Since January 2023, 450 un-skilled labourers have trained to become skilled and certified construction labourers through a skilled construction labour certification program. The target of 600 construction labourers from low-income families in 3 districts; they are Tangerang municipality, Tangerang District and South Tangerang district. This 3 years program aims to develop the construction labour capacity which is not only about construction but also their knowledge about health and safety working environment (K3 – kesehatan dan keselamatan kerja). In the end, the labour will get certification as certified skilled labour, as their capital to enter better job opportunities.

## **Pillar 3. Environment Principle**

In supporting the UN principles Pillar 3. Environment Principles, through program activity Habitat Indonesia promotes environmental principles with

1. Housing design and construction of each house built through the program are ensured to be healthy house design and provision with adequate lighting, ventilation, access to clean water and proper sanitation.
2. Enforce non-asbestos policy in all of our programming, by replacing it with safer and human being health support materials.
3. Ensure the reused material which still suitable to use, especially in the disaster response program, to lower the waste and in the long term lower the carbon print in runs our programs.
4. Reduce the timber usage in construction, by combining the construction materials with bamboo, light steel, GRC board and other safety materials considering the long-lasting usage. We built climate-smart houses using the eco-bricks (bricks made from plastic waste).
5. Provide behaviour change for environment conservation through waste management training for the homeowners (beneficiaries).

## **Pillar 4. Anti-corruption Principles**

In supporting the UN principles Pillar 4. Anti-corruption Principles, through program activity

Habitat Indonesia promote anti-corruption principles with

1. Regular training and refreshments for staff about anti-corruption.
2. Provide the community feedback mechanism tools/line, to ensure everyone has access to submit their feedback and complaint regarding to anticipate the corruption potential/risk.
3. The village/local committee which comes from the community to help us in implementing our program. The focus committee is promoting several Habitat principles in the community, including anti-corruption and conflict of interest.
4. Conduct the 8 steps in family selection, one of those steps is a public hearing to ensure that the program will be targeted to the right home partners (beneficiaries).

## **1. c. Program Outcomes**

### **Pillar 1. Human Rights Principles**

In the program outcome, Habitat Indonesia promotes the UN principle Pillar 1. Human Rights Principles through

1. Economic, Social, and Cultural Rights: Programs targeting economic, social, and cultural rights aim to ensure access to essential services such as housing, education, healthy lifestyle, and participation in cultural life. Outcomes might include improved access to reduced poverty and inequality.
2. The families have a better and healthier way of life and higher asset value, children can study in more appropriate places, and have the opportunity to develop small businesses with a better-constructed home.
3. The Program prioritises the most vulnerable people within the community and provides opportunities for them to raise their voices.
4. Habitat Indonesia homeowners (beneficiaries) come from all kinds of religions, races, groups and tribes with low-income situations. Habitat Indonesia builds decent houses and improves the settlements to promote their dignity and hopes.
5. New leaders at the village level are formed/developed while they are helping the communities.
6. The beneficiaries have options (alternatives) to re-use and to save the funding for their house building, Cianjur disaster response in this case; and enable them to choose the best construction material for the temporary house building, they also give an empowered feeling in their lowest situation.

### **Pillar 2. Labor Principles**

In the program outcome, Habitat Indonesia promotes the UN principle Pillar 2. Labour Principles Habitat Indonesia through

1. Abolition of Child Labor, the elimination of all forms of child labour and the protection of children from economic exploitation and harmful work. It emphasizes the importance of

ensuring that children have access to education and opportunities for their full development. No children/underage involve in labour or construction activities.

2. Elimination of Discrimination in Employment and Occupation: This principle prohibits discrimination in employment and occupation based on factors such as race, colour, sex, religion, political opinion, national extraction, or social origin. It emphasizes the importance of promoting equality of opportunity and treatment in the workplace. There are no boundaries in Habitat Indonesia recruitment, all people are welcome to fill in the vacant position which matches with his/her capacity.
3. Increased local people's capacity and job opportunities through construction training so they can generate more income and some of them become partners/vendors of Habitat Indonesia project sites.
4. The labour (tukang) has a competitive contract rate value compared to the market price.
5. The community is encouraged to work all together with our nation's principle "gotong royong"

### **Pillar 3. Environment Principles**

In program outcome, Habitat Indonesia promotes the UN principles Pillar 3. Environmental Principles through

1. Sustainable Development, the concept as outlined in the UN's Agenda 21 and later reaffirmed in the Sustainable Development Goals (SDGs), emphasizes the integration of economic, social, and environmental dimensions to ensure long-term well-being for current and future generations. Habitat Indonesia uses the holistic program approach, through housing and settlement, the homeowners (beneficiaries) will also get the ripple effects impact, such as better assets, better health, better education and better well-being. These impacts are gained while ensuring environment conservation is being taken care of in running the program to support those ripple effects that could be attained.
2. The precautionary principle, as articulated in the Rio Declaration on Environment and Development, highlights the need for preventive action to avoid environmental harm, even in the absence of scientific certainty. It underscores the importance of taking proactive measures to address environmental risks and uncertainties. Habitat Indonesia uses environmentally friendly construction materials. In the last 7 years, Habitat Indonesia has reduced timber for its building construction. We have been using bamboo, GRC board and light steel for most of our housing construction.
3. The clean water provision system has supported families to access clean water continuously without wasting the clean water source.
4. The sanitation program has been conducted to support the community and their environment to become clean and not contaminated by human waste, such as from open defecation and household waste activities.
5. Habitat Indonesia has been developing the Open Defecation Free movement with Tangerang District Government and Stakeholders since 2018. Recently, in December 2023, one of the villages in the Mauk sub-district, Kedung Dalem village where Habitat Indonesia have been intervening for the last 7 years conducted an Open Defecation Free (ODF) declaration. The authority body, the Public Health Office at the District level has



assessed and confirmed that the whole community in this village already have access to safe and healthy latrines/toilets.

#### **Pillar 4. Anti-corruption Principles**

In program outcome, Habitat Indonesia promotes the UN principles Pillar 4. Anti-corruption Principles through

1. **Increased Transparency and Accountability**, programs may lead to improved transparency in business operations and public institutions, as well as enhanced accountability mechanisms to prevent and detect corrupt practices. Habitat Indonesia includes the establishment of transparent procurement processes, disclosure of financial information, and implementation of effective oversight mechanisms.
2. **Reduction in Corruption Perceptions**, anti-corruption initiatives have been conducted within the Habitat Indonesia staff, working with communities, donors and various stakeholders which can contribute to reducing public perceptions of corruption and building trust in institutions. This is to ensure improvements in corruption perception indices, increased public confidence in government and business institutions, and enhanced trust in the rule of law. Habitat Indonesia has been trusted by various donors from individuals, corporations and institutions for an amount of USD 4 Million during fiscal year 2024.
3. **Improved Compliance and Ethical Standards**, through diligent and full efforts in compliance and ethical standard improvement, Habitat Indonesia have adopted anti-corruption policies and procedures, implemented training programs on ethical conduct, and established internal controls to prevent corruption. Habitat Indonesia has been audited internally by Habitat for Humanity International and by an independent external auditor and has had an excellent rank during the last 5 years.
4. **Social jealousy and conflict of interest** which can separate the community have been minimized through “eight steps of family selection” to ensure the Habitat Indonesia program would target the most needy.
5. **Community feedback mechanism tools/lines** have supported the beneficiaries in having clear information about the Habitat Indonesia program.
6. **The end-of-project evaluations** were conducted for several projects to measure project relevancy, effectiveness, efficiency, participative, sustainability and the process during the project cycle, as well.

#### **Next Reporting Period**

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05/15/2024-04/01/2025

Person in Charge: Susanto