



ESIA for Petrochemical Complex, PT Lotte Chemical Indonesia

Human Rights Management Framework



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Acronyms and Abbreviation

Name	Description
CEO	Chief Executive Officer
CF	Chance Finds
CFP	Chance Find Procedure
E&S	Environmental and Social
EBRD	European Bank for Reconstruction and Development
ESMS	Environmental and Social Management System
FGDs	Focus Group Discussions
HRMF	Human Rights Management Framework
HR	Human Resource
HSE	Health, Safety, and Environment
IFC	International Finance Corporation
LCI	Lotte Chemical Indonesia
LEC	Lotte Engineering & Construction



PS Performance Standard
WGM Workers Grievance Mechanism
WP Work Package



1. HUMAN RIGHTS MANAGEMENT FRAMEWORK

1.1. Introduction

This Human Rights Management Framework (HRMF) addresses human rights from the workers, and community perspective, allocating roles and responsibilities, resources and accountabilities allocated to ensure potential impact and mitigated and managed as per international good practices.

This Plan supports the Project in aligning with applicable national and international regulations and guidelines, including the United Nations Guiding Principles on Business and Human Rights.

1.1.1. Objectives

The objectives of the Plan are the following:

- Avoid or limit risks to, and impacts on human rights during the production phase from both routine and non-routine circumstances;
- Establish a framework for the implementation of targeted prevention programs to reduce risks; and
- Maintain a monitoring and evaluation program that is transparent and covers all phases of the Project

1.2. Mitigation Measures

This section lays out mitigation measures that will be implemented by the Project, including the following:

- Workers' rights;
- Workers accommodation;
- Workers grievance mechanism;
- Livelihood;
- Stakeholder engagement;
- Security Personnel;
- Cultural heritage.



2. WORKER'S RIGHT

There will be two contractors for this project. Most of the workers will come from local area.

Without appropriate safeguards, there is potential for the rights of workers to be impacted. This includes workers directly employed by the Project, as well as by contractors and subcontractors who will be engaged to deliver the Project. Increasingly, there is an expectation by stakeholders that a company not only has oversight of its workers, but also its contractors and those involved in its supply chain.

Mitigation measures to address potential impacts related to workers' rights are listed in Table 2.1.

Table 2.1 Mitigation Measures for Worker's Rights Impacts

Impact Type	Mitigation Measures
Impact to workers' rights (including labour and working conditions), either directly by the Project or within its supply chain and subcontractors.	<ul style="list-style-type: none"> • Include clauses regarding equal opportunities and fair treatment between migrant and local workers in the Human Resource Management Plan and Business Ethics and Code of Conduct; • Not to prevent workers from forming or joining workers' organizations; • Project activities should respect Islamic Prayer Times; • Incorporate appropriate clauses in relevant contracts with suppliers and/or contractors regarding human rights in relation to the Human Resources Management Plan and Business Ethics and Codes of Conduct. Monitor the implementation of these clauses; • Communicate to workers about their rights as part of the induction process. This should include providing an understanding about how to lodge a grievance (see Appendix I); • Provide contractors access to the workforce grievance mechanism; • Systematically track grievances raised by workers and contractors and analyse the results monthly to understand trends in issues; • Where recruitment or labour hire agents are utilised, conduct appropriate due diligence before engaging an agent; • Suppliers (inclusive of contractors) will be required to sign and adhere to Supplier Code of Conduct; • Apply a Business Ethic Code of Conduct ; • Establish policies and procedures to manage and monitor the performance of third-party employers and contractors in relation to labour rights and conditions; and • An express commitment (in a policy or plan) to not employ forced labour.
Potential for child labour to occur.	<ul style="list-style-type: none"> • Conduct age checks at the time of employment and retain evidence of this check; • Ensure all contractors conduct an age check; and • An express commitment (in a policy or plan) to not employ children
Potential impacts to worker's health and safety	<ul style="list-style-type: none"> • Apply a Business Ethic Code of Conduct ; and • Documentation of work-related accidents, illnesses and incidents, if any.



3. WORKERS ACCOMMODATION

This ESMS includes guidelines and standards that can be used to provide accommodation for their workers. LCI already provide workers accommodation in the form of housing allowance.

4. WORKERS GRIEVANCE MECHANISM

4.1. Introduction

This document presents the Workers Grievance Mechanism (WGM) that aims to ensure appropriate complaint procedures are in place for the fair effective and expeditious handling of workers' complaint alleging breach of the requirements of company policies and national labour law. This will be available also to contractor's workers.

All employees will receive training about the complaint procedure during their induction briefing. A complete set of Complaint Procedure will be handed to employees. The WGM should be accessible to all employees (including in local languages(s)).

4.2. Guiding Principles

The WGM will adhere to the following principles:

- The grievance process will protect the confidentiality of the worker (i.e. allow anonymous and non-retaliation grievance reporting);
- Easily accessible and adequately socialised to all workers;
- Commitment to resolve the grievance in a fair and proper manner;
- If no resolution can be found internally between the employee and the employer, then the employee will have recourse to the use of an external resolution mechanism as governed by relevant labour regulations;
- The process will prohibit retribution for filing complaints; and the process should be aligned to Indonesian labour regulations; and
- The process should be transparently disclosed and well-informed to all employees, contractor and subcontractors.

4.3. Procedure

The WGM's process is summarized in Table 4.1. All grievances shall be logged using the Workers Grievance Form (refer to Appendix A). Once a grievance has been raised, it will be assessed, investigated, and interviewed individuals involved in a complaint (e.g. those managing the workers, or those responsible for the activity or service that is raised in the grievance). All grievances received will be logged, documented, and tracked within the secure grievance database system.

Table 4.1 Workers Grievance Mechanism Process

Steps	Process
Step 1	Receive and log grievance
Step 2	Acknowledge grievance
Step 3	Assess and Investigate
Step 4	Grievance Resolution
Step 5	Sign-off on grievance
Step 6	Monitor



4.4. Monitoring and Reporting

Grievances will be monitored routinely as part of the broader management of the Project. This entails good record keeping of complaints raised throughout the life of the construction and operation of the Project. Grievance records will be available at all times.

Periodic internal reports will be compiled and distributed. These grievance reports will include:

- The number of grievances logged in the proceeding period by level and type;
- The number of stakeholders that have come back after 30 days stating they are not satisfied with the resolution;
- The number of grievances unresolved after 60 days by level and type; and
- The number of grievances resolved without accessing legal or third party mediators, by level and type.



5. LIVELIHOOD

Fishing is one of the local livelihoods in the area, although not the primary source of income of the community. According to focus group discussion (FGDs) with Lelean fishers in June 2022, fishing is not the primary source of income for the community in Lelean.

Mitigation measures to address potential impacts related to livelihood are listed in Table 5.1.

Table 5.1 Mitigation Measures for Livelihood

Impact Issue	Mitigation Measures
Potential loss of livelihood for those involved in the fishing industry	<ul style="list-style-type: none">• Disclose the grievance mechanism to the fishers and implement it appropriately throughout the Project's cycle;• Engage fishermen, who conduct fishing activities in affected areas by the Project with reasonable and professional efforts. This is done to help them understand the Project's overall impact on their livelihoods; and• Supporting social welfare programmes, development of relevant community development activities, and special projects that focus on affected villages, communities, and vulnerable groups will be ensured.



6. STAKEHOLDER MANAGEMENT

Potentially affected rightsholders have a right to be consulted, and to provide input on the activities that may impact them. It will be important that the Project continues to engage with its stakeholders, including vulnerable groups, to ensure they are informed of the Project, its potential impacts, their rights, and the process of communicating grievances. A lack of engagement could constrain a community's freedom of opinion, expression, and access to information and the right to access effective remedies.

Mitigation measures to address potential impacts related to stakeholder engagement are listed in Table 6.1.

Table 6.1 Mitigation Measures for Stakeholder Engagement

Impact Issue	Mitigation Measures
Potential for an accident or injury to occur involving a local stakeholder	<ul style="list-style-type: none">• The existing mitigation measures, specifically the navigation corridors and buffer zones, should be clearly communicated to stakeholders, and reinforced with stakeholders via multiple engagement channels;• Roll out the grievance mechanism and continue to reinforce with stakeholders how to access the grievance mechanism;• Grievances should be monitored so as to identify themes and trends. This information should be used to drive improvements;• Engage with Project stakeholders (to ensure they have adequate information on the Project schedule, activities and access restrictions (e.g., exclusion zones);• Explore opportunities to employ, local community to help establish and monitor the exclusion zone;• Arrange for relevant notices to be issued; and• Speak to Coast Guard, Navy and security personnel about the Project's commitments to respecting human rights.
Inability of stakeholders to participate and/or access remedy	<ul style="list-style-type: none">• Ensure the methods used to engage with stakeholders are accessible to vulnerable groups;• Ensure all workers (including contractors) are aware of their role in the engagement and grievance management processes;• Ensure that stakeholders are aware of how to access the grievance mechanism;• Ensure that grievances are addressed in a timely manner;• Promote Grievance Mechanism within the communities; and• Ensure vulnerable groups are informed of the ways in which they can communicate their grievances.



7. SECURITY PERSONNEL

According to the Construction Execution Plan, the Project will include guard houses across the Project Area and Laydown Area during the Construction Phase.

If not properly trained and monitored, Project security personnel may present risks to community safety and security. Commitment is made to closely evaluating and monitoring the behaviour of the security personnel.

Mitigation measures to address potential impacts related to the use of security personnel are listed in Table 7.1.

Table 7.1 Mitigation Measures for Use of Security Personnel

Impact Issue	Mitigation Measures
Impact associated with the selection of security contractors	<ul style="list-style-type: none"> • Conduct a risk assessment to identify security threats to determine the appropriate security requirements; • Conduct due diligence when selecting the private security provider, taking into consideration reputational, financial and operational factors. The due diligence should investigate potential security contractors' history of respect for human rights, business and personal reputation, management style and ethics of key executives, litigation and criminal offence history, training provided to employees, business licenses, equipment licenses etc.; and • Include a requirement of adherence to the International Code of Conduct for Private Security Services Providers in contracts, as well as provisions for the respect of Voluntary Principles on Security and Human Rights.
Impacts associated with the deployment of security contractors	<ul style="list-style-type: none"> • Clearly communicate private security plans and arrangements to relevant government stakeholders and arrange for relevant notices to be issued – such as notice mariners or other responsible authorities; • Coordinate regularly with state forces including law enforcement in the area. This should include the sharing of risk information, and clarification of roles, where applicable; • Include provisions into policies and procedures that stipulate that private security providers should not violate employee rights to freedom association and collective bargaining; • Provide specific pre-deployment training and regular refresher training regarding respecting human rights for security personnel. • Implement regular performance monitoring to confirm compliance with Voluntary Principles on Security and Human Rights. Any identified gaps should be addressed through additional training, or other appropriate actions; and • Record all allegations of misconduct by private security providers and conduct investigations into credible allegation. Take appropriate disciplinary or remedial actions based on the outcomes of the investigation. Make appropriate changes to existing procedures and policies based on lessons learnt from the incident.



APPENDIX A. WORKERS GRIEVANCE FORM

Workers Grievance Record

Grievance Number	
Date Submitted	
Complainant Contact Details (if applicable)	
Grievance Received By	
Name of Grievance Coordinator (if applicable)	
Description of Grievance	
Assessment of Grievance Level	
Notification to CEO or Other Senior Management (Y/N)	

Actions to Resolve Grievance

Action	Who	When	Completed (Y/N/Date)
Resolution			
Sign-Off			

Conclusion

Is complainant satisfied? (Y/N)		Comments from Complainants	
Grievance closed? (Y/N)			
Grievance Resubmitted? (Y/N)			