

Joint statement by the German National Contact Point for the OECD Guidelines for Multinational Enterprises on a complaint by Indocement Union, SP-ITP, the Federation of Indonesian Cement Industry (FSP-ISI), by the Confederation of Indonesian Trade Unions (CITU-KSPI) and by IndustriALL Global Union against PT Indocement Tunggal Prakarsa, Indonesia and HeidelbergCement AG, Germany

On 29 Mai 2013 the Indocement Union, SP-ITP, the Federation of Indonesian Cement Industry (FSP-ISI), the Confederation of Indonesian Trade Unions (CITU-KSPI) and IndustriALL Global Union (hereinafter referred to as "the complainants") submitted a complaint to the German National Contact Point for the OECD Guidelines for Multinational Enterprises (NCP) against PT Indocement Tunggal Prakarsa, Indonesia and HeidelbergCement AG, Germany.

The complainants uphold that Indocement did not maintain the appropriate level of respect for the union and that its actions therefore acting against Chapter V.1. a) and b) of the OECD Guidelines. The complainant also took the view that Indocement did not support the union and thereby acted contrary to Chapter V. 2 a) of the OECD Guidelines. Furthermore, Indocement has been accused of having violated Chapter V. 7 of the OECD Guidelines by transferring union leaders to other units of the company.

Indocement made its standpoint clear that it doesn't share the union's view but wanted to continue the good cooperation with the unions as it had been before the incidents mentioned in the complaint in 2012.

The OECD Guidelines for Multinational Enterprises, as part of the OECD Declaration on International Investment and Multinational Enterprises, present recommendations for responsible corporate conduct in the case of investment abroad and function on a voluntary basis. The governments of the OECD Member Countries and other participating countries have committed themselves by way of their respective National Contact Points to promoting the use of this voluntary code of conduct and to helping to arrive at solutions to complaints via confidential mediation involving relevant partners.

In line with the Procedural Guidance for the OECD Guidelines for Multinational Enterprises, the NCP conducted a first thorough evaluation, which was also based on a statement by HeidelbergCement AG, Germany, to examine whether the questions raised in the context of the complaint justified an in-depth investigation. The NCP concluded this evaluation on 26 November 2013, making the decision to accept parts of the complaint and to offer assistance with resolving the following points:

- Achieving better co-operation between Indocement and the unions (if possible);
- Helping employees overcome possible scepticism about involvement in a union/possible fears of union membership.

The NCP did not accept the complaint regarding a specific incident on 7 September 2012, mentioned in the complaint, as there had been criminal proceedings pending at the Indonesian courts.

Following this partial acceptance of the complaint the NCP prepared for the mediation. A mediation meeting with the complainants and the respondents was held on May 21st 2014 in Berlin connected by videoconference to Indonesia. Both sides had been given the opportunity to present their views on the issues in written comments.



As a result of these procedures both parties agree on the following points:

1.

In relation to the point on relocation of the premises the union can accept the new relocated premises. It is a common understanding that union and union members are not hampered in their activities. Whatever warning letters have been issued in this context have expired and are not valid any more.

2.

Both sides underline, that safety and security of the workforce within company's premises - including union members- has to be guaranteed. Both sides underline that a good relationship with the local community is crucial for company and unions. Indocement and HeidelbergCement already have a good working CSR program in place. Both sides agree to put CSR projects on the agenda of the regular meetings of the union and the management. This would show the involvement of the union in the programs. That could demonstrate to the local communities that management and union share the same interest in regards to CSR policies.

3.

Both sides agree that union leaders, which means the negotiation team, perform specific functions. This has to be taken into account also in cases of intra-company transfers. A transfer or threat of transfer without consent of the union leader can only be considered as an exception. It is in this view, that the company management will reconsider the individual cases in this complaint.

4.

Both parties underline the right of union chairpersons to visit workplaces even if not part of the workforce, and on the other hand respect the rights to act in accordance with local legislation and the collective agreement.

The parties agree that by means of the mediation process at the NCP the alleged complaints have been clarified and resolved by further bilateral dialogue.

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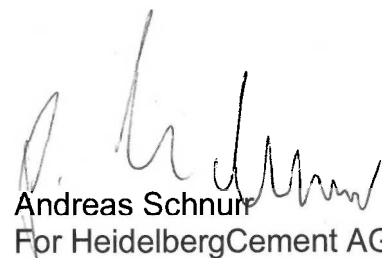
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