

K I R O Y A N PARTNERS

STRATEGIC COMMUNICATIONS

BUSINESS

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COMMUNICATION ON PROGRESS 2011





As a signatory to the Global Compact, Kiroyan Partners reiterates its commitment to support the Global Compact and its principles that protect and support the enforcement of Human Rights, Labor, Environment Conservation and Anti-Corruption.

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HUMAN RIGHTS

"Businesses should support and respect the protection of internationally proclaimed human rights, and make sure they are not complicit in human rights abuses."

Kiroyan Partners (KP) is a strategic consulting firm in the field of communications and stakeholder management that is committed to protecting and upholding Human Rights in its business conduct. This commitment is clearly stated in one of the principles of KP, which is Respect. This principle implies that interaction within the company as well as with all stakeholders of the company must be based on equality and respect toward each other.

KP's concrete action in respecting the principle of human rights is reflected in the company's commitment to fulfill employees' rights. This includes fundamental rights to health and safety at work, maintaining a working environment that is conducive to personal development and freedom of expression. Health is highly prioritized at KP. The company provides health insurance for each employee and tolerates home rests if a person gets ill.

KP pays careful attention in maintaining a safe working environment. The Management places these aspects as one of the foundations for the company's effective performance. KP believes that company performance is greatly supported by a secure condition and comfortable working environment. Commitment is shown through the provision of security facilities in the office. Security and Safety facilities include first aid kits, fire extinguishers and an office entrance system that can only be accessed by employees. This concept makes the office a safer place for KP's employees. In order to achieve a comfortable working environment within the team, KP promotes the principles of personal integrity, individual excellence, and teams are bigger than individuals. These principles guide the employees to develop a comfortable working environment for all.

Another KP effort in sustaining the fundamental rights of all workers is the grievance mechanism. Each employee of KP has the right to speak and convey arguments, opinions or suggestions to the Management. All suggestions and inputs are gathered and would later serve as the basis for determining policy. However, in the past year, not all employees have utilized the opportunity to express their grievances or provide input to the company. Therefore at the end of this year, KP will conduct an evaluation meeting

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where employees will be able to evaluate themselves and receive feedback from the Management. Professionalism will be the basis of this evaluation. The evaluation session is hence expected to also function as a forum to exchange ideas and improve future policies.

KP is an equal opportunity employer that recruits employees on the basis of competency and suitability to the job alone and does not discriminate on the basis of faith, gender or ethnicity. The same principles apply to promotion within the company.

During the one year period after the first CoP submission there has been no serious problems of human rights violation both internally and externally. Internal commitment as previously described will be continued as a form of KP's commitment in supporting the Global Compact. Additionally, KP also has and will continue the policy of assessing each project contract before the execution in order to prevent potential Human Rights abuses.





LABOR

"Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labor, the effective abolition of child labor, and the elimination of discrimination in respect of employment and occupation."

KP's work performance is heavily dependent on a sound relationship between the management and the employees. Based on this fact, KP puts serious concern in maintaining its employees. As a new company that is still in the early stage of establishment, KP has always been committed to improving the work performance of the employees. A manifestation of this commitment is reflected in the company's policy and regulation document that will be effective at the end of this year.

To ensure that employees' rights and obligations are fulfilled, KP makes its decisions based on the Manpower Law and input from employees. Allocation of resources is decided jointly by the management and the employees themselves. To prevent excess work that may overload the employees, the Management has special policies such as outsourcing employee and balancing the number of projects accepted with the availability of resources. The consultants are entitled to hourly fees in addition to their basic salary upon completion of a project, while the administrative division will receive bonuses for satisfactory performance.

As a company that puts forward professionalism, KP stresses on improving and advancing employees' careers and competencies. After careful evaluations, KP will give a promotion to outstanding employees who have proven themselves in their work performance and pursuit of professionalism. Similarly, recruitment and termination processes are also based on the principle of professionalism.

Aside from professionalism as one of its labor principles, "Good is not good enough" is also a principle of KP that consistently encourages and facilitates its employees to undergo trainings for their personal and professional development. This is an example of the company's effort to support its employees. Training is intended to improve skills and

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encourage career advancement. In practice, every single employee has an equal opportunity to receive trainings. Employees who have received training are encouraged to share their competency acquired from the training to their co-workers. Thus, the ability and competency of employees can be improved together.

Moreover, to maintain a sound relationship between the employees and the management, the company allows for the opportunity to express thoughts, criticism, and opinions. This form of freedom of speech is applicable for both the employees and the management. To facilitate this discussion, KP holds retreat activities. The next retreat is planned for December 2011.

Reflecting on the past, KP will always be committed in maintaining a good and professional relationship between the management and employees. KP respects every person's rights and dignity. The Management will not hesitate to reprimand employees for any mistake, and on the other hand, the management will not hesitate to apologize when they make a mistake. Effective systems and policies will continue to be implemented and KP will make improvements to the policy which is considered disadvantageous to a particular party.





ENVIRONMENT

"Businesses should support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies."

As a Global Compact Signatory, KP also gives special attention to environmental issues. In its capacity as a consulting firm, KP's works are not always directly related to environmental issues. However, KP has adopted corporate policy concerning the environment. KP's environmental policy focuses on energy saving and recycled goods utilization.

KP's office is decorated by plants that improve comfort, aesthetics and air circulation at the workplace. KP pays careful attention to maintain the vitality of these plants by applying regular maintenance. Energy saving is also one of KP's environmental policy to support the Global Compact principles for conserving environment and natural resources. KP employees are accustomed to making sure that lights and appliances are turned off when they are not in use, as a way to save energy. In addition, the office was designed with an energy efficiency mechanism in mind. The construction of the office is dominated by large panes, allowing incoming sunlight as alternative lighting source.

Starting this year, KP took on a new approach of recycling papers by involving a third party as a service provider. In the new system, all used papers are destroyed and then recycled into reusable paper. The old paper shredder is thus no longer needed. This new system is suitable with the environment protection effort, as it saves electricity by not using the paper shredder, and at the same time reduces paper consumption by using recycled paper.

KP believes that every little step to save the environment brings us closer to a better environment. The approaches explained above are the little steps that were taken this year by KP in order to safeguard the environment. KP is committed to contribute to sustainability of the environment in the years to come.





ANTI-CORRUPTION

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

KP's first principle, Ethics and Social Responsibility, clearly illustrates the promotion of the ethical practices in all corporate actions. One implementation of KP's ethical practice is by saying no to all forms of corruption. The anti-corruption action is embedded in the company's long-term commitment in maximizing the company performance.

In an effort to maintain this commitment, KP conducts an assessment for every potential project. If there is any sign leading to corruption, KP would question or revise its commitment to the potential client. As a professional company and signatory of Global Compact, KP prefers losing a project rather than engaging in an act of corruption.

The anti-corruption principle has also been applied internally. The flow of funds is always monitored by at least two people, particularly in the disbursement process. Furthermore, KP also hires a public accountant to annually audit the company's finances.

The anti-corruption commitment is also demonstrated in the new recruitment process and the employees regulation. In the recruitment process, KP sets the anti-corruption act as a prerequisite for all applicants. The commitment is broken down in the company regulation, which defines that any employee who commits an act of corruption will be released directly.

Although KP has yet to have a written policy in regulating the act of anti-corruption, the norms have been internalized collectivelly as the value for each employee in refusing any form of corruption. KP will remain and continue to fight against corruption in alignment with the principles of the Global Compact.



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