



This is our Communication on Progress in implementing the principles of the United Nations Global Compact.

We welcome feedback on its contents.



COMMUNICATION ON PROGRESS 2013



Entering the fourth year of the Global Compact membership, Kiroyan Partners still continues its commitment toward its support to Human Rights, ethical business practices, environmental protection, and efforts toward combating corruption activities.

We assert this support through renewing our pledge to uphold the principles of the Global Compact.

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HUMANRIGHTS

"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 consulting firm in the field of strategic communications and stakeholder management who is always committed to protect and uphold the fulfillment of basic human rights in its business operations. KP's commitment is illustrated in its daily operations and is represented through one of KP's business principle: Respect. This principle conveys that the internal as well as external interactions with stakeholders must be based on equality and respect.

In fulfilling its commitment to uphold Basic Human Rights, KP highly takes great care in fulfilling the basic human rights to speak one's views, to ensure a healthy and safe working environment, and ecologically friendly environment, and a general atmosphere that support the personal development of each of its personnel. Every KP personnel are ensured to obtain those rights without exception.

Implementing the basic right to express one's views is not just through setting a policy, but also gets implemented in the daily working environment at KP. Every week, all team members, management, and the administrative staff get together to conduct a project review to discuss all the developments in KP's business. The project review activity is not only used to explain the activities and project progress updates from the consulting team, but also used to express viewpoints, opinions, and even criticism toward team members and the management.

Aside from the regular weekly event, KP's open management system allows each member of the team to convey their thoughts directly to the management. Recommendations from team members are not only used for formality's sake, but are used by KP to identify rooms for improvement. KP's management is committed to make those inputs from employees as important elements in determining the company's policy.

KP pays great attention to a healthy and safe working environment. The management believes that those two things will become the bases for an effective and optimal work performance. KP's commitment in creating a safe working environment is illustrated from the various safety facilities provided at the office. KP always checks and provides safety facilities such as first aid equipment, a fire extinguisher, and an entrance system that can only be accessed by employees.



Aside from providing a safe working environment, KP also applies policies to guard the health of its employees.

KP provides lenience for each team member not to be physically present at the office when he or she is physically ill. The company tolerates illness-related absences and is not counted as annual leave. Moreover, besides providing a government-decreed worker social security system, KP also ensures that each employee obtains health insurance.

Aside from encouraging and respecting human rights internally, externally KP also voices the importance of upholding basic human rights to clients as well as other stakeholders. KP does this among, others, by conducting an assessment to each work contract with a client before implementing the work to anticipate any basic rights violation. KP believes that each business operation will not achieve sustainability unless it pays attention to uphold basic human rights on all fronts.

During the one-year perioed since the CoP 2012 was issued, KP never had a serious problem regarding basic human rights. KP is committed to continue it support to uphold and respect the principles of basic human rights and to try to minimize various risks relating to human rights.

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."

As a professional company, KP places great attention to all its employees. Moreover, as a service industry, the performance of KP highly depends on the performance of its employees. KP prioritizes building and maintaining good relations among all its employees and has made it part of its policy. Since two years ago, KP has institutionalized its commitment by formulating a company policy that was developed based on the Indonesia Ministry of Manpower.

KP treats all its employees in a professional manner since the recruitment process. KP currently consists of team members from various professional and educational backgrounds. The differences between among team members are used to strengthen KP's business operations based on the principle of professionalism. During the working, workload allocated to each employee gets decided collaboratively with management, in accordance with the staffs' competence levels and fields of expertise. In playing the role as team member as well as the company's manager, KP's management always synergizes between the amount of projects taken and the availability of resources. This is intended to prevent overload to any one member.

KP's working atmosphere, as stated in the Basic Human Rights section, encourages employees to express viewpoints, opinions, inputs, and criticisms to the company. The company always provides opportunities to its employees to interact in various formal events such as the weekly meeting, lessons learned forums, the company's annual retreat. During those activities, the employees can collectively identify problems and discuss solutions. At the same time, team members can also share their achievements and what can be possibly applied to other projects.

Aside from allowing for the differences of opinions, KP also provides its employees with fair wages. Besides providing a salary value that is competitive to similar firms, KP also provides an award to an employee who possesses an excellent performance. KP also pays attention to the career development of each of its staff. Through an evaluation process, KP will promote employees who have achieved excellence in their work and professionalism, and will provide a bonus to employees who have achieved stellar performance. Both of these award systems get decided objectively by the company's management.



KP gives special attention to increasing its employees' capacities. The company pushes and facilitates its employees to pursue personal development programs such as training programs and courses. Every team member that receives training will then share it to other team members. This will not immediately cause an increase in the team's collective capacities. However, KP believes that a company will be strong and sustainable if it is equipped by employees who are strong and competent.

Every end of the year, KP conducts performance review for each employee. The review serves as a platform for the employee and the management to discuss his or her performance during the past year, including expectations and targets that will be achieved for the upcoming year. This is part of KP's managerial system to evaluate one another. The review results will serve as reference for improvements for the employee and the company.

Reflecting on the previous year, KP will continually improve its system and company policy. KP will continue its commitment to maintain good relations between employees and management based on ethics and professionalism.

ENVIRONMENT

KP's operation as a consulting company does not directly have an impact toward the environment. However, this fact does not reduce the commitment of the company to conserve the environment. The policies and environmental-related activities of KP focus on saving energy and recycling non-renewable materials.

All KP team members conduct energy-saving activities. The energy-saving activity includes the usage of electricity and water. KP's office layout also consists of large window to ensure adequate sunlight to support the office's artificial lighting. KP's office also includes the placement of several plants inside the office to increase comfort and improve air circulation. The plants are regularly tended to by professionals. The energy-saving process is not applied through a certain policy, but through encouraging certain energy-saving habits. The purpose of encouraging these habits is to encourage an energy-saving company culture for KP's personnel.

Aside from saving energy, KP also applies its commitment toward the environment by having a paper-recycling system in place. In the past two years, KP recycles all used paper. The recycled paper is then reused for KP's activities. Implementing the paper-recycling system is more environmentally-friendly compared to using the document-shredding pattern that is still practiced by many corporations.

Further, KP conducts other efforts to conserve the environment by reducing the use of paper copies. The company encourages every employee to use soft-copy document to minimize paper use. The company also encourages employees to keep data in a soft copy format. In addition, KP has also started subscribing newspaper in e-paper format gradually. This work pattern is expected to reduce the company's paper consumption.

Externally, KP also communicates the importance of conserving the environment to all its stakeholders. KP also emphasizes its clients on the importance of preserving the environment in all its CSR activities.

KP believes that any effort to preserve the environment will result in a better future for the planet. KP commits and emphasizes its statement to continue to support to the principles and activities relating to environmental protection.

"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."



ANTI CORRUPTION

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

KP realizes that as a consulting company, the business may be exposed to corruption-related activities. Since its inception, KP mitigates that risk by working based upon the first two principles that KP holds dear, which are Ethics *and Social Responsibility*. This principle clearly becomes guide in acting ethical at all levels.

Since its establishment, KP never found a problem relating to its employees, or as a corporation, in acts relating to corruption. This condition is supported by an administrative and finance system that is transparent, monitored directly by the management as well as the company as a whole.

To prevent internal corruption practices, KP conducts it beginning from the employee recruiting process. The commitment not to be involved in any corruption act is the main criteria for each candidate. This commitment is included in the company policy that states that any employee that is proven to have committed a criminal act, has automatically resigned from the KP team. Externally, KP encourages each client and stakeholders not to get involved in corrupt practices.

Although KP does not yet have a written policy regarding anticorruption, the anti-corruption norm has been internalized as a personal value for all KP employees. KP will continue to fight corruption to uphold good corporate governance, and also to uphold the principles of the Global Compact.





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