



## **Communication on progress 2008 - 2009**

Company Name : PT. EXPRESS TRANSINDO UTAMA

Address : Express Group Building  
Jl. Sukarjo Wiryopranoto No.11  
Jakarta 11160

Country : INDONESIA

Contact Name : Daniel Podiman

Contact Position : CEO

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Date : September 7th , 2009

Membership date : April 8<sup>th</sup> , 2006

Number of Employees : 780 persons

Sector : Transportation

### **Brief description of nature of business**

PT. Express Transindo Utama is a subsidiary company of Rajawali Corporation, a holding firm with a number of diverse businesses in Indonesia. The company operates taxi, fleet management and Limosine Services. The taxi service is the second largest land transportation operator in Indonesia with more than 3,000 unit's taxis, Fleet and Limousine by July 2009. Its biggest fleet serviced the country's capital, Jakarta, and a smaller fraction operated in the cities of Semarang, Surabaya, Bali, Lombok and Medan.

## **I Statement of Continued Support**

Express Group as a subsidiary of PT. Rajawali Corpora is proud to be the member of the United Nations Global Compact. We are committed to the Global Compact initiatives and uphold its ten principles pertaining to human rights, labor rights, protection of the environment and corporate governance. We believe that by adhering to this core set of universal values which are fundamental in meeting the socio economic needs of the world, we would be able to foster sustainable growth.”

Daniel Podiman

CEO

PT. Express Transindo Utama

## II Introduction

This business has taken a long journey since it started in 1989. We have gone through plenty of obstacles, which of course include the 1997 economics crisis which was a tough period for any industry. Prior that period we have found the most appropriate operational system in operating a taxi company, which is the partnership system. It is where our drivers regarded as working partners and have the change to personally own the taxi unit that they operate through a mutually agreed terms and conditions.

Through this system Express Group not only can survive in the second economic crisis in 2007, but also grow rapidly. We are proud also that this business model has been selected by UNDP as a case study of how a business can helped address poverty problem in Indonesia by forging mutually beneficial partnerships with drivers from urban and rural poor communities (<http://www.unglobalcompact.org> - Rajawali's Express Taxi: Working with taxi drivers as business partners).

In the present tight competitive era, Express will, in fact, expand the business form a merely taxi operator to a full land transportation such as fleet management, Limousine services and recently we launch our Premium taxi – Tiara Express, which is a new kind of seven seat premium taxi which integrate all the IT technology within. This is a new kind in Indonesia and probably in the world. The most important thing with this product, the car is using (Liquefied Petroleum Gas) as fuel which is environmental friendly.

To support the environmental program, some of our motor pools have installed solar electric power. We hope our participation through this program will able to reduce number of carbon pollution on the air because we are able to minimize the use of electricity for pool lighting.

We still continue to launch our CSR program activities this year where we sponsor a scholarship program for performer student of our driver's children's. The scholarship program in for elementary, junior high school, senior high school and university student. Those children who performed in the school will have a change of received a financial support from the company.

"Safety Driving" this year became a mandatory training program for all drivers. This is a full day training program for drivers and we targeted to train about 2500 drivers this year.

We start setting up a Health, Safety, Environment team, where this team could help the company environmental awareness. We hope that within two year we could receive ISO 18000.

With these entire programs "Express Group" as one of Rajawali Corpora business units remains committed toward continuing support to the Global Compact initiatives. We hope that those programs will have meaningful impact to our society.

We look forward to a prosperous and sustainable future.

### III The Implementation of Global Compact Principles

#### HUMAN RIGHTS

##### PRINCIPLE 1

##### BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

Express Group committed to support the United Nations Universal Declaration of Human Rights and has been an important part of our commitment to social responsibility since years ago as shown on our implemented company policy and programs below:

##### **Company Policy and Code of Business Conduct**

The Company Policy and Code of Business Conduct are in place and implemented. The policy document is updated regularly and serves as a guideline for the management and employees in conducting the business.

##### **Rights of Workers**

Rights of Workers are stipulated in the Human Capital Policy. It covers among others:

- **Health & Safety**

We have established comprehensive and adequate allowance including medical, transportation allowances, health assistance, and safety and security procedures so the employees can have a favorable working condition and support their well-being.

- **Education**

Express group provides soft skills and technical education training for employee development in order to support business as well as employee development training need. We targeted in the year 2009, each employee will receive an average of a minimum of 2 days personal development training.

##### **Customer Care**

In order to maintain customer satisfaction Express group provide customer care program to support customer complaint and feed-backed. This facility also can give quick complaints handling when they arise, where our customer could call directly to our hotline number for any inquiries and customers complaint.

##### **Education of Drivers**

As our business model is partnership with the drivers, Express group provide training and personal development program for our partners (Drivers) such as; “Basic Service training”, “Service Excellent training” and “Safety Driving training”. Each training take

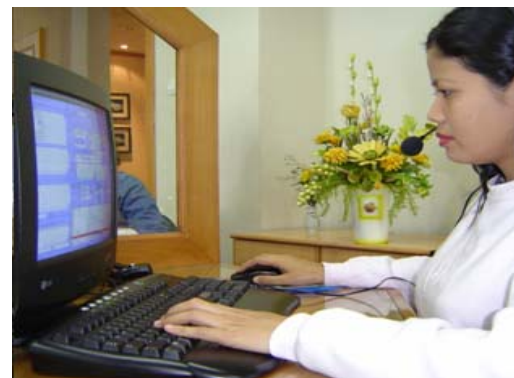
for one day training time, and all partner (Drivers) much to attend this training within one year prior of joining the company. We have build drivers training center room in every city of our operation. Two for Jakarta and one for every city we operate.

### Number of Driver Attended the Training

No	Type of Training	Number of Driver		
		2007	2008	2009 (Jun'09)
1	Basic Training (one day)	570	800	200
2	Service Excellent (one day)	980	1579	2350
3	Safety Driving (one day)	0	0	1730
<b>GRAND TOTAL</b>		<b>1550</b>	<b>2379</b>	<b>4280</b>



Employees class picture "Service Excellent & Mentality" Training



Call Center

## **PRINCIPLE 2**

### **BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES**

Express Group is committed to avoiding complicity with human rights abuse in all areas of its operation.

We ensure that there is no employee in the work place under intimidation and threaten in expressing their ideas. Policy is in place in line with the principle and implemented. The policy is defined in the Human Capital Policies & Procedure such as:

- **Harassment & Discrimination Policy**  
All employees should be able to work in an environment that is free from harassment and discrimination including that of race, ethnic, color, religion, national origin, disability, marital status, age, sexual orientation, or gender.
- **Employee Wellness**  
Company provides comprehensive wellness facilities. These include:
  1. Medical & transportation allowances;
  2. Health assistance;

3. New Year bonus equivalent to one month salary
  4. Special assistance/emergency loan offered to our employees affected by crisis, such as grievances (i.e.: death, prolonged sickness,) natural & fire disaster; employees' leaves (Annual Leave, Long Service Leave,
  5. Maternity Leave, Sick Leave, Compassionate Leave, Hajj Pilgrimage Leave, and Unpaid Leave); employee transfer/relocation entitlements for those who are relocated at the company's request, which include: housing allowance, educational allowance for the children, additional vocational leave, home trip, and cost of living allowance
- **Violations**  
To exercise fair treatment and ensure all actions are justifiable, the company implements sanction procedures for any violations made by employees.
  - **Termination of employment**  
To ensure that all termination actions are justifiable, properly administered and executed according to the prevailing government laws and company policy/regulations, the company sets termination procedure and exit interview for any termination. There are two category of termination: company initiated termination and employee initiated termination. Employees whose employment is terminated may receive severance compensation according to the prevailing government policy.

#### **Drivers Children Educational Scholarship Program**

As part of our Corporate Social Responsibility program, special scholarship program is also available for our Drivers Children. This scholarship is granted to the best performance student of our driver's children. The scholarship program is open to elementary, junior high school, senior high school and university student. The student will receive a financial support from the company periodically.

#### **Number of Student Received Scholarship from Express Group**

No	Education Level	Number of People		
		2007	2008	2009
1	Elementary School (SD)	12	12	21
2	Junior High School (SMP)	8	10	20
3	Senior High School (SMA)	8	10	20
4	University	6	8	20
<b>GRAND TOTAL</b>		<b>34</b>	<b>40</b>	<b>81</b>

#### **Welfare**

We offers Taxi Ownership Scheme to improve the living standards of its drivers by providing access to financing for 6,000 drivers to own assets (i.e.: a car) as well as access to market and skills training.



Car ownership certificate delivery by our CEO



Distributing the scholarship to drivers children's

## LABOUR

### PRINCIPLE 3

#### **BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING**

Express Group commitment is to gives opportunity to all employees to join worker association/union for the personal protection and collective interest as stipulated on the company policy. The company will facilitates communication programs to allow dialog with employees in order to understand their aspirations. The formation of association or union is stipulated in the policy manual. Employee can form the organization so long it adheres to the company policy and code of business conduct. Currently we have labor unions and cooperative.

Our commitment to complies with the Indonesian employment law no. 13 year 2003 (Undang undang ketenagakerjaan no.13 tahun 2003) wherein employees are free to joint any trade union of their choice.

### PRINCIPLE 4

#### **BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR**

Express Group does not engage in any forced and compulsory labor. The company commitment to forbid any form of compulsory labor in any of its area of operations, or by any of its business partners.

Our company regulation for employee complies fully with the Indonesia employment law no.13 year 2003 for all cases pertaining terms and condition, standard working hours, procedures and payment of overtime for eligible employees, disciplinary action



and termination of employees. The compliance of our company regulation for employee was approved by Jakarta office, department of Labor of Indonesia on 19 December 2007. The approval is valid for 2 years.

## **PRINCIPLE 5**

### **BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR**

Express group is against the illegal use of child labor, exploitation of the work of children and all other unacceptable forms in the treatment of workers. Our policy is not to work with suppliers and contractors whose labor practices are reproachable, such as the use of child labor. The company policy stipulates that the minimum age of employee to be hired is 18 years old. No child labor.

### **STRUCTURE OF EMPLOYEE BASED ON AGE'S RANK**

AGES	MANAGEMENT			NON MANAGEMENT		
	2006	2007	2008	2006	2007	2008
Less than 18 years old	0	0	0	0	0	0
18 - 20 years	0	0	0	8	15	16
21 - 30 years	0	1	1	222	225	261
31 - 40 years	9	10	15	199	217	288
41 - 50 years	10	12	12	135	148	159
51 - 55 years	1	1	1	9	12	13
above 55 years	2	3	3	1	1	1
<b>TOTAL</b>	<b>22</b>	<b>27</b>	<b>32</b>	<b>574</b>	<b>618</b>	<b>738</b>

## **PRINCIPLE 6**

### **BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION**

#### **Harassment & Discrimination Policy**

Express group is committed to support equal employment opportunities , diversity and inclusion of its employees and does not discriminate against them including race, ethnic, color, religion, national origin, disability, marital status, age, sexual orientation, or gender. Policy is in place and implemented.

Express group strive to ensure a safe and healthy working environment for all employees and free from harassment.

Express group provide opportunity fairly to all employees to get higher salary



improvement based on target achievement and performance appraisal. Promotion is fully based on individual performance and potentials, evaluated by immediate superior, and approved by superior's superior and Chief of Human Capital.

## ENVIRONMENT

### **PRINCIPLE 7**

#### **BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES**

Express group support the Rio Declaration on Environment and Development, which outlines the concepts of a precautionary approach to environmental challenges, promotion of greater environmental responsibility and development and diffusion of environmentally friendly technologies.

We have started to set up a Health, Safety, Environmental committee that will be responsible to advance environmental awareness within the company. The committee comprising of senior management, will review compliance requirements, approved plan and monitor their progress. We set a target to receive an ISO 18000 certificate within two year.

### **PRINCIPLE 8**

#### **BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY**

As a responsible corporate citizen, the company have initiated some programs related to the environment protection such as:

1. In all our motor pool facilities we planted trees to support the government project of green environments.

#### **Number of Trees Planted at Pool Location**

Pool Location	Number of Trees	
	2007	2008
Motor Pool Cipondoh C	176	0
Motor Pool Bekasi A	125	0
Motor Pool Jagakarsa	0	325
Motor Pool Bekasi B		225
<b>TOTAL</b>	<b>301</b>	<b>550</b>

2. Conducting bio-pori (bio surface water absorption) system in all of our motor pool to reduce water surface.

## **PRINCIPLE 9**

### **BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES**

One of the several commitments Express group makes in regard to environmental control is the use of innovative technologies to reduce environmental impact in all of the companies operations.

To support the environmental program, some of our motor pools have started in converting the use of electric light from electric city to the use of solar electric power. We use the solar power for our motor pool lighting. Through this program we have minimize the use of electricity consumption which produce from the fossil energy.

In 3<sup>rd</sup> quarter of year 2008, Express group launched a premium taxi which is a Toyota Alphard. This premium taxi is environmentally friendly since it uses Liquefied Petroleum Gas (LPG) as fuel. We hope that this initiative will contribute indirectly to CO2 emission reduction.

## **AGAINST CORRUPTION**

## **PRINCIPLE 10**

### **BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY**

#### **Code of Business Conduct**

As a subsidiary of Rajawali Corpora we have to comply with a set of guidelines for our company in conducting business. This includes:

- Compliance with Laws, Regulation and Group's Policies
- Ethical Business Conduct and Fair Dealing – with customers, suppliers, employees and others with whom we have a relationship.
- Conflicts of Interest – No to: Outside Engagement, Insider trading & Gifts and Entertainment

At Express group every employee has to sign a statement of awareness and commitment to follow our company regulation. This commitment is renewing for every two year after they attended a presentation about company regulation which is conducted by Human Capital Department.

## IV The Outcomes

- Express group believes that the training provides supplemental education for the drivers which they otherwise would not have access to. They not only develop new skills, but also improve their knowledge and attitude towards work and personal relationships, which has a long-term impact in their lives as indicated by the results of the training impact assessment report. The training intervention has also helped the company build its reputation as a reliable and dependable transportation service provider in Indonesia.
- As a result for having customer care center and Education Center, Express Taxi has gained several acknowledgments for its works and achievements from government and independent organization.
- In 2008, our taxi was awarded as second best service Taxi Company operated at Soekarno-Hatta International Airport.
- In year 2008, Call Center division which is the heart of our services was voted number 2 in Call Center Excellent Index in the field of transportation service in Indonesia. The award was presented by Center for customer Satisfaction and Loyalty (CCSL), an independent company that always keeps their attention on monitoring call center performance in Indonesia companies.
- The Company / brand is widely trusted or perceived as clean, safe and reliable taxi.
- Express group taxi has helped address poverty problem in Indonesia by forging mutually beneficial partnerships with drivers from urban and rural poor communities. From year 1997 up to August 2009 Express Group have given 1595 cars to drivers which their taxi operation license has been expired. Those cars now owned by the drivers and use for private purposes.
- The partnership also provided a sense of pride to the drivers to be regarded as business partners of the company.
- The model has also brought financial stability to the company based on a building reputation as a reliable, safe and efficient service provider.
- The drivers also improved their economic status, gained new skills and knowledge, and improved their sense of service and pride in their profession. In 2007 & 2008, our drivers was elected as one of the best driver in Jakarta

### Express Group Drivers Achievement

Year	Drivers Names	RANK
2007	Mr. Kasnoyatmoko	2nd best driver DKI Jakarta Region
2008	Mr. Alyasman Mr. Mulyono	1st best driver DKI Jakarta Region 1 <sup>st</sup> runner up best driver DKI Jakarta Region 3rd best driver for National (Indonesia)
2009	Mr. Imam Afiatman Mr. Mulyono Mr. Haerudin	1st best driver DKI Jakarta Region 2nd best driver DKI Jakarta Region 1st best driver DKI Jakarta Region



Scholarship Student talk with EG CEO



Students received scholarship program



Service Excellent Training



Service Excellent Training Class Picture





Kasnoyatmoko 2<sup>nd</sup> best driver DKI 2007 received an award from Governor Jakarta, Sutiyoso



Alyasman 1<sup>st</sup> best driver 2008 DKI Jakarta (no.1 from left) preparation ceremony to received the award



Company appreciation for those drivers who received the best drivers award for 2008



Company appreciation for those drivers who received the best drivers award for 2009 (presented by EG Board member)

## Drivers' Success Story

### Harry Suhaery

Harry was born in Jakarta year 1951 and has with Express Group since June 1990. " Working by Joining a partnership program with Express Group make me thankful to God, because of Express, I can send my children to reach their dreams" Said Harry. Now, he had 2 cars, Ford Laser and Soluna. He has own house in Karawaci and his children can have a better education and continue their study in university, even one of his child has completed the study and being a Veterinarian





### **Jumadi**

Jumadi was born in Semarang year 1964. Joined Express since 20 years ago. This humble person had 3 cars already. He has a nice and warm house in Pamulang and 2 (two) acres of plantation at his village. He was able to send his five kids to study. "My first son is now working for Shell company" added him proudly.