



**KIROYAN  
PARTNERS**  
STRATEGIC  
COMMUNICATIONS  
BUSINESS  
SOLUTIONS

**UN GLOBAL COMPACT**

**KIROYAN PARTNERS**  
COMMUNICATION ON PROGRESS 2015

October 11, 2015

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This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

## OUR **REPORT** THIS YEAR

Reflecting upon our Communication on Progress (COP) documents for the previous years, we seek to develop a more comprehensive report to expressing higher appreciation to the notions of Global Compact Principles. We intend to show our implementation and commitment to doing business that is responsible in the areas of Human Rights, Labor, Environment, and Anti-Corruption — by referring to the ten principles of Global Compact.

Our operation during the reported year has achieved notable progress, particularly in the area of Human Rights and Labor. Being a small company with few amount of employees, it is our greatest intention to creating a work environment that is comfortable and rewarding for our employees — or as we like to call it, our team.

Progresses made are presented in this report, while some practices in the four areas of Global Compact that have been implemented since the previous years are also mentioned to further convey our continuity in realizing our commitment. It is in our goals to take our report up by a notch for the following years in the spirit of improving our adherence with the Global Compact Principles.



"Kiroyan Partners has consistently pledged its support for the Global Compact for the past five years. The compact's principles in upholding and advancing ethical business practices, Human Rights, protection of the environment and the fight against corruption remain as relevant as ever.

We therefore reaffirm our pledge to support the Global Compact this year."

**NOKE KIROYAN**

*President Director & Chief Consultant*

## STATEMENT FROM OUR **CEO**



# HUMAN RIGHTS

Principle 1 – ***Businesses should support and respect the protection of internationally proclaimed human rights.***

Principle 2 – ***Businesses should make sure they are not complicit in human rights abuses.***

## OUR VIEW ON HUMAN RIGHTS

In almost ten years of its establishment, KP has continuously upheld its belief to respect basic human rights. Referring to the Universal Declaration of Human Rights, we ensure that no one in our company conducts any form of violations. Our company values, especially “Respect” and “Personal Integrity”, speak volumes about our commitment toward upholding the principle of Human Rights and we believe that we can maintain our perfect record of compliance with the prevailing human rights laws and regulations.

KP believes in individual excellence, in which difference is perceived as a prominent factor for the team’s performance rather than as a problem. The existing differences among employees can be understood to find ideas from different perspectives. Employees are always taught to respect others and given the understanding that everybody has equal opportunities to voice out an opinion.

## HOW WE IMPLEMENT HUMAN RIGHTS PRINCIPLE

To prove KP’s commitment to upholding human rights, the values of “Ethics and Social Responsibility”, “Personal Integrity”, and “Respect” are instilled to each employee right from the beginning during an induction session in order to ensure that KP’s day-to-day operations will be aligned with those values going forward.

Starting this year, each employee is provided with a copy of the Company Regulation booklet. During its development, all employees were given the chance to provide inputs and recommendation to make sure that every opinion is taken into account.

## OUR RESULT AND PROGRESS IN COMMITTING TO HUMAN RIGHTS PRINCIPLE

Since the founding of the company, there has been no incident of human rights violations in KP. Externally, when working with clients, KP always assesses and makes sure that projects do not involve any act of human rights violation. If such violation is committed, KP would not hesitate to terminate contract with clients.



## LABOUR

Principle 3 – ***Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.***

Principle 4 – ***Businesses should uphold the elimination of all forms of forced and compulsory labor.***

Principle 5 – ***Businesses should uphold the effective abolition of child labor.***

Principle 6 – ***Businesses should uphold the elimination of discrimination in respect of employment and occupation.***

### OUR VIEW ON LABOR

KP values the human capital as one of the most crucial aspects and valuable assets of an organization. At KP, we are willing to create a comfortable working environment to ensure employees can positively contribute to the vision of the company while at the same time having a safe space to learn and grow. In other words, KP believes that employees have as many rights as they do responsibilities. That is why, from the outset, KP's company principles are also made to embody this notion, including "Respect", "Teamwork", and "Professionalism".

Our company regulation booklet contains policies on employee rights and responsibilities, including remuneration, health care, social protection and working hours. The development of this regulation is open for refinement in any case necessary by upholding employee's freedom of expression to provide input and recommendation.

For the upcoming years, KP aims to create an evaluation mechanism for the Board of Directors.

### HOW WE IMPLEMENT LABOR PRINCIPLE

#### ❖ **Equal opportunity employment**

In hiring new employees, age, gender, ethnicity, religions, and social background are irrelevant to the hiring process. The recruitment process is based strictly on merit where everyone is guaranteed equal opportunity to be selected as a member of the Kiroyan Partners team.

#### ❖ **Freedom of Expression**

Considering that KP is not a big company with under 20 employees in total, the Board of Directors are only a knock-at-the-door away from their employees. The Directors are always open if employees ever feel the need to share and consult regarding their problems or

difficulties at work. Employees are free to express their concerns and opinions directly to BoD anytime.

As a formal platform for employees to share their thoughts, KP regularly conducts Project Review on weekly basis to discuss project developments and a Lessons Learned session after each project has been finished. During these sessions, employees are free to express any concern they may have.

❖ **Professional Development**

KP is committed to giving as much space as possible for employees to enhance their professional skills. Therefore, all KP's employees are given the same opportunity to receive training twice a year in areas that are relevant to their personal development and professional expertise. In addition, a session called Lunch and Learn is regularly held every month to facilitate peer learnings where an employee is appointed as speaker to share certain knowledge or expertise and further being discussed with all team members. Each individual employee is invited for an interview with all three directors annually to discuss past performance, future expectations and any issue they may have. This individual performance evaluation provides the basis for training and other personal development measures in the subsequent year.

❖ **Remuneration**

There is no gender wage gap at KP. We believe that men and women deserve equal pay and that rewards are based on merit exclusively.

❖ **Health and Safety**

KP believes that health and safety are important for our employees. Therefore, we follow the common practices to provide medical toolkit in the office for emergency purposes and, more importantly, protect all employees with health insurance. Starting this year, each employee is also registered in the government's BPJS program in addition to the existing health insurance. In addition to the government-mandated health insurance, the company provides a fully funded medical insurance package to every employee upon completion of the trial period of three months.

However, in general, working in KP does not impose significant physical threats because of the indoor office setting. Basic safety mechanisms, such as entrance with restricted access, are also applied in order to keep a safe working environment for the employees.

❖ **Working Hours**

To support employee's performance and overall welfare, KP applies generous and relatively flexible regulations with regard to working hours. More specifically, this year, KP has amended its corporate regulations to exclude sick days from the accumulation of annual leave. In other words, employees do not have a limit as to how many sick days s/he can take in a given year; they will not be counted against the 15-days paid annual leave. In addition, employees who are required to work on a weekend in order to meet commitments to our clients will be compensated by a day off.

**OUR RESULT AND PROGRESS IN COMMITTING TO LABOR PRINCIPLE**

During the period of October-September 2015, KP hired three new employees respectively from Aceh, Bandung and Jakarta. Two are female while one is male. In general, KP currently has seven employees aged 24-30 (three females and four males), six employees aged 31-40 (three females and three males), one employee aged 41-50, and one employee aged 51-60. Thus far, there has been no case of violations on labor principles.

Every year, each employee is assessed for his/her performance during the year and is given recommendation on areas to improve and necessary trainings for the following year. Following this, we have sent our employees to 16 trainings this year in areas of presentation skill, writing skill, public relations, social assessment, and investment in mining.

Based on our commitment to fair remuneration, this year KP implemented a Cost-of-Living Adjustment and increased the salary of all employees. Also, to ensure that everyone is informed about his/her rights and obligation in working at KP, all employees are provided with a printed Company Regulations booklet.



# ENVIRONMENT

Principle 7 – ***Businesses should support a precautionary approach to environmental challenges.***

Principle 8 – ***Businesses should undertake initiatives to promote greater environmental responsibility.***

Principle 9 – ***Businesses should encourage the development and diffusion of environmentally friendly technologies.***

## OUR VIEW ON ENVIRONMENT

As a small enterprise working in the service industry, KP overall does not leave a major footprint on the environment. However, KP stands firm to promote environmentally responsible business practices in its capacity. This is reflected by our stated vision “to become a leader in the active promotion of sustainable business practices in Indonesia”, which, alongside many other relevant aspects, includes issues related to the environment as agreed by the majority of the international business community.

KP has taken its part to contribute to the upholding of these principles collectively. First, given our engagement in the service industry, we have assessed and are thus able to confirm that KP does not impose serious threats of environment-harming practices, which are more commonly found in goods-producing industries.

For the upcoming years, KP aims to engage more with environment consultants and create more formal records of annual energy and paper consumption.

## HOW WE IMPLEMENT ENVIRONMENT PRINCIPLE

In upholding our environmental commitment, we focus our attention to the energy consumption and waste. We consider that over-consumption of electricity is as close as we get to potentially harming the environment, given coal is still the primary energy source in Indonesia. Hence, we seek to maintain the habit to turn off any lights that are not in use in any room within the office.

To minimize waste, KP subscribes to digital newspapers instead of printed newspapers for its daily business operation, which also serves as an initiative to reducing paper consumption. In addition, KP uses a third party’s service to recycle papers consumed at work. This service does not incur any cost as the service comes as a compliment since KP also hires storage from the same provider.

## **OUR RESULT AND PROGRESS IN COMMITTING TO ENVIRONMENT PRINCIPLE**

KP has maintained a good record as an environmentally responsible company and never been fined or sanctioned for any act of non-compliance with environmental laws and regulations. First, KP has kept its electricity stable within the range of 40-50 kWh since the beginning of the reporting period until now (except for a minor spike in October), and shown an overall decreasing trend since March. Moreover, KP has also maintained its cooling consumption within normal usage, sans overtime, throughout the reporting period.

KP also has a clean record in terms of compliance with environmental laws and regulations and has consistently contributed to preservation efforts by hiring a third party's service to recycle papers at the office for reuse.

Our practice in recycling waste, particularly paper, specifically addresses KP's biggest environmental footprint potential, which is paper usage.



# ANTI-CORRUPTION

Principle 10 – ***Businesses should work against corruption in all its forms, including extortion and bribery.***

## OUR VIEW ON ANTI-CORRUPTION

KP is found on the principles of good corporate governance and corporate social responsibility. More specifically, it carries a mission “to provide workable business solutions that adhere to good corporate governance and corporate social responsibility principles as well as provide a cultural bridge between Indonesia and the international business community”.

Therefore, it takes a firm stance against any types of corruption at the outset, both within the organization as well as when working with clients. In relation to anti-corruption, KP takes pride in its corporate values “Ethics and Social Responsibility” and “Personal Integrity”, based on which KP consistently conduct business in accordance with the prevailing laws and regulations and a strict code of ethics and KP’s individual team members are held accountable for their work to ensure professionalism and transparency, respectively.

Given the nature of KP’s work that focuses on stakeholder engagement and corporate communications, many among KP’s clients are companies that are attempting to enter the Indonesian market or maintaining their operations in certain localities. An important stakeholder typically engaged in these endeavors is the government, or public officials, both at the national and regional level (regency-, district-level, etc.). Especially in Indonesia, engagement with public officials is heavily exposed to risks of corruptive practices, such as bribery, which typically serves as a vehicle to accelerate the bureaucratic and legal processes entailed by business operations. We identify such risks and always strive to uphold our principles of good corporate governance in the day-to-day operations.

## HOW WE IMPLEMENT ANTI-CORRUPTION PRINCIPLE

From the very beginning during recruitment and induction, anti-corruption is heavily emphasized to make sure that employees can live up to the values of “Ethics and Social Responsibility” and “Personal Integrity” upheld by the company.

KP always assesses its works and potential works with clients in order to ensure a lawful and corruption-free operation. Thus, KP would rather lose a client than being engaged in corrupt behavior. This aligns with our “Ethics and Social Responsibility” principle and grant the organization respect and admiration from peers and the business community.

Anti-corruption is one of the primary motivations and has become a central value upheld in the company and consistently communicated both internally among team members and externally to clients. During annual employee evaluation, all employees must have a score of 10 in terms of integrity and will be discharged if otherwise.

KP has zero tolerance for corruption; if any team member is found guilty of such practice, KP will not hesitate to ask her/him to resign. Externally, KP identifies risks of corruptive practices when screening and/or conducting projects with clients and would not hesitate to terminate a contract if any type of defiance is found.

As an indication of our belief and solemn commitment in this value, we held our first training program on Government Relations entitled “Aligning Government Relations with Ethics and Good Corporate Governance” in late August this year.

## **OUR RESULT AND PROGRESS IN COMMITTING TO ANTI-CORRUPTION PRINCIPLE**

There has been no case of corruption during the reported year in KP. In our further effort to instill anti-corruption principle in the company, three of our employees have received training on this matter. Moreover, as a company, KP’s training in Government Relations has set us apart from our peers as training programs in the topic of anti-corruption are still relatively uncommon in this country — almost none, if any, of the consulting companies in Indonesia holds a training program on anti-corruption.



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