



BUILT FOR IT.™

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

PT TRAKINDO UTAMA

2015

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Trakindo 

The Ten Principles of the UN Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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

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Statement of Continuous Support

PT Trakindo Utama (Trakindo) has been a member of United Nations Global Compact (UNGC) since 2012. We pledged our support to UNGC because the ten principles of the global compact in the areas of human rights, labour, environment and anti-corruption are in agreement with our business activities of more than forty years. Being a corporate citizen, we are fully aware on the importance of sustainable development and always take the commitment at the highest level.

In this annual Communication on Progress, we describe how Trakindo has advancing our stakeholders forward in a manner consistent with expectations of the ten principles as well as national government law. We describe policies and actions in order to promote and uphold integrity and accountability to the highest standard without any exception.

Trakindo remains fully committed to advance our stakeholders forward and reaffirms our support to UNGC and the 10 principles.

Jakarta, 18 July 2016

Bari Hamami

President Director of PT Trakindo Utama

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For more than 40 years, Trakindo has experienced a rewarding journey to grow and become **"The Customer Services Company"** which provides customers with world-class Caterpillar solutions and services.

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Trakindo 

Vision

“

**To be the world-class provider of
Caterpillar equipment solutions**

”

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Mission

To set up an entity that creates worthwhile and challenging job opportunities to as many Indonesians as possible, while incorporating the following values:

- Continuous development of employees
- Consistent capital growth (financial, intellectual, brand identity) and reinvestment of capital into the business, and
- Maintaining highly ethical business practices



Core Values

Integrity

We enforce the highest ethical and moral standards, demonstrating honesty and fairness in all activities.

Continuous Development

We are committed to continuously developing both our companies and employees.

Excellence

We continuously strive to achieve the highest standard of result.

Proactive

We pursue and adopt new techniques and approaches to improve our business quality.

Accountability

We assume responsibility to stakeholders for all the decisions and actions taken.

Teamwork

We promote and support a multicultural workforce based on trust and respect, achieving goals by communicating appropriately.



Corporate Citizenship

Helping Prepare a Better Future for the Indonesian People



Education

- Focus on people development through education and good character building
- Collaboration of Trakindo's employees and their families, students and their parents and the local communities.
- Program: Coop Program and 40 SDN



Environment

- Commitment to energy conservation & pollution control, water conservation and waste management
- Program: save water, save energy, save paper campaign



Health

- Consistently maintain the workplace safety and health of our people
- Program: HIV/AIDS prevention in workplace, blood donation, zero accident, one million work-hour without LTI



Compassionate Relief

- Community empowerment for disaster survivors
- Program: in Aceh tsunami, Mentawai tsunami, Wasior flash flood, Merapi eruption.



Area 1 : Human rights

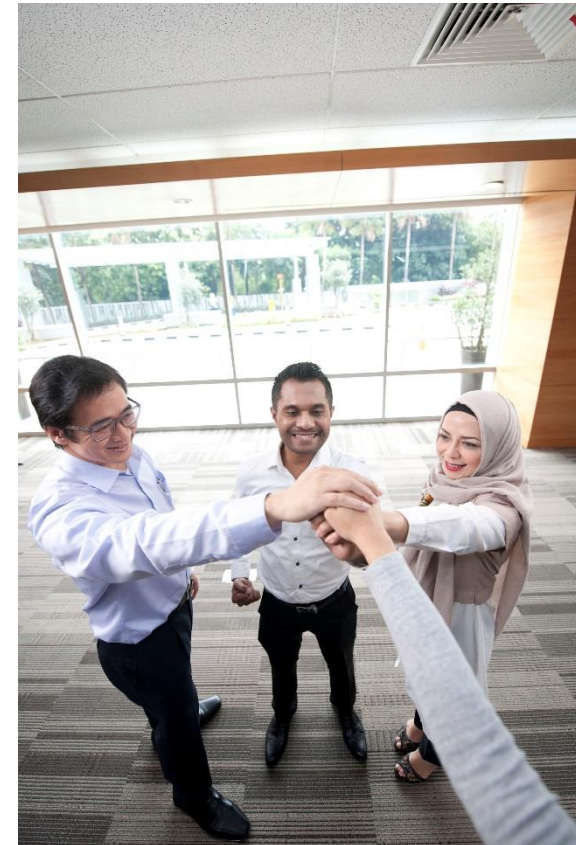
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Assessment, Policies, Goals and Implementation that have been carried out in the area of Human rights:

To comply with government regulations, Human Capital Division Trakindo produces policies in line with human rights, as the following:

1. Healthcare Insurance and Worker Social Security Insurance managed by the established Healthcare and Social Security Agency are compulsory for all workers
2. Trakindo continues to provide assistance for health treatment and care on top of Healthcare Insurance
3. Adaptability between the National Worker Social Security Insurance and pension benefits provided by Trakindo
4. Employee Engagement conducted a survey in 2015 to seek the level of engagement with the employees in performing their daily work
5. Employee Care program such as Pre-Employment - Post Employment Project, Program Career Counseling, employee health programs employees such as doctor counseling and Annual Medical Check Up



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Area 1: Human rights

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6. Corporate Citizenship Program

Corporate Citizenship program is Corporate Social Responsibility (CSR) program of Trakindo that commits to help the government to improve the quality of education at the forty State Elementary School Schools as well as nine Vocational Schools and six Polytechnics in Heavy equipment (COOP Program). The program are sustainable and started from 1996. Some of highlighted activities in 2015 are as the following:

- "Best Teacher Comparative Study 2015". This activity aims to develop the competence of teachers in 40 state elementary targeted schools across 40 regions in Indonesia. The activity includes the presentation of four inspiring figures and the teachers were invited to study and seek the best practices of the selected schools.
- Trakindo implemented training of Information Technology Application for learning program to 40 primary schools. The program aimed to prepare the skills for teachers to meet 21st century skills.



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Area 1: Human rights

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- Under COOP Program, Trakindo managed to provide three-year scholarship for 24 students to continue their education from vocational school level to Polytechnic level under heavy equipment studies. The scholarship run at the Polytechnic Banjarmasin. This program is the second year since it started in 2014.
- Held an annual activity program COOP namely Competition of Competency in Heavy Equipment amongst targeted vocational schools and Polytechnic.
- In 2015 school year, more than 300 new students entered the COOP program.



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Area 2 : Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

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Several programs have been conducted by the Human Capital Division to support the achievement Trakindo's imperative strategy, which maximizing the quality of employees in order to be more productive and to fully contribute to the company. Some programs and initiatives that have been carried out by the Human Capital Division among others are:

- Compensation and benefit programs
- Core employment ratio
- Dashboard analytics
- Human Capital SOPs
- Learning and Talent Development including Talent management
- Internship



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Learning and Development

In accordance with the commitment of Trakindo to develop human resources, Learning & Development at Human Capital Division has conducted various training and development of employees to ensure the development of capability and competence of the employees in order to conform with the latest developments of each function.



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Area 3: Environment

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POLICY AND ISO

SHE policy was revised in 2014. One point was adopted from the latest environmental laws No 32 Year 2009. It stated about “environmental protection”, which means that Trakindo show more supports to protect the environment.

The Policy stated that PT Trakindo Utama committed to:

1. Comply all government regulations and other applicable requirements.
2. Create and increase SHE awareness.
3. Implement, maintain and prioritize a high quality SHE System at all work areas.
4. Identify all hazards and effectively manage the associated risks.
5. Encourage all employees to take full responsibility for all SHE aspects within their work areas.
6. Commit to prevent work-related injury and illness.
7. Ensure occupational health of all employees, including but not limited to HIV/AIDS prevention and management and abuse of narcotics and dangerous substances.
8. Effectively manage all environmental aspects and impacts throughout the work areas.
9. Ensure environmental protection and management at all work areas.
10. Provide coaching and training to all employees to make them support SHE system implementation as stated by the policy.
11. Ensure that the objectives of this policy are socialized to all employees, customers suppliers, visitors and other stakeholders.

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As part of the commitment on the Environmental aspect, Trakindo excelled the ISO 14001:2004 certification from several branches to a Single Entity Certification which covers all branches at the end of this year to the beginning of 2015.

Environmental Campaign
Trakindo supports environmental preservation and conduct some campaigns:

SAVE PAPERS

1 pohon berusia 10 tahun = 15 rim kertas A4.
Konsumsi kertas di TU HO ± 175 Rim/bulan = 12 pohon ditebang setiap bulannya

Tahukah Anda?
Total hutan dataran rendah yang hilang di Sumatera antara tahun 1990 s/d 2000, sekitar 65-80% ditebang untuk membuka perkebunan dan hutan tanaman industri guna memproduksi bubur kertas untuk memenuhi kebutuhan kertas kita. (The Economist)

Cobalah melakukan hal berikut:

- Maksimalkan penggunaan email.
- Gunakan kertas dua sisi atau gunakan untuk menulis memo.
- Kirimkan materi presentasi dalam bentuk elektronik.
- Gunakan kembali amplop bekas untuk mengirim surat internal.
- Gunakan kamera digital, hindari mencetak photo karena selain menggunakan kertas, tinta cetak mengandung bahan kimia beracun untuk lingkungan.
- Pikirkan ulang untuk menyebar brosur, gunakan brosur elektronik.
- Jangan terima brosur/pamflet/kertas-kertas gratis lainnya yang tidak dibutuhkan.
- Pakailah tas kain yang Anda bawa dari rumah daripada memakai kantong kertas atau plastik saat berbelanja.
- Gunakan sapu tangan daripada menggunakan tissue.
- Gunakan serbet kertas di rumah makan sesedikit mungkin.

Ajak teman dekat atau orang-orang di sekitar kita untuk hemat kertas sehingga budaya positif ini akan dapat terus menyebar.

Konsumsi kertas dunia meningkat hingga setengah kali lebih banyak dalam 30 tahun terakhir. Padahal, 30 tahun yang lalu merupakan masa dimana komputer digembar-gembarkan sebagai solusi untuk mengurangi penggunaan kertas.

SAVE WATER

hanya 0,833%
dari jumlah air tawar di dunia yang bisa digunakan
7 milyar penduduk dunia
(sumber: UNWDR 2010)

Kelangkaan sumber mata air yang layak dan berkualitas menjadi sebab sulitnya akses terhadap

air bersih di perkotaan

Undang-Undang Nomor 07 Tahun 2004 tentang Sumber Daya Air melarang penggunaan air tanah yang tidak sesuai dengan batas yang telah ditetapkan. Jika ada yang melanggar, dandanya mencapai **Rp1,5 milyar,-**

70% permukaan bumi terdiri dari air, sehingga air tawar akan habis

10% sumber air minum Indonesia tercemar bakteri **E. Coli dan Coliform**

60 JUTA penduduk Indonesia tidak memiliki akses air bersih

Cara menghemat air:

1. Pakailah air secukupnya.
2. Tutup Keran saat tidak digunakan.
3. Pastikan keran tidak bocor.
4. Buatlah resapan air tanah (biopori) untuk menampung air hujan.

SAVE WATER, every drop COUNTS!

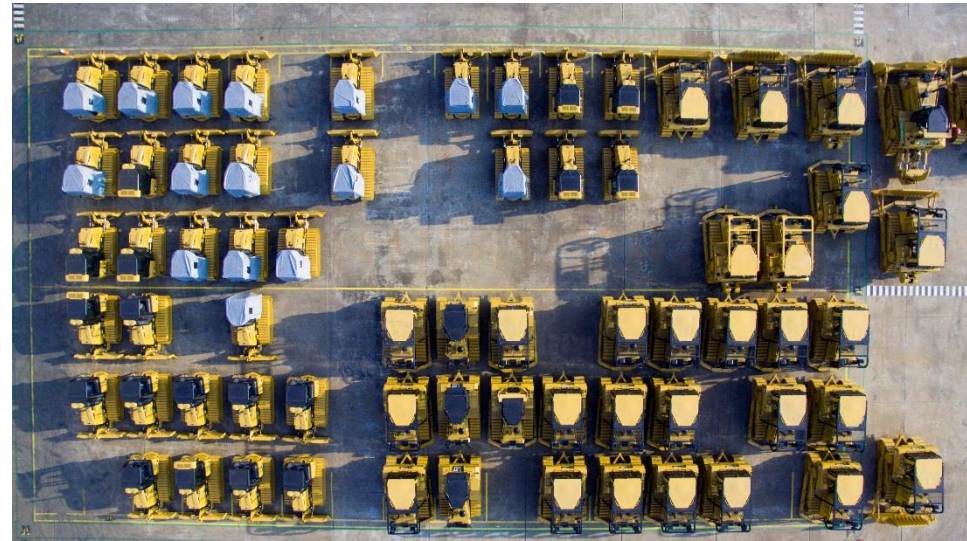


Area 4: Anti Corruption

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

The governance principles of Trakindo are based on Corporate Values, Indonesia Good Corporate Governance code of conduct (2006) and the practices in Indonesia. The governance in Trakindo is based on the principles of Transparency, Accountability, Responsibility, Independence and Fairness.

The Responsibility for the implementation of risk management is attached to the management in each unit. To develop the sustainable and ideal system in an integrated enterprise risk management, the company established Risk Management Team, led by the Head of Internal Audit. This is to help the management in preparing the company's risk management framework, consolidating and reporting key risks by identification of process management risks, and in developing the competence of managing risk effectively and efficiently in accordance with the applicable standards.



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