



UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

2014 - 2016

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ABOUT PT. PANGANSARI UTAMA

PT. PANGANSARI UTAMA (PSU) was founded in the year 1975, in association with Greatways Group of Companies which operated extensively throughout South East Asia. This group of Companies has been engaged in Restaurants, Bars, Coffee Shops, Supermarkets, Bakeries, Offshore Services, Food Supply, Industrial Catering and Remote Site Support Services.

Between 1976 and 1979, PSU started to develop Food Supply activities for PT. Pertamina the Bontang LNG plant in Indonesia. In 1980, a Presidential Decree No. 14A was issued concerning Procurement and Distribution of Products. PSU has further constructed a complete set of Cold Storage and Warehousing Facilities in Balikpapan to cope up with a wide range of services delivered to the Clients in East Kalimantan serving Hotels, Restaurants, Commissaries and Remote Construction Sites.

in 1981, PSU enlarged its scope of activities by delivering Industrial Catering and Remote Site Support Services for Projects covering Indonesia from Aceh to Papua which demographically stretching from the very west to the very eastern part. According on response to the client needs, PSU further turned out leading to construct a fully integrated logistic based cold storage, freezer and warehousing facilities in three major cities : Jakarta, Surabaya, and Balikpapan. Each project presents its own unique challenges and requires own tailored solution.

PSU then developed its professional expertise and modern infrastructure of supply chain that ensures excellent end product quality and choice by applying highly approved technology to track, trace and coordinate the entire logistic distributions.

In 2014, PT. Pangansari Utama Food Resources (PUFR) became a Holding Company of PSU.

PSU has been rapidly growing ever since, and expanding its operations to cover the whole parts of Indonesia. In term of size as well as complexity within devised framework of its contractual agreements with number of companies, various community including the native tribes. Thus has compelled PSU to consider what is the impact of PSU operations to all of stakeholders, and how to develop and maintain the sustainability of PSU among these groups. All of these parallel with the current governmental regulations whereby a corporation is required to put into practice a strong commitment to implement Corporate Social Responsibility (CSR) into daily operational activities.

COMPANY IDENTITY

- Name : PT. Pangansari Utama
- Address : Jl. Raya Poncol No. 24
Ciracas, Jakarta Timur
- Country : Indonesia
- Contact Name : Mr. Bagus Ekodanto
- Contact Position : President Director (Acting)
- Person in Charge : Mr. Mercy Hutapea
- E-mail address : mercy.hutapea@pangansari.co.id
- Contact Telephone : +62 21 871 7870
- Membership Date : 22nd March 2013
- Sector : Catering & Related Support Services

COMPANY IDENTITY

A Brief of Business Nature

Since its establishment, PT. Pangarsari Utama (PSU) has been acting as a food service and distribution company in the Asia Pacific region and providing industrial, community, institutional and in-flight catering services, food processing, patisserie, manufacturing, storage and warehousing, shipping and handling, training, retail, facility management, maintenance, and remote site support services .

PSU primarily serves catering and housekeeping services for the oil and gas and mining companies, hospitals, airports, international schools, and as well as factories in Indonesia. Its head office is in Jakarta with branch offices located in Palembang, Pekanbaru, Batam, Surabaya, Balikpapan, Makassar, Timika, Sorong, and Tembagapura; while the overseas services includes Singapore and Luanda, Angola. It operates with it's current work forces comprising over thousands of employees. The Board of Directors, mainly the President Director and the Chief Operating Officer (COO) are hand to hand controlling and supervising the whole operation.

COMPANY IDENTITY

Vision, Mission, and Values

- **Vision**

“To be the leading Food Resources Solutions Company in the World”

- **Mission**

“To do the best in the company’s core business by providing a totally reliable service in the Food Business, Manufacturing Products, Supplies Consolidation, Trading, Retailing, Camp, Contract Catering Services and other related Hospitality Support Services”.

- **Values**

Our Corporate Values represent the slogan “**PRIME**”:

Positive • Respectful • Inspiring • Motivated • Efficient

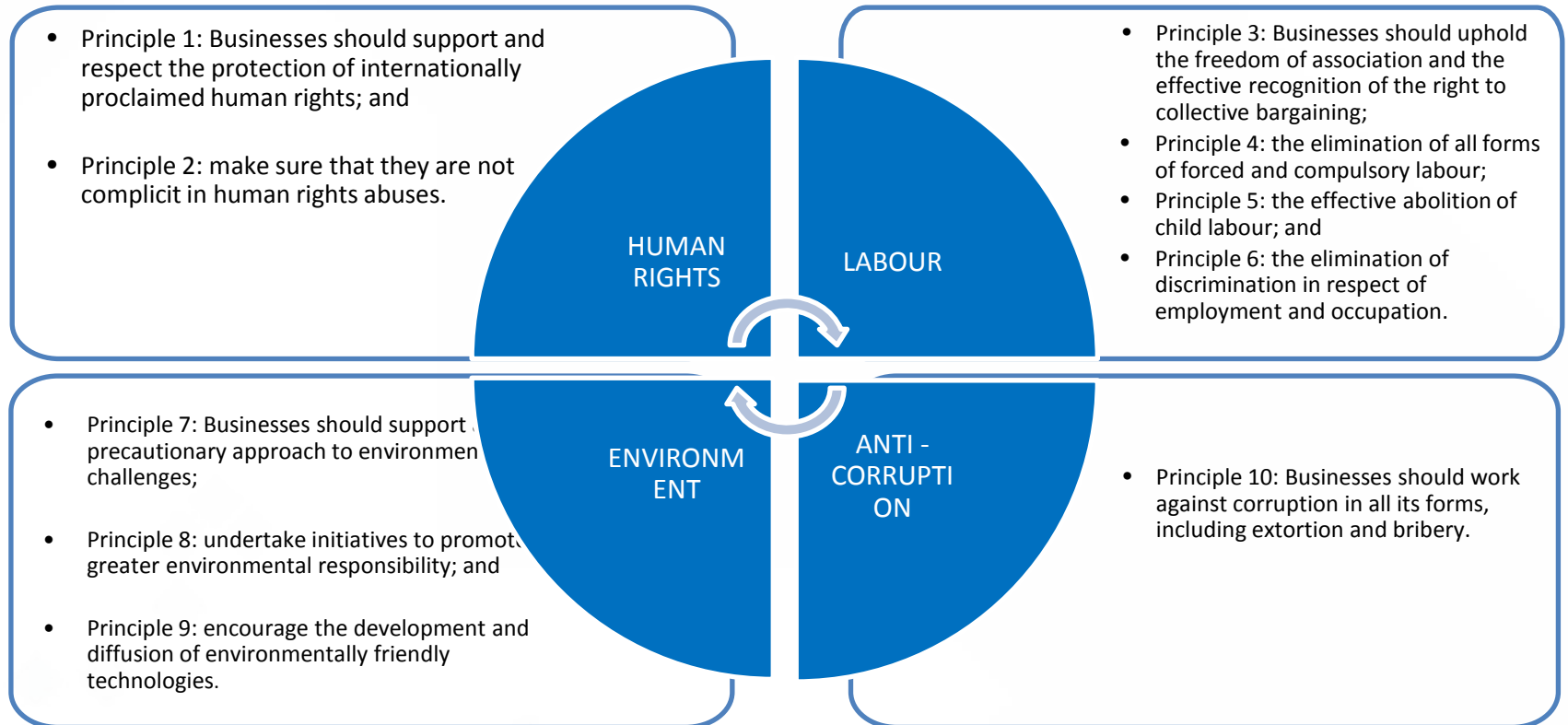
OUR SUPPORT TOWARD UN GLOBAL COMPACT

We are pleased to confirm that PSU reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We are also committed to share this information among the stakeholders using our primary channels of communication.

FX. Bagus Ekodanto

10 UNGC Principles



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.

Supporting and respecting to the International declaration of Human right has been our commitment since years ago as the implementation of our social responsibility. Internally, we facilitate our employee with working safety environment, health insurance, and freedom in belief of such religion. Externally, we provide customer care program to support customer satisfaction and gave quickly feed-backed when arise complaints, both for our products and services.

PSU have to make sure that everyone in this company has contribution to the success of company target achievement with no any discrimination. We ensure that there is no employee in the work place under intimidation and threaten in expressing their ideas.

Implementation:

- Provision of Musholla for Muslim employees to represent our commitment on supporting the freedom in belief of such religion and also provides a meeting room for Christian Prayer Community every Friday
- Available a refreshment corner for employee that provides coffee and tea to refresh their mind after or during working.
- Provision of Nursery Room for breast-feeding Mother
- Provision of sport facilities and instructor for Employee's health

HUMAN RIGHTS



Refreshment Area



Nursery Room



Monthly Employee's Birthday Party



Potluck Party



Musholla



Christian Prayer Community

WORK ENVIRONMENT

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.

PSU in doing business recognizes and respects the human rights. The human rights basically concerned with equality and fairness, freedom of choice, living a life free from fear, harassment, or discrimination, inhumane treatments, etc. All of these have made human rights to be universal.

Since 2007 PSU has encouraged its employees to respect and implement human rights in the operational work place. The human rights sessions were generally given to all level of employees regardless of their positions. PSU and its employees support and respect the protection of human rights whilst ensuring that all are not complicit in human rights abuses.

All employees regardless of their level of positions have attended numerous classes of the Socialization of Human Rights since 2007. Client company has allowed PSU to conduct the internal Socialization of Human Rights to its employees. The Socialization of Human Rights was given to make certain that PSU personnel were sufficiently knowledgeable in Human Rights and Human Rights Violations.

Employees should adhere to the CLA that consist of all employment terms and conditions to be met, and right and duties of all parties involved. This include adherence to Human Rights regulations .

WORK ENVIRONMENT

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.

Each employee has the right to report any violation against Human Rights . Subsequent to this, each supplier or contractor has it's own mechanism to handle and process all violations against the human rights. Certain areas like PT Freeport Indonesia has adopted a regulation that it's suppliers, contractors, and privatized companies providing products or services to them must be given a mandatory human rights induction program.. PSU FI project has sent more than 80 percent employees to attend this mandatory sessions. No incidents of discrimination and corrective actions taken whatsoever being reported involving PSU employees in the past .

PSU received no complaints of Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights , nor they are reported as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor and/ or identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor . PSU itself strongly restricts child labor in its operation.

PSU will consider about sending it's security personnel to be trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations .

PSU received no reports of incidents/ violations involving right of indigenous people and actions taken , nor any operation sites that have been subject to human rights reviews and/or impact assessments , and/or grievances related to human rights filed, addressed and resolved through formal grievance mechanisms .

Future Target:

In 2016, PSU maintain this policy to remain the same

WORK ENVIRONMENT

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.

PSU encourage the employees to bound with anykind of bounding activity due to implement equality within workplace.

Outcomes:

- PSU staffs enjoy the potluck together at least once by two months
- Management PSU always celebrate employee's birthday every month and hold a farewell party for employee has in retirement period
- Our employee relationship increases, they have a better communication with one other
- No boundaries between employees and the management team

WORK ENVIRONMENT

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.

To encourage employee to have a healthy life, PSU holds a blood donor program every 6 months.

Outcomes:

- Every employee had the chance to donate and join this blood donor program



WORK ENVIRONMENT

LABOR

- Sport Facility and support,
- Farewell Party
- Company Uniform



INTERNAL COMMUNICATION

PSU opens the communication among employee through periodic and regular meeting programs to address their aspirations to management and vice versa. To name some programs:

- **Management Review Meeting**
An annual meeting at the end of the business year, attended by all department head to recognize the achievers and communicate company's quality target, customer survey and internal audit result.
- **Internal and External Training (Hard & Soft Skill)**
The Training is a monthly class for employee to sharpen their knowledge or help their productivity and services
- **Budget and Work Program Meeting**
Held at the end of the year to discuss budget program both qualitative and quantitative program for upcoming year
- **Coordination Meeting**
Monthly meeting attended by Board of Directors, all General Managers and Managers to discuss and sharing the company operational activities

Targets:

1. Effective communicating relating the quality target and customer's satisfaction
2. Inspiration to all employees to improve the work and product quality continuously

COMMUNITY SERVICE

As our commitment to corporate social responsibilities, PSU make some social activities per year.



- Mass Wedding at Papua Period II (November 2014)



- Continuous Scholarship for Local Papuan batch V (2013 – 2015)

Future Target:

In 2016, we plan to continue the Mass Wedding in November and annually we will hold a seminar about Human Rights by inviting an External speaker

COMMUNITY SERVICE



As commitment to corporate social responsibilities, PSU conducts social activities per year.

- 29 March 2015: Fun Walk 2015, MPATI (Masyarakat Peduli Autis Indonesia)
- July 2015 : Donations for Ophans

Future Target:

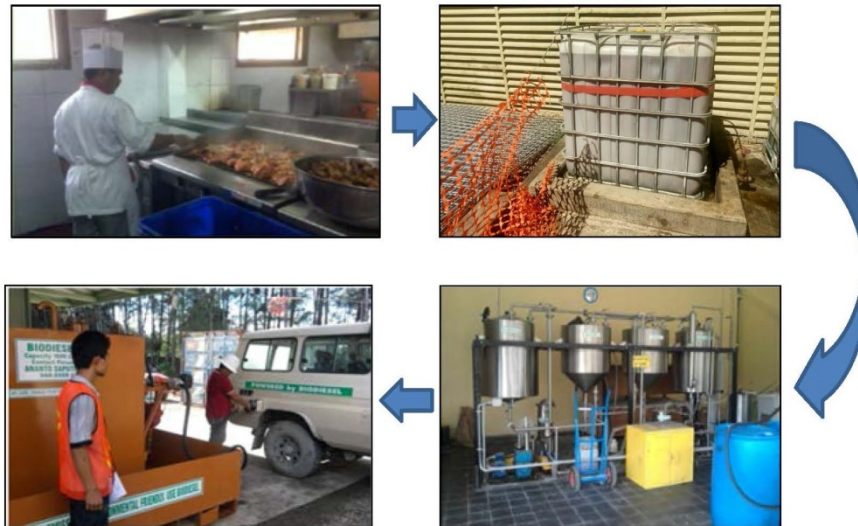
In 2016, PSU aims to continue this community services quarterly.

LABOR

- **Combined training program with local Vocational High School.** Receiving students on vocational high school level to do “field practice” for three months. This program is yearly basis, and PSU is receiving students from two school with their major of study “culinary arts” and “department office”.
- **The Effective Abolition Of Child Labor**
We do strongly committed against child labor with minimum age is over 18 years old and we apply such standard of employment based on company rules.
- **Avoid the Discrimination In Related with Employment And Occupation**
The discrimination relates to treating employee differently based on an unfair or unsubstantiated category such as race, nationality, gender or religious affiliations in recruitment, promotion, training and career development. We provide fair opportunity to all employees to get higher salary improvement based on individual achievement and performance appraisal. Personal evaluation is done independently by other employees at the same level who close relate in the work place. Promotion procedures are based on personal performance which evaluated by direct superior, head of department and human resources department. It is, therefore, different person get different amount or percentage of salary improvement annually.

ENVIRONMENT

- Target water usage to reduce by 10% compared to preceding year.
- Encourage to utilize reused paper and print any documentation considerably.
- **Supporting PT. Freeport Indonesia (Environmental Department)** on providing the used cooking oil to be proceed and produced as fuel. This as an action which combining other company to achieve one of the principles of UN Global Compact in environment areas.
- Consume less 26% diesel fuel usage for power generator in Balikpapan Branch office compared to preceding year, by :
 - Generator activities scheduling
 - Provision proper product using less power to storage



ANTI CORRUPTION



- We are committed and agreed with the principle and shall not tolerate any kind of corruption in our personal life as well as corporate activity. We do not practice the bribery as well as corruption which are not allowed in the business and personal life activities.

ACTIVITIES IN INDONESIA GLOBAL COMPACT NETWORK



PSU became the host of Indonesia Global Compact Gathering in 2013



www.pangansari.co.id

Thank You