

COMMUNICATION ON PROGRESS (COP)

PT AICÓN GLOBAL INDONESIA

Submitted to



United Nations Global Compact



PT Aicón Global Indonesia

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Introduction

About This Report

This “**Communication on Progress**” (“COP”) is a stand-alone report that is prepared by **PT Aicón Global Indonesia** (“Aicón”) and submitted to the United Nations Global Compact (“UNGC”).

Information in this COP covers the progress of Aicón in integrating the Ten Principles of UNGC into its operations for the period of November 1st, 2015, to December 31st, 2016. In the future, Aicón will release COP on yearly basis following the fiscal year from January 1st to December 31st.

Report Content

The COP is consisted of two sections. In the first section, the COP presents the profile of Aicón and its CEO’s statement expressing the continued support for the Global compact and renewing the ongoing commitment to the initiative and its principles. The second section describes the policies and actions related to the human rights, labour and anti-corruption. Section two also presents qualitative and quantitative measurement of outcomes showing the degree to which targets/performance indicators are met.

As a consulting company, Aicón does not engage in environmental issues in comprehensive manner. However, in this COP, Aicón describes some initiatives that address the environmental impacts within the scope of its activities.

Transparency

Aicón has not yet incorporated high transparency standard or disclosure and not yet appointed an independent party to assess COP. External assessment by a credible third-party will be conducted when Aicón is ready to develop a COP referring to a sustainability-reporting frameworks such as GRI sustainability reporting guidelines in the future.

Inquiry

This document can be found only at the UN Global Compact website. Stakeholders who want to inquire information about Aicón or COP may contact the following:

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Section One

Statement by the CEO

Expressing continued support for the Global Compact and renewing company's on going commitment to the initiatives and principles

To our stakeholders,

I am pleased to confirm that PT Aicón Global Indonesia reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Jimmy Tanaya

President Director

PT Aicón Global Indonesia

Section One

Short Profile

PT Aicón Global Indonesia is a consulting company providing services for corporations or organizations that aspire to integrate sustainability principles into their business processes. Five individuals that have interests, passion, and expertise in sustainable development founded Aicón in October 2010.

During its five years operation, Aicón has committed to actively promote sustainability and sustainable development. Located In Jakarta, Aicón has served state-owned, multinational and large national companies from different sectors. Aicón's services portfolio are social mapping, training and workshop, consultation, corporate reporting, research, program evaluation, and impact assessment.

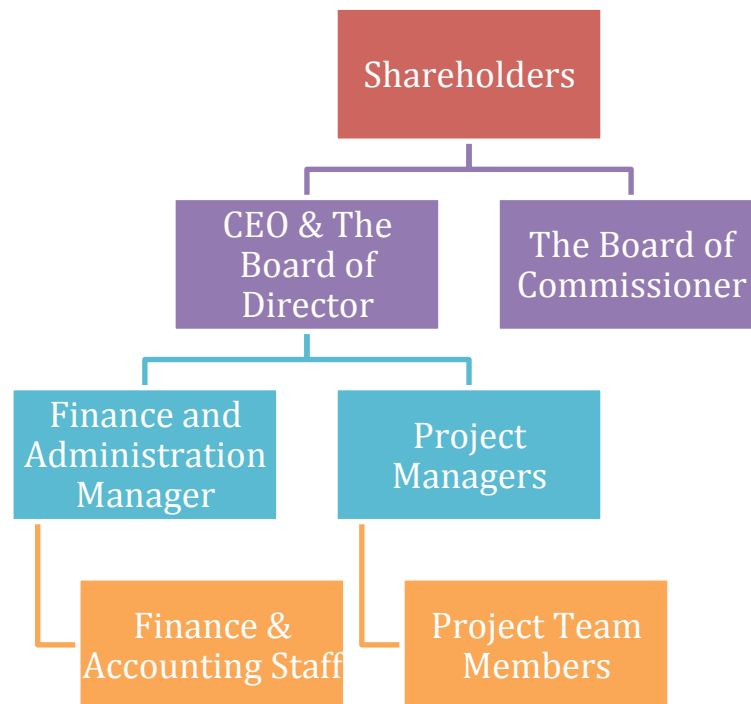
Aicón also engages a number of international organizations, such as United Nations Global Compact through Indonesia Global Compact Network (IGCN), Social Value International (on progress in early 2017), Global Reporting Initiative (as a gold community member), and Social Responsibility Asia (SR Asia).



Legal Name	PT Aicón Global Indonesia
Brand Name	Aicón
Date of Birth	October 10 th , 2010
Office Address	Indonesia Sustainability Centre, 4th Fl. Harmoni Plaza Complex, Block B No.5 Jl. Suryopranoto No.2, Jakarta Pusat , Indonesia 10160
E-mail Address	office@Aicón.co.id
Website	www.Aicón.co.id
Telephone / Facsimile	+62 21 6386 1918
Type of Organization	Non-listed, limited liability company
Type of Industry	Management consulting services
Services	Aicón Learn, Aicón Coach, Aicón Research, Aicón Communication, Aicón Tools
Client	Multinational companies, large national companies, state-owned companies, international agencies
Industry Served	Oil and gas, food and beverages, financial services, mining and energy, construction, fertilizer, telecommunication, palm oil, pulp and paper, consumer goods

Section One

As a consulting company, Aicón has a very simple organizational structure as described below.



Picture 1. Organizations Structure of Aicón

The CEO of the company is part of the Board of Directors, where collective decision-making process is applied at the highest level of governance body. In doing projects, the Project Managers are appointed among the senior and junior consultants in ad-hoc basis. It means that a person can be a Project Manager in a consulting project as well as a team member at the same time in another business activity.

Aicón and Sustainable Development Goals

Aicón's core business is to support organizations to adopt sustainability or sustainable development principles into their daily practices. The adoption may address various issues from economy, social, and environmental aspects.

In relation to Sustainable Development Goals, the Aicón's role is to advocate sustainability management and endorse partnership and collaboration with other stakeholders. This is in line with goal number 17, as such Aicón is positions itself as a facilitator that strengthens the means of implementation of different organizations.

Section Two

Implementing the Ten Principles

Sustainability is placed at the heart of organization where all company's functions are responsible to the execution of sustainability principles at practical level. All individuals must also ensure that there is no conflict between business activities with sustainability commitments and activities. Each person is encouraged to collaborate with different internal functions and external stakeholders to implement corporate sustainability.

In term of measuring performance, Aicón's human resources should aim to achieve the highest results, not only in terms of business profits and clients' satisfaction but also in avoiding negative impacts to the stakeholders and environment.

Furthermore, Aicón has a very short value chain. The business partners are the suppliers including writers, graphic designers, professional translators, and peer consultants.

Aicón always communicates company's policies and expectations to business partners, that they respect Aicón's corporate values and the ten principles of UNGC. Therefore, Aicón may organize a semi-workshop program on UN Global Compact principles for the business partners if necessary.

Human Rights Management Policies and Procedure

Aicón is committed to comply with the Human Rights Law in Indonesia and also the Universal Declaration of Human Rights. With commitment to international human rights principles, Aicón has published a Human Rights Policy and ensures that business activities do not cause negative impact on human rights of the stakeholders.

Furthermore, the Human Rights Policy is sent to all employees and a reminder about the policy is regularly distributed via e-mail. All individuals in Aicón including the Directors must follow the company's Human Rights Policy. The Policy is also a mandatory for every person to respect the rights of people in the company and community, as well as to respect the rights of other stakeholders.

To ensure that internationally recognized human rights are respected, the Board has organized annual meetings with the Commissioners to discuss business performance and at the same time to review Aicón's human rights policy.

Section Two

In the case of human rights incident, a person can report through Aicón's grievance mechanism. A victim or witness of human rights incident from internal and external can report to the Directors, Commissioners or Shareholders directly via e-mail or phone call. The report will be handled directly by the Board of Commissioners.

The next table shows no human rights incidents in Aicón in 2014 to 2015.

Table 1. Human Rights Incidents in Aicón in 2014-2016

Description	2014	2015	2016
Number of incidents is reported	0	0	0
Number of incidents is solved	0	0	0
Number of incidents is carried over to the next period	0	0	0

Labour Management Policies and Procedure

Aicón has a written company policy that complies with the labour law and respect principles of international labour standards. It includes treating people fairly with no discrimination, respecting association and collective bargaining, ensuring health and safety at workplace, providing social protection, paying salaries and wages according to the regulations, and avoiding child labour and forced labour. Diversity in Aicón shows that each person has equal opportunity at workplace. Decisions on rewards and promotions are based on merit.



Picture 2. Diversity of Employees in Aicón

Section Two

New employees in Aicón are encouraged to understand the labour laws and principles. Employee discussion on labour principles with the Board of Directors is also usually organized as part of internal awareness raising and capacity building for the employees.

Any employee or an external party can use a grievance mechanism to directly report a labour case or industrial dispute to the Directors, Commissioners or Shareholders via e-mail or phone call. The Board of Commissioners will handle cases by following the Indonesia Manpower Law. However, if needed, external authorities may be invited to solve the industrial disputes.

The following table presents labour cases or disputes reported to the company in the last three years.

Table 2. Labour Complaints in Aicón in 2014-2016

Description	2014	2015	2016
Number of complaints is reported	0	0	0
Number of complaints is solved	0	0	0
Number of complaints is carried over to the next period	0	0	0

Routine communication with all individuals in the organization is performed daily, while dialogue with employees in a formal forum is carried out two up to three times a year. The forum usually discusses the progress, current performance, and priorities for the future.

Environmental Management Policies and Procedure

Environmental Policy in Aicón highlights several issues, such as efficiency in using electricity and water, reducing solid wastes, using public transportation to reduce carbon emission, efficiency in using air conditioner, and taking care of the environment at workplace and in the clients' operational areas.

Moreover, Aicón has a grievance mechanism where an employee or a person from external party can report an environmental case to the Directors, Commissioners or Shareholders via e-mail or phone call. The Board of Commissioners will solve the cases according to the environmental regulations.

Section Two

The company has received no report on environmental issue in 2014 up to 2016, as described by the following table.

Table 3. Environmental Incidents in Aicón in 2014-2016

Description	2014	2015	2016
Number of incidents is reported	0	0	0
Number of incidents is solved	0	0	0
Number of incidents is carried over to the next period	0	0	0

Internal awareness raising on the environment is carried out through an internal discussion with Directors. Up to now, the company does not provide environmental training for employees due to its core operations do not have significant environmental impacts. However, the Directors usually bring up environmental discussions in top management meetings quarterly and in employee meetings. That is part of leadership review of monitoring and improvement results.

Anti-Corruption Management Policies and Procedure

All persons including the Directors in Aicón must follow the Anti-Corruption Policy that reflects a commitment to comply with all relevant anti-corruption regulations. In case of a corruption incidents, an employee or external party can report the incident through Aicón's grievance mechanism or whistleblowing system.

Moreover, leadership for anti-corruption has been well implemented in Aicón in 2016. In that year, a corruption incident was potentially occurred when a prospective client solicited for project fees. For that reason, top management made a quick decision to drop the project.

Below is the table presenting number of corruption incidents in Aicón from 2014 to 2016.

Table 3. Corruption Incidents in Aicón in 2014-2016

Description	2014	2015	2016
Number of incidents is reported	0	0	1
Number of incidents is solved	0	0	1
Number of incidents is carried over to the next period	0	0	0

Regularly, the Board of Directors together with Commissioners discusses anti-corruption aspects in quarterly meetings. That includes monitoring and review on the implementation of Anti-Corruption Policy in the company.

Section Two

Taking Action in Support Broader UN Goals and Issues

Aicón core business strategy is aligned with one or more relevant UN goals or issues. In 2016, Aicón started offering assurance services for sustainability reports under SR Asia international collaboration network. It contributed to UN goals/issues, especially in assisting companies to disclose their sustainability performance.

Moreover, one of Directors of Aicón has engaged in public policy drafting on corporate social responsibility law (CSR law). Even though the need for CSR law is debatable, that indicated the significant role of Aicón in consulting industry, especially on sustainability and sustainable development issues in Indonesia.

Furthermore, Directors of Aicón are also active members in several associations, including Indonesia Global Compact Network (IGCN) and International Society of Sustainability Professionals (ISSP) Indonesia.

Sustainability Governance and Leadership

The Board of Directors led by the CEO or President Director engages directly to formulate sustainability strategy, defines the goals, and oversees the implementation.

In managing stakeholder relations, Aicón provides various channels via direct meeting and discussion, telephone, short message, or e-mail to engage with employees and other stakeholders to hear their ideas and address their concerns. Therefore, any potential impacts or grievances can be identified and addressed from the beginning.

A good reputation is important for Aicón. Thus, Aicón always takes responsibility for the negative impacts on internal and external stakeholders.

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