

A black and white photograph of two hands shaking in a firm grip. The hands are wearing dark suit jackets. The background is blurred, showing other people in a professional setting.

2018 SUSTAINABILITY REPORT

CONSULTING WITH  
**RESPONSIBILITY**



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# CONSULTING WITH **RESPONSIBILITY**

Our company, Kiroyan Partners, was founded in 2006 against the backdrop of democratization in Indonesia following the Reformation Era. The reforms are distinctly characterized by growing liberty and freedom of civil society, local communities and the media in the public sphere. This new socio-political environment sparks the need for businesses to adapt with the times when it comes to dealing with social issues and increasing expectations for transparency and accountability. It is this background combined with decades-long managerial expertise and executive level experience of our founder, Noke Kiroyan, that inspires the path for our company to become a leading Public Affairs Consulting Firm in the country.

We support businesses in obtaining their social license to operate by directing their resources to cultivate rewarding relationships with their stakeholders and by strengthening their reputation as ethical and socially responsible businesses. This clearly-defined focus is firmly rooted in our belief that any company irrespective of size must adhere to the universally accepted business ethics and that ethics in itself is an essential ingredient for business sustainability.

This belief has thus guided our business and relationship with our stakeholders since the beginning and will continue to drive our corporate performance and services to clients in the years to come.



# ABOUT THIS REPORT

This report is our company's first annual sustainability report and as such marks a new passage in our company's sustainability reporting initiative. It covers the 2018 reporting period that is aligned with our financial year, precisely from January to December 2018.

As a signatory to the United Nations Global Compact (UNGC), we had regularly reported our commitment to the Compact through the reporting platform of Communication on Progress (CoP) since the year 2008. For the reporting year of 2018, we have decided to take another step forward following the guidance provided by the Global Reporting Initiative (GRI).

This initiative marks our readiness for a more comprehensive sustainability reporting. We are committed to communicating to our stakeholders in a consistent, open, and easily understood manner. This report covers our yearly performance comprising economic, social and environmental impacts, the management approach to oversee those impacts, and future sustainability targets set to be achieved by the next reporting year.

This report has been prepared in accordance with the GRI Standards: Core option.



# MESSAGE FROM THE **PRESIDENT DIRECTOR**

Dear Colleagues, Partners and Stakeholders,

**Kiroyan Partners' commitment to sustainability is reflected through our effort in ensuring that our own daily practices and our advices to clients in conducting business are always in line with sustainability principles.**

This commitment was first signaled by our voluntary participation as a signatory of the United Nations Global Compact. As a signatory, we support and make sure that our operations follow universal principles on human rights, labor, environment and anti-corruption. Last year, we have decided to apply the GRI Standard and develop a full Sustainability Report to replace the CoPs we do each year since 2008.

A key issue in our business in the public affairs sector revolves around ethical conduct, especially when dealing with the government and the media. Despite progress over the years, corruption in Indonesia is still prevalent in the form of payments, bribes or other benefits given to government officials as a way to solve issues. Our stance on anti-corruption takes center stage within this aspect as we make it clear to our clients from the outset that this is not something we practice and condone. When hiring new employees, ethics and integrity are key aspects for selection which is then reviewed and enforced through supervision daily. We strictly comply with anti-corruption regulations in Indonesia and avoid any activities that may be in the "grey area". This has firmly guided our advice and recommendations to our clients, and we will continue to do so in the future.

With regards to our social impacts, we are focused on employment practices with aspects such as diversity, people's development, work life balance and employee-management relations. These material topics are highly relevant in current business consulting industry, especially gender equality as part of diversity aspect that is still a big issue globally and even more so in the public affairs and communication sector. We see the diversity as an important aspect that has strengthened our position and offerings and has significantly contributed to our quality of services.

Notorious for the long-hours working environment, the consulting industry is known for its overwork and work-life balance issues. At our company, we strongly believe that each person has many roles and responsibilities in his/her life beyond work as a parent, as a partner, as a son/daughter, as a neighbor and many others a member of society. The fulfilment of professional and societal functions in a well-balanced manner is paramount in creating a healthy work environment. Hence, aside from helping us calculate and charge our consulting fees, our time-tracking and workload monitoring tools also help us understand the capacity of our employees to take up consulting projects, thus avoiding systematic overwork while guaranteeing that clients get the service they expect from us.

As consultants that are often exposed to sensitive information belonging to our clients, we emphasize on safeguarding the confidentiality of those information in all our activities. We discuss this aspect through non-disclosure agreements with our clients during the drafting of our contracts. In our business, experience and achievements with past clients are important aspects to promote our capabilities to prospective clients. We carefully consider the balance between our commercial interests and confidentiality in all our marketing initiatives.

In managing our environmental impacts, we are focusing on energy consumption and waste management. There is yet any policy on efficient use of energy and waste management due to our premise being in an office building that prevents the self-arrangement on the use of electricity especially for HVAC, water consumption, and waste handling. However, we always encourage the saving of electricity use and implement a paper waste handling system. We believe that regardless of its magnitude, every action made by employees would play important role in minimizing environmental impacts.

Last but not least, we also extend the implementation of sustainability to all our services by ensuring that our advice and recommendations that will be implemented by clients are always based on sustainability principles. This is where a consulting firm can exert its prowess to deliver the most meaningful impact to sustainability, especially when the clients are in a high-impact sector.

Although we have expertise in sustainability reporting, the process of developing this report has been an instructive journey for our organization to understand our impacts to society and what we have done to address them. We thank you for your continued support. Your inputs and comments are most welcome to improve our sustainability practices in the future.

## THE PROCESS OF DEFINING MATERIAL TOPICS AND BOUNDARIES

By nature, our business is, due to our size and our sector, not generally viewed as a high-impact sector. However, we took the effort to identify our business footprint because, to promote sustainable business practices, we must first understand the characteristics of our own activities and their impacts on society. Referring to the GRI Standards, we use the terms 'material topics' to describe these aspects which can be categorized into three main dimensions of economic, social, and environmental.

To do this, we carried out internal discussions involving all our departments — Management, Consulting Team, and Administration Team — each working on their own preliminary list of material topics prior to the workshop to think about how our daily activities may have an impact. The sustainability issues found were then put in the global and local context, i.e. selecting what kind of issues that matters to our stakeholders which come from multinational and domestic background.

By using GRI framework and through discussion involving management and employees, we then prioritize these material topics. Those topics were then discussed, weighed down collectively, and ranked based on their significance within the 'impact' and 'influence' variables as illustrated in the graph below. At the final stage, we compared with sustainability issues usually raised in the context of our sector, the business consulting industry, to further validate our findings.

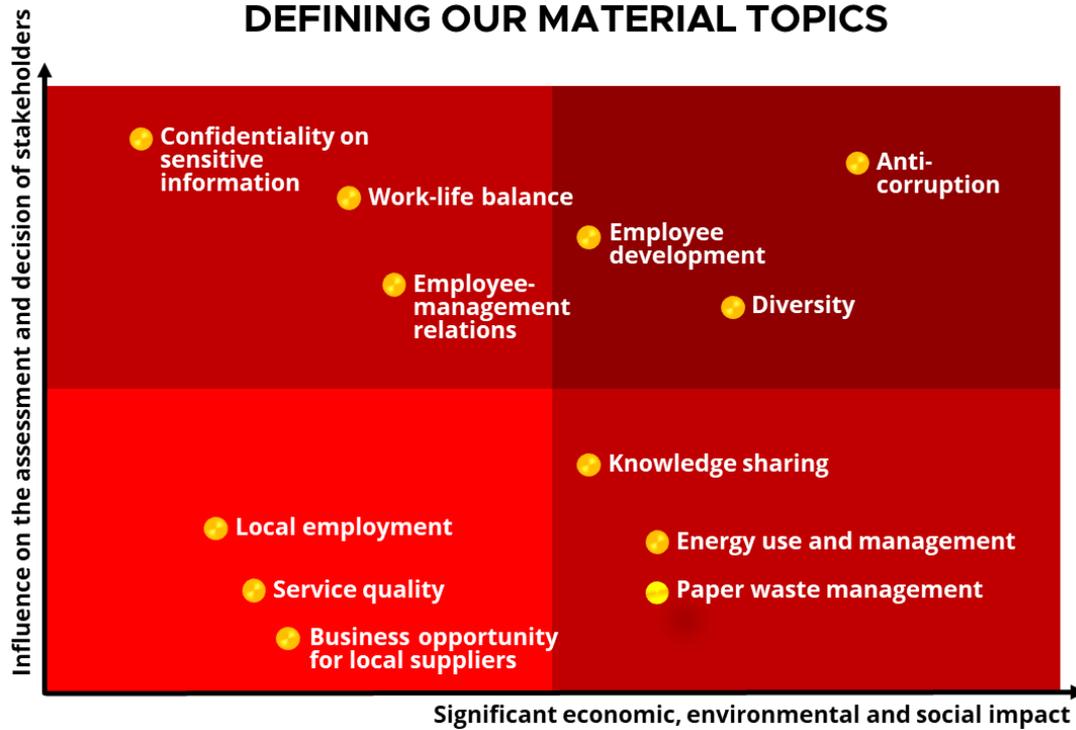
Referring to the G4 Guidelines and further revision in GRI Standards, we define material topics as the principal aspects that reflect:

- the organization's significant economic, environmental and social impacts; or
- substantively influence the assessments and decisions of stakeholders

We define 'impacts' as the effect an organization has on the economy, the environment, and/or society, which in turn indicates its contribution (positive or negative) to sustainable development. It does not refer to an effect upon an organization, such as a change to its reputation. Based on this definition and concept, we have identified the following material topics for each reporting dimension of economic, social and environmental components.

The boundary of the material topics in this report are limited to KP's premise in Jakarta within the time frame of January to December 2018. This report also only described our direct impact of our daily office operation in Jakarta and was not extended to the impact it contributes to or directly linked to due to the business relationship.

## DEFINING OUR MATERIAL TOPICS



The following table further summarizes material topics that will be the highlights of our Sustainability Reporting narrative this year.

ECONOMIC	SOCIAL	ENVIRONMENTAL
<ul style="list-style-type: none"> <li>• Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Diversity</li> <li>• Work-life balance</li> <li>• Employee development</li> <li>• Employee-management relations</li> <li>• Knowledge sharing</li> <li>• Customer privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Energy use and management</li> <li>• Paper waste management</li> </ul>

# 2018 HIGHLIGHTS

## OUR CLIENT

- Zero indication of business irregularity
- Zero complain on privacy and data protection



## OUR PEOPLE

- 20 employees:
  - 11 female, 9 male
  - Turnover: 3
  - New hire: 4
- 16 Lessons Learned sessions
- 6 Lunch and Learn sessions
- 9 trainings for 6 employees, equal to 104 hours from initially 320-480 hours
- 32 new books in library with collection of over 1,300 books

## OUR COMMUNITY

- 12 mentorship programs with students from Magister Management Program of the University of Indonesia (MMUI)
- 1 sharing session for students of the Swiss-German University (SGU)
- 1 sharing session with students from the Flinders University
- 1 speaking opportunities in PR Indonesia's Jampiro forum
- 12 public affairs column in PR Indonesia magazine



## OUR ENVIRONMENT

- Energy consumption: 13,707 kWh of electricity consumption in 2018, an increase of 80% from 7,607.6 kWh in 2017
- Material consumption:
  - 16 kg of plastic envelopes
  - 16 kg of plastics
- Waste:
  - 1,600 kg of printed materials
  - 100 kg of used paper recycled
- Digital media: Subscribed to 8 digital media, to avoid printed materials

# OUR PEOPLE

**At Kiroyan Partners, we believe that people are drivers of change that determine company competitiveness and success.** Our commitment in providing the highest quality of services heavily weigh on the quality of our human resources. Hence, we put immense effort from ensuring that our recruitment practice, employee-management relations to employee development program do not only serve our business interest, but also our employee's career. Our employment practices touch upon highly relevant topics in business consulting industries, namely diversity, people's development, work-life balance and employee-management relations.



## DIVERSITY

Diversity is a crucial topic for our employees whose respect and trust in the company greatly depend on how fair and non-discriminatory employment is applied. In the context of attracting talents, this is also relevant for job applicants who base their application on their understanding of our Company views and approaches in this aspect.

At Kiroyan Partners, we always make our values and principles clear from the start to ensure that we attract people with professional mindset and vision that are aligned with ours. This is a feature in our recruitment policy; we do not discriminate when it comes to gender, age, religion, political stance and physical ability. Respect is manifested in management decisions and in how the company treats all employees.

As a result, while we still do not have a specific company policy on diversity, our workforce has always represented a very wide array of professional, educational, and social backgrounds and ethnicities. This reflects the understanding that diverse organizations are more successful than those which do not have a diverse workforce. We recognize that each employee brings their own unique capabilities, experiences and characteristics to their work, and that that diverse perspectives enhance organizational strength, problem solving ability and innovation.

Female employees enjoy equal treatments as their male counterparts. These include non-discriminative salary range, employment benefits, and equal opportunity to pursue suitable trainings to further develop their expertise. Fair and equal treatment to all employees was also guaranteed by a merit-based evaluation and rewarding of employee performance. Salary, compensations, and career promotions are decided based on professional capabilities and contribution.

In 2018, we managed to achieve a balanced composition between male and female employees. Of 20 total employees in 2018, 11 were female and 9 were male. This compares favorably with the 2017 permanent workforce; 9 male employees and 6 female employees. Although this balance has been achieved, we do not currently have a system, such as quotas, to ensure it. It is rather a natural result of our recruitment system as described above and we believe our current approach is, so far, adequate to maintain gender balance in our organization.

With regards to career development, of the 11 female employees, 4 were assigned as senior level consultants, while 2 were at key level positions of Operations Manager and Administration Manager and 1 was promoted to executive.

Throughout the year, the turnover number was recorded at 3, with 2 female employees and one male employee leaving the company. The turnover was compensated with the hiring of 4 new female employees.

Our employees in 2018 also come from different regions across Indonesia, i.e. Maluku Islands, Sumatra, Java, Kalimantan and Sulawesi. Among all of our employees, there were then three religions, i.e. Islam, Protestant and Catholic. They also shared a wide array of education backgrounds, i.e. Social Sciences, Economics, Law, International Relations, Psychology and Engineering, which enrich the overall expertise of our Consulting Team.

## WORK-LIFE BALANCE



Work-life balance is a term commonly used to describe the balance that a working individual needs between time allocated for work and other aspects of life. Areas of life other than work can include, but it is not limited to personal interests, family and social or leisure activities. As it helps ensure the balance of social functions for society at large, this topic is particularly of major importance for various industries, including services and consulting industry such as ours.

At Kiroyan Partners, we are in full support of our employees in maintaining their work-life balance and fulfilling their various roles outside office. We especially recognize the fundamental rights of our employees to fulfill their responsibilities as a parent, a spouse, a son or daughter within their respective family and communities.

We have implemented several policies to support the work-life balance of our employees and will continue to explore other areas where improvement can be made. Relevant policies range from flexible working hours, requirement of efficient project planning in the form of Standard Operating Procedure (SOP) development, leaves compensation for working overtime or during holidays, as well as the utilization of time management apps to record and monitor workload. In 2018, we have developed an SOP for various key activities we do to improve effective and efficient use of time as well as coordination between team members.

In essence, every employee is given the option to adopt flexible working hours within a particular fixed office hour. They are allowed to manage their working time at the office as long as it does not interfere with any projects at hand and could still fulfill their responsibilities to clients. Employees can also ask to work from home (or other place beside the office) if their condition or situation requires them to do so. In case of certain needs arise and require our employees to work outside office hours or during holiday, they are also automatically entitled to compensation leaves as much as the total days spent to complete the work.

For the whole 24 projects we worked on that year, those assigned to manage each project held full discretion and responsibility in managing their respective projects and tasks. They were required to develop a project workplan and timeline that were subject to our Management's approval. That way, the company can maintain a supervisory role in ensuring that each project ran smoothly while all of our employees could efficiently manage their time for work and outside work activities. To support the time management need of our whole team, we also utilize time-tracking and project management software called Toggl.

The Toggl reports show that our hardest-working consultant clocked in 1,680 hours from a theoretical total of 1,884 hours of work that year (calculated as total working days, minus leaves and holidays). The workload was also spread out in the year, peaking in the final three months, especially in November where utilization reached 67% in that month for the whole team. Based on these reports, we believe the work absorbed was still within the capacity of our workforce and that, consequently, work-life balance can be maintained in 2018. It should be noted that the accuracy of our time-tracking system highly depends on the discipline of our employees to use the Toggl software. Hence, we plan to increase this discipline by making it mandatory and evaluated regularly.

We also provided our employees with necessary dispensation, beside annual leaves and leaves compensation. Various conditions which entitled them to it include maternity (of the employee or their partner), wedding (of the employees, their children, or their siblings), miscarriage (of the employee or their partner), or death of close relatives, or any condition that renders them unable to work properly. In 2018, two employees received maternity benefits and one received wedding allowances. One employee received one additional leave day due to the death of a close relative from the 2 days required by law.

In 2018, the Management granted a total of 15 days of leaves compensation to six employees. Among those that are given, a bonus of 5 days compensation leaves was rewarded to one employee considering his commitment and overtime taken to complete various projects at close period.





## EMPLOYEE-MANAGEMENT RELATIONS

KP is fully compliant with the national labor regulations. In addition to employment rights and incentives, we also empower them with direct access to the management in voicing and discussing all of their aspirations and ideas. We apply an open-door policy that provides them with total freedom and space to speak their mind and offer ideas and suggestions for the company. Before taking any decision that might affect employees, such as new policies or corporate regulation, the management would involve them in the process. Moreover, we also make sure that all of our company policies and employment information are available for all employees that they reach the management at any time to offer any feedback and accordingly receive response to their inputs.



## EMPLOYEE DEVELOPMENT

Training and development of employees is critical to the ongoing success of our whole team as it determines the quality of our services and how we can constantly improve it in delivering excellence to all of our clients. As further embodiment of our company principles 'Individual Excellence', 'Teamwork' and 'Good is Not Good Enough', we ensure that all employees grow in professional strength along with the company.

We actively foster such development through three major platforms:

- **A variety of trainings that can give an edge to individual expertise**

At the start of each year, all employees are given a review of their performance in the past year where they, along with the management, determine up to 3 trainings to complete within the coming year. All employees are entitled to and highly encouraged to take on trainings that they view as essential in honing their expertise and exploring their potentials and interests.

The list of trainings for each employee usually develops over the years as they look into skills to improve, but generally the trainings revolve around our core business activities that require project management skills, leadership, business writing and communication, as well as presentation skills and budgeting.

However, by the end of 2018, the target of 3 trainings per employee could not be realized mainly due to the difficulty of finding suitable and quality trainings and in part also due to conflicting schedules with our employees' work priorities. To overcome this issue, the management decided to move towards digitizing our trainings in 2019 for our consultants by using online course platforms. This will provide more choice and access to high-quality world-class skills and knowledge training to our team members.

Throughout 2018, our employees participated in 9 training in the core areas of Digital Marketing, Infographic Design, Story-telling, Principles of Marketing, Presentation of Business Process, Public Speaking Essentials, Budgeting, Op-ed Writing, and Directorship Certification. This was below our expectations and we hope to achieve at least 16 online courses per consultant in 2019.

- **Enabling environment for employees to expand their knowledge**

We encourage the culture of continuous learning at KP. Our principal meeting room also serves as a library that houses books and research papers relevant to our business. The management expands the collection by adding 32 new and original books, making the number of books in our library to be over 1,300. All employees including the interns, are welcome and even encouraged to read them. Moreover, we also maintain an internal project for all consultants to share their knowledge and expertise in the written form of think pieces and op-eds to be pitched to national and regional publications.

- **Group activities that facilitate collective learning and knowledge sharing**

In further spirit of knowledge sharing, we regularly conduct various activities involving all team members to learn and exchange thoughts on issues of their interests. Knowledge sharing activities consisted on weekly project review for the whole year and Lunch and Learn sessions.

We held 6 Learn and Lunch sessions in 2018 where our employees share their experience and knowledge about a certain topic followed with discussion with the whole team members, including Board of Directors and interns.

The company's Project Review is a weekly routine where we keep track of and discuss challenges for further progress of all projects that we are working on. Moreover, depending on the dynamics and needs of each project, we also conduct project briefings and brainstorming sessions.

# OUR CLIENT

**In a client-driven industry, we are consciously operating with high standards to maintain customer satisfaction and privacy by performing ethical business practice.** Our focus lies in conducting anti-corruption practices as well as safeguarding clients' privacy and confidentiality.



## ANTI-CORRUPTION

Anti-corruption is an important topic for our clients and prospective clients, especially those that base their business and operations on good corporate governance and ethical business practices. While we do not implement a whistleblowing procedure due to limited scale of our operations, we strictly follow the anti-corruption laws and prohibit authorizing, offering, giving or promising anything of value directly or indirectly to anyone, especially policy maker, to influence action that give favor to us or our clients.

We consistently uphold our anti-corruption commitment even if it means compromising our business opportunity. We will not assist clients which do not adhere to anti-corruption principles. Moreover, we always remind our clients on the corruption risk that should be avoided when conducting business in Indonesia.

In order to prevent corruption to take place, KP has a set of policies in place aimed at preventing and condemning corrupt practices. These policies are stipulated in our company's regulation in Chapter VIII, Article 32 about Contract Termination. The article clearly states that anyone who commits or persuades others to commit act against the law and/or receives a gratification and/or be involved in bribery in any form will have his/her working contract immediately terminated.

We consistently communicate the value of integrity to all staff and constantly build awareness on the issue. The concept of integrity has always been introduced to every new employee as well as interns. For each new hire and intern we welcomed, our board of directors took the lead in holding an induction session where our business principles and stance on ethics including anti-corruption were introduced and discussed at length.

We also have an internal evaluation mechanism to assess of all our business conduct whenever a project is completed. Attended by all of our employees, the session calls for transparency of the project not just financially but all key aspects of each project throughout all stages of planning, execution and closing so that all raised issues or cases can be evaluated and studied from business ethics standpoint. Our consulting team conducted a total of 16 such sessions as business and ethics evaluation for all projects that were concluded that year.

The continuous implementation of this method has proven to be invaluable for preserving not only the professionalism in serving clients but also the personal integrity among our staff. Throughout the reporting year of 2018, we did not encounter any experience or indication of business and contract irregularity.



## **CUSTOMER PRIVACY AND CONFIDENTIALITY**

As we work with clients from various industry and market sectors, we commit to protect the privacy of our customers and handle their data securely. We take our responsibilities seriously in protecting the customer identity as well as other confidential information and ensuring that sensitive information is treated with confidentiality.

Protecting customer Information is a key section of our company regulation and we communicate our stance on the protection of personal information of our employees, customers and relevant stakeholders. Our commitment in protecting customer's privacy is stipulated in our company's regulation in Chapter VII, Article 29, about Confidentiality which states that staff is prohibited from revealing data deemed as confidential which include project planning and implementation and the result of research.

Confirming our commitment in confidentiality protection, we provide non-disclosure agreements as a legal guarantee that the data will not be disclosed or used for any purpose other than those agreed upon. To better adhere to personal data protection regulation, we restrict ourselves on the collection of personal data and only collect personal data that matter. KP also collect data only by lawful means and be transparent about how they are gathered.

We understand that our clients are our most important stakeholder. The record of work with current and past clients has helped us to enhance our credential to the public as well as prospective customers. However, we always seek consent from our clients before revealing their identity in our company's marketing materials. With this careful consideration on how to balance commercial interest and customer privacy, we received no complaints from our clients regarding confidentiality in 2018.

# OUR ENVIRONMENT

**Environment has always been an area where we continue to explore further initiatives to contribute more from time to time.** In terms of business nature and scope, our company is characteristically a small enterprise with minimum exposure to and impact on the environment. In comparison, this makes our ecological footprint inherently much lower than those of the natural resources and manufacturing industries. However, this does not mean that we are not doing our share in preserving the environment. Against this background, we are focusing on energy consumption and waste management.



## ENERGY USE AND MANAGEMENT

Since its inception, the Company has consistently maintained its focus on implementing energy-saving activities for electricity and water usage. Our employees are accustomed to making sure that lights and appliances are turned off when they are not in use. We believe in granting our employees their rightfully ample access to clean and sanitized water, this total intake ideally remains at a constant level and further depends on the workloads at a particular time.

Our team constantly ensured that no electronic devices were operational when there was no activity in the office. Aside from air conditioners, the energy saving practices were also applied to lighting usage and other electronic devices (laptop, phone, printer, etc.).

With regard to the energy management of our office building, we also made a conscious effort of choosing an office complex that commits to energy saving. The cooling consumption from air conditioner is not included in the data collection as the building centralizes cooling system. An integrated control of air conditioners is in place to ensure that air conditioners are operational only during our business hours from 7.00 AM to 6.00 PM, Monday to Friday, and thus automatically turned off outside those hours.

In 2018, the company energy consumption increased 80.17% to 13,707 kilowatt hours (kWh) in 2018, largely driven by the expansion of our office as we added 3 meeting rooms and a prayer room for our employees and guests. Moreover, the increase was also affected by considerable surge of overtime frequency of our team. Despite the increase in the total electricity consumption, KP's intensity of electric energy consumption performance remain aligned with our sustainability effort with 46.5 kWh/m<sup>2</sup>/year. With reference to Green Building Council Indonesia, the benchmark for Minimum Building Energy Performance is set at 250 kWh/m<sup>2</sup>/year for offices.



## PAPER WASTE MANAGEMENT

As our outputs are predominantly delivered in the forms of reports and documents, we also deliberately implement waste management for all the waste papers we produced through paper waste recycling and use of digital copy in place of printed documents. Kiroyan Partners have practiced paper waste separation since 2011 in collaboration with IndoArsip to recycle paper waste.

In order to reduce paper use we were to actively advocate the use of electronic copy whenever possible and access news materials through our annual subscription of digital papers. All employees are encouraged to be mindful of paper usage for day to day activities. For instance, employees actively reminded each other to avoid print materials when deemed unnecessary and encourage the usage of digital documents.

Towards our clients, we also actively seek confirmation of their needs for printed documents of relevant deliverables. By doing so, we expect clients to be more aware on the availability of digital forms of our product and rethink their needs of paper usage.

In 2018, our Company's activities produced up to 1,600 kg of printed materials, utilized 16 kg of plastic envelopes and 16 kg of plastic to support business operation. With regard to paper waste management, the Company has handed approximately 100 kg of used paper materials (5 bags amounting of 20 kg each) to be recycled by IndoArsip.

To support our needs in information update and ability to keep up with the trend, we subscribed to eight digital media, namely Bisnis Indonesia, Kompas, Tempo, Kontan, The Jakarta Post, Investor Daily and The Economist.

# OUR COMMUNITY

**Kiroyan Partners acknowledges that our business is generally viewed as a low-impact sector, due to our size and our sector. However, this does not dampen our passion to make a meaningful impact to our community, particularly in promoting sustainable business practices.** With the culture of knowledge sharing embedded strongly within our organizational culture, it comes naturally that the Company's impact is conducted through means that we practice best.



## KNOWLEDGE SHARING

Our social and community engagement activities align with our vision in promoting sustainable and ethical business practice in Indonesia. We believe that aside from our clients, it is equally important to consistently educate the society on the practicality of doing ethical business practice in Indonesia.

Hence, we at Kiroyan Partners regularly participate in various knowledge sharing activities which enables young generation to learn from our knowledge and experience and further to make a positive difference: building a more ethical and sustainable business practice in Indonesia.

KP offers knowledge towards our communities in light of public's mistrust in the possibility of conducting ethical and sustainable business practice in Indonesia. We instill confidence by demonstrating the practicality of doing ethical business practice based on our experience in assisting clients from various sectors.

In 2018, we share our wisdoms, knowledge and experience on good corporate governance and ethical business practices to a group of students from University of Indonesia, Swiss-German University (SGU) and Flinders University. Our Management Team and Chief Consultant Noke Kiroyan provided insights on a wide variety of public affairs issues ranging from business practice, crisis management, branding, business landscape and socio-political dynamic in Indonesia.

KP in November 2018 contributed speakers to Jambore Public Relations Indonesia (Jampiro), a capacity building event held by PR Indonesia magazine. Our Chief Consultant Noke Kiroyan, President Director Anton Rizki Sulaiman and Senior Consultant Mardian Marsono shared their knowledge on the concept of public affairs to public relations practitioners from private sector and state-owned enterprises. Since January 2018, we also contributed monthly insight on public affairs practice to PR Indonesia magazine where our Chief Consultant Noke Kiroyan would relive his experiences in dealing with many intricate public affairs-related cases.

# ABOUT KIROYAN PARTNERS

Founded in 2006 by our Executive Chairman Noke Kiroyan, Kiroyan Partners is a public affairs consulting firm based in Jakarta, Indonesia that aspires to build strong reputations and solve challenges between businesses and their stakeholders by applying ethical and responsible communications.

Our Company provides services that include field work in various locations throughout the country. Kiroyan Partners in 2018 conducted researches in North Sumatra, West Kalimantan, North Maluku, East Java and North Sulawesi.

We have served clients that come from various background and industry sectors. Our services in 2018 were acquired by clients from mining, telecommunication, plantation, F&B, manufacturing, technology, startups, oil & gas, energy, insurance, development agencies, SoEs and government agencies. Our clients are mostly from private sectors, SoEs, non-profit organizations and public institutions.

The full extent of detailed services that we provide can be viewed in [our website](#).

## OWNERSHIP

The Company is a private limited company or a “*Perseroan Terbatas Tertutup*” according to Indonesian Law.

The following is the breakdown of ownership by shareholders as of December 2018:

No.	NAME	POSITION	% OF SHARES
1	<b>Noke Kiroyan</b>	President Commissioner	50.72%
2	<b>Theresia Hudy Handayani Kiroyan</b>	Commissioner	20.98%
3	<b>Moetaryanto Poerwoaminoto</b>	Commissioner	16.98%
4	<b>Natasha Christiane Kiroyan</b>	Shareholder	3.77%
5	<b>Anton Rizki Sulaiman</b>	President Director	5.28%
6	<b>Verlyana Virgousa Hitipeuw</b>	Director	2.26%
<b>TOTAL</b>			<b>100%</b>

## WORKFORCE

At the close of 2018, Kiroyan Partners had a workforce with a total of 20 employees who are all based in the office in Jakarta.

The gender breakdown of Kiroyan Partners’ employees in 2018 was 11 female and 9 male. Throughout the year, the turnover number was recorded at 3, with 2 female employees and one male employee. The turnover was compensated with the hiring of 4 new all-female employees.

In addition to our own workforce, Kiroyan Partners also hired a total of 11 personnel to work and lend their expertise on a project basis. These hires consisted of writers, editors, trainers, speakers and researchers who lent their specific expertise and supported our team delivering certain service areas.



## MEMBERSHIP OF INDUSTRY ASSOCIATION

**In 2018, Kiroyan Partners was an active member of eight (8) industry associations.**

- » Chamber of Commerce and Industry (KADIN) Indonesia, since 2007;
- » International Chamber of Commerce (ICC), since 2007;
- » Indonesia-Australia Business Council (IABC), since 2007;
- » German-Indonesian Chamber of Industry and Commerce (EKONID), since 2007;
- » Indonesia Business Links (IBL), since 2007; and
- » British Chamber of Commerce in Indonesia (BritCham) since 2015.

Additionally, Kiroyan Partners has been an active supporter of UN Global Compact (UNGC) since 2008 by actively promoting the ten principles of the Global Compact in respects to human rights, labor rights, the protection of the environment and anti-corruption.

## SUPPLY CHAIN

**The operation of Kiroyan Partners in Jakarta is supported by a number of suppliers and service providers based locally throughout Indonesia.**

During 2018, we procured the services from 7 suppliers that were located in Jakarta, Medan and Depok. The estimated monetary value of payments made to suppliers has a range from Rp5 million to Rp558 million. Our suppliers include:

- Research institutions or research firms to support some of the company's research-based service for our clients;
- Media monitoring companies, that help us track the news for our clients;
- Graphic design companies;
- Digital printing companies;

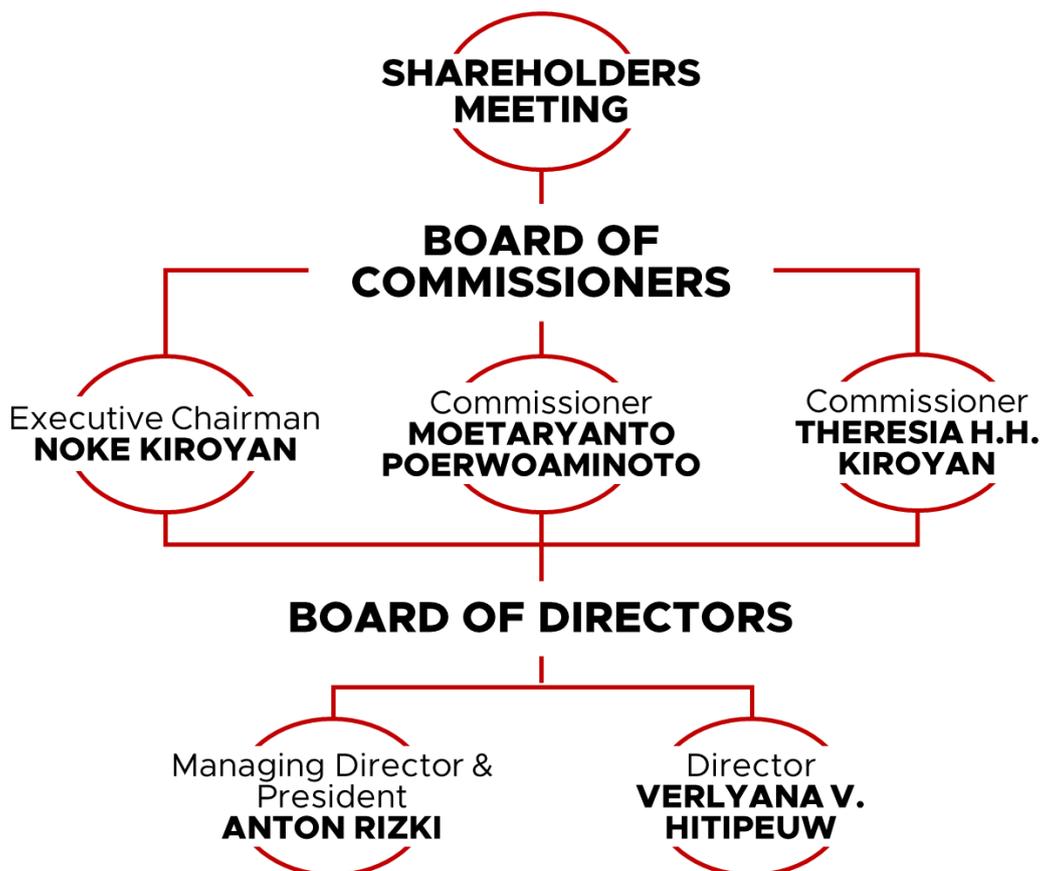
Additionally, we have also used 16 vendors to provide project needs or to support the operations of our Company. Services that we procured from vendors differ from those provided by suppliers in that the services ended merely as our consumption goods without being further utilized for our services to clients. Our vendors in 2018 include florists, software and hardware companies, stationery stores, internet network provider, paper recycling company, and tax auditors.



# CORPORATE GOVERNANCE

Kiroyan Partners is committed to the implementation of good corporate governance (GCG) principles.

The company's corporate governance framework is based on a hierarchy of bodies and appointments as stipulated by Law 40/2007.



## COMPANY ETHICS AND INTEGRITY

The Company is committed to maintaining high standards of corporate behavior and decision-making. These are made explicit through a set of principles that were developed in 2008 and has guided our work at Kiroyan Partners ever since.

Our principles, made available to our stakeholders in [our website](#), are:

- » **Ethics and Social Responsibility** — The team at KP always conduct business according to its strict code of ethics and social responsibility.
- » **Personal Integrity** — All clients and stakeholders of KP are treated with respect and fairness.
- » **Trust** — It is essential for the firm, team members, and business partners to trust one another. Without trust, KP cannot address its clients' needs effectively.
- » **Respect** — Throughout all the company's operations, no matter how big or small, the team at KP treats everyone with respect.
- » **Individual Excellence** — By constantly working to enhance the team members' knowledge and skills, KP is able to deliver optimal results and maximum value to the clients.
- » **Teamwork** — Collaboration is key. In KP's experience, teamwork produces far stronger results than individual processes.
- » **"Good" is Not Good Enough** — The team at KP must excel in all the tasks conducted, especially in our areas of expertise.
- » **Professionalism** — The KP team adheres to strict professionalism at all times.
- » **Sustainable Client Relationship** — Clients are valued as business partners with long-term relationships based on mutual trust and respect.

Exposure to Kiroyan Partners' values, principles, standards, and norms of behavior is provided during the induction process of new employees and interns. Moreover, the company's principles are actively promoted by the management as well as the team members itself. The management continually communicates the company's core values through internal meetings, regular trainings for employees, and knowledge sharing sessions. The Managing Director is responsible for the good enforcement of the company's principles by all members of the organization.

Kiroyan Partners is fully committed to upholding and maintaining these principles especially when working with our clients. We always ensure that our clients have mutual understanding of the importance of ethics and social responsibility, and we will not serve clients who disregard our values, principles and commitment to sustainability.

# STAKEHOLDER ENGAGEMENT

## OVERVIEW

**Kiroyan Partners defines stakeholder as “any group or individual who can affect or is affected by the achievement of an organization’s purpose” (Freeman, 2008).**

Based on the aforementioned definition, we conducted stakeholder mapping to identify all of our key stakeholders. Our identification method is a characteristically collective process that stems from our understanding of all our departments and their interactions with their respective stakeholders in daily operations. Based on this understanding we develop a list of relevant group and organizations.

» **Internal workshop** involving all of our company departments through group discussion. We held a company meeting, where we invite employees as representatives of each department, i.e. consulting, administration, management. The discussion was moderated by KP Sustainability Reporting team that helped participants to convey their opinion and thoughts on their respective stakeholders.

» Based on this discussion and mapping process, below is the list of our **key stakeholder groups**:

- Shareholders
- Employees
- Clients
- Media
- Government agencies
- Suppliers and vendors, depending on certain projects, may include non-governmental organizations, think-tanks, academics and research institutions

## KIROYAN PARTNERS’ STAKEHOLDER ENGAGEMENT ACTIVITIES

### INTERNAL

To engage our internal stakeholders, Kiroyan Partners has put in place a number of activities to keep them well-informed of KP business operations and updates, as well as means to gather stakeholders’ concern and feedback. These activities include:

- Weekly project review, where all concerns and challenges faced by employees can be heard and discussed.
- “Lessons learned” session, where whenever a project ends, all team members sit together to discuss what went well and what could be improved in our operations. This is carried out as part of project closing. This year, 17 lessons learned sessions were organized.
- Open door policy for Directors, to provide accessibility of top management by all employees.
- Annual General Meeting and Extraordinary General Meetings with shareholders. This year, the General Meeting was held in April, and three Extraordinary General Meetings were organized in February, July and November.

### EXTERNAL

As a service company, clients are important stakeholders for us. Hence, their feedbacks are gathered through interactions on a day-to-day basis during projects. For each project, a Project Manager is appointed to make sure that client’s needs and expectations are met. Meanwhile, important issues and complaints from clients are handled directly by the top management.

When projects are completed, we always try to get feedback from clients for further improvements. After delivering training services in particular, an evaluation questionnaire is given to the participants to receive their inputs and satisfaction.

Additionally, starting in 2018 we released a client satisfaction survey to further obtain constructive inputs and assessment of our service deliveries. A total of 21 surveys were sent throughout the year with 8 responses received.

So far, we have no specific engagement method to gather inputs from our suppliers.

# **APPENDICES**

## APPENDIX 1

**GRI STANDARDS PERFORMANCE INDICATOR  
DATA TABLES****Disclosure 205-2  
COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES** **2018****Communication of anti-corruption policies and procedures**

Total governance body members	4
Total governance body members by percentage	100%
Total employees	22
Total employees by percentage	100%
Business partners	0
Business partners by percentage	0%

**Training on anti-corruption policies and procedures**

Total governance body members	4
Total governance body members by percentage	100%
Total employees	22
Total employees by percentage	100%

**NOTES:**

- Anti-corruption policies and procedures are described in the company's Code of Ethics and Business Conduct.
- Clauses related to anti-corruption are included within the General Terms and Conditions for Suppliers.
- Anti-Corruption is covered during the HR Induction presentation. Employees are required to understand the Code of Conduct as part of the HR Induction.

**Disclosure 205-3  
CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN** **2018****Confirmed incidents of corruption**

<b>Confirmed incidents in which employees were dismissed or disciplined for corruption</b>	0
<b>Confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption</b>	0

**NOTES:**

There were no legal cases regarding corruption brought against Kiroyan Partners or its employees during reporting period.

**Disclosure 301-1  
MATERIALS USED BY WEIGHT OR VOLUME** **2018****Non-renewable materials**

<b>Plastic</b>	16 kg
<b>Map</b>	6 kg
<b>Printing material</b>	1,600 kg
<b>Other chemicals</b> (glass cleaner)	5.28 l

**Disclosure 301-2  
RECYCLED INPUT MATERIALS USED** **2018****Percentage of materials used that are recycled input materials**

<b>Total recycled input materials used</b>	0%
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**NOTES:**

When compiling the information for percentage of recycled input materials used to manufacture, total weight or volume of recycled material is to be used.

For percentage calculation of recycled input following formula is to be used:

$$\text{Percentage of recycled input material used} = \frac{\text{Total recycled input materials used}}{\text{Total input materials used}} \times 100$$

<b>Disclosure 302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION</b>		<b>2018</b>
<b>Total fuel consumption within the organization from non-renewable resources (A)</b>		-
<b>Total fuel consumption within the organization from renewable resources (B)</b>		-
<b>Total electricity, heating, cooling and steam purchased for consumption (C)</b>		
Electricity consumption		13.707,00 kWh
Cooling consumption		-
<b>Total electricity, heating, cooling and steam purchased sold (D)</b>		-
<b>Total energy consumption within Kiroyan Partners (A + B + C - D)</b>		<b>13.707,00 kWh</b>

<b>Disclosure 401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER</b>					<b>2018</b>
<b>Total number and rates of new employee hires and employee turnover by age group and gender</b>	<b>Total New Hires</b>	<b>Hiring Rate (%)</b>	<b>Total Turnover</b>	<b>Turnover Rate (%)</b>	
<b>Total</b>	<b>5</b>	<b>23%</b>	<b>3</b>	<b>14%</b>	
Male	1	20%	1	33%	
Female	4	80%	2	67%	
Age <30	1	20%	1	33%	
Age 30-50	4	80%	2	67%	
Age > 50	0	0%	0	0%	
Local	5	100%	3	100%	
Non-Local	0	0%	0	0%	

**NOTES:**

Rates are calculated using the total number of employees in the given category at the end of the year.

<b>Disclosure 402-1 MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES</b>		<b>2018</b>
<b>Minimum number of weeks' notice provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them</b>		<b>1-2 weeks</b>

**NOTES:**

Minimum notice periods can be found in KP policies standard and standard employment contracts.

<b>Disclosure 404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE</b>		<b>2018</b>
<b>Average hours of training per year per employee</b>		
<b>Average training time by gender</b>		
Male		16 to 24 hours
Female		16 to 24 hours
<b>Average training time by employee category</b>		
Managers & above		16 to 24 hours
Consultants		16 to 24 hours
Administration Team		16 to 24 hours

**Disclosure 404-2  
PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE  
PROGRAMS** **2018**

Types of internal training delivered	Scope	
<b>Management and Leadership</b>	<i>Training and Directorship Certification Level Fundamental</i>	1 program
<b>Technical Knowledge</b>	<i>Digital Marketing, Infographic Design, Marketing, Presentation Skill, Public Speaking, Budgeting Technique</i>	6 programs
<b>Language</b>	<i>Writing class</i>	2 programs

**NOTES:**

Training program includes internal training courses, funding support for external training or education, provision of sabbatical periods with guaranteed return to employment.

**Disclosure 404-3  
PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER  
DEVELOPMENT REVIEWS** **2018**
**Percentage of employees receiving regular performance and career development reviews, by gender and employee category**

Gender	
Male	100%
Female	73%
Employee Category	
Managers & above	100%
Consultants	100%
Administration Team	40%

**NOTES:**

Data applies for KP National employees.

**Disclosure 405-1  
DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES** **2018**
**Total number and percentage of individuals within governance bodies, by gender and age group**

<b>Total Percentage</b>	<b>100%</b>
Male	80%
Female	20%
Age <30	20%
Age 30-50	40%
Age >50	40%
Minority/vulnerable groups	0%
<b>Board of Directors</b>	<b>4</b>
Male	50%
Female	25%
Age <30	0%
Age 30-50	50%
Age >50	25%
Minority/vulnerable groups	0%
<b>Board of Commissioners</b>	<b>3</b>
Male	67%
Female	33%
Age <30	0%

<b>Disclosure 405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES</b>		<b>2018</b>
Age 30-50		0%
Age >50		100%
Minority/vulnerable groups		0%

<b>Disclosure 405-2 RATIO OF REMUNERATION OF WOMEN TO MEN</b>			<b>2018</b>
<b>Ratio of remuneration of women to men by employee category</b>	<b>Women</b>	<b>Men</b>	
<b>Management</b>	1	1	
<b>Consultant</b>	1	1.13	
<b>Administration</b>	1.4	1	

**NOTES:**

- Salary and remuneration is calculated as average.
- Data applies for KP National employees.

## APPENDIX 2

**GRI STANDARDS REFERENCE TABLE**

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) OR EXPLANATION
<b>GRI 102: GENERAL DISCLOSURES</b>		
<b>Organizational Profile</b>	102-1 Name of the organization	21
	102-2 Activities, brands, products and services	See <a href="#">our website</a> .
	102-3 Location of headquarters	Jakarta
	102-4 Location of operations	The company only operates in Indonesia.
	102-5 Ownership and legal form	22
	102-6 Markets served	To be added in text
	102-7 Scale of the organization	22 See <a href="#">our website</a> . 2018 revenue: Rp8,666,495,778 2018 total capitalization: Rp1,406,768,721
	102-8 Information on employees and other workers	22
	102-9 Supply chain	23
	102-10 Significant changes to the organization and its supply chain	To add changes of ownership structure
	102-11 Precautionary Principle or Approach	Not applicable, as we are a service company that does not pose any risk of serious or irreversible environmental damage.
	102-12 External initiatives	3
	102-13 Membership of associations	23
<b>Strategy</b>	102-14 Statement from senior decision maker	7
	102-16 Values, principles, standards, and norms of behavior	26
<b>Governance</b>	102-18 Governance structure	25 The Board of Directors is responsible for decision-making on economic, environmental and social topics.
<b>Stakeholder Engagement</b>	102-40 List of stakeholder groups	27
	102-41 Collective bargaining agreements	Not applicable. Employees in our company have not established a trade union to bargain with, so we have a Company Regulation instead.
	102-42 Identifying and selecting stakeholders	27
	102-43 Approach to stakeholder engagement	No engagement was undertaken specifically as part of the report preparation process.
	102-44 Key topics and concerns raised	Needs to be written, especially for employees and clients.
<b>Reporting practice</b>	102-45 Entities included in the consolidated financial statements	None.
	102-46 Defining report content and topic Boundaries	9
	102-47 List of material topics	10

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) OR EXPLANATION
	102-48 Restatements of information	<b>Not applicable, as this is our first SR.</b>
	102-49 Changes in reporting	<b>No significant change.</b>
	102-50 Reporting period	<b>Annual Report</b>
	102-51 Date of most recent report	<b>2017</b>
	102-52 Reporting cycle	<b>3</b>
	102-53 Contact point for questions regarding the report	<b>At the last page of the report.</b>
	102-54 Claims of reporting in accordance with the GRI Standards	<b>This report has been prepared in accordance with the GRI Standards: Core option.</b>
	102-55 GRI Content index	<b>35-37</b>
	102-56 External assurance	<b>The company is not currently seeking for external assurance in this first sustainability report.</b>
<b>GRI 103: MANAGEMENT APPROACH</b>		
<b>GRI 103 Management Approach</b>	103 Management Approach	<b>7</b>
<b>GRI 200: ECONOMIC</b>		
<b>GRI 205 Anti-corruption</b>	205-2 Communication and training about anti-corruption policies and procedures	<b>29 Anti-Corruption is covered during the HR Induction presentation.</b>
	205-3 Confirmed incidents of corruption and actions taken	<b>30</b>
<b>GRI 300: ENVIRONMENT</b>		
<b>GRI 301 Materials</b>	301-1 Materials used by weight or volume	<b>30</b>
	301-2 Recycled input materials used	<b>30</b>
<b>GRI 302 Energy</b>	302-1 Energy consumption within the organization	<b>30</b>
<b>GRI 308 Supplier Environmental Assessment</b>	308-1 New suppliers that were screened using environmental criteria	<b>KP has no policy that requires environmental screening for "new suppliers".</b>
<b>GRI 400: SOCIAL</b>		
<b>GRI 401 Employment</b>	401-1 New employee hires and employee turnover	<b>31</b>
<b>GRI 402 Labor Management Relations</b>	402-1 Minimum notice periods regarding operational changes	<b>32</b>
<b>GRI 404 Training and Education</b>	404-1 Average hours of training per year per employee	<b>32</b>
	404-2 Programs for upgrading employee skills and transition assistance programs	<b>32</b>
	404-3 Percentage of employees receiving regular performance and career development reviews	<b>33</b>
<b>GRI 405 Diversity and Equal Opportunity</b>	405-1 Diversity of governance bodies and employees	<b>33</b>
	405-2 Ratio of basic salary and remuneration of women to men	<b>33</b>





**KIROYAN  
PARTNERS**  
PUBLIC AFFAIRS

**Your social license expert.**

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