

PT AICON GLOBAL INDONESIA
Communication on Progress 2018
Submitted to UN Global Compact



PT Aicón Global Indonesia
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INTRODUCTION

About This Report

This Report serves as stand-alone Communication on Progress (COP) document of PT Aicón Global Indonesia (Aicón), that is submitted to the United Nations Global Compact (UNGC). The Report content discloses the efforts of Aicón in implementing the Ten Principles of UNGC into its operational activities for the period of January 1, 2018, to December 31, 2018.

Report Content

There are two sections in this Report:

- Section 1:** Statement from CEO, introduction to Aicón, and its engagement with UN Sustainable Development Goals (SDGs)
- Section 2:** Discussions on the application of the Ten Principles of UNGC under human rights, labor, environment, and anti corruption topics

Aicón is a consulting company that has no comprehensive engagement in environmental issues. However, in this COP, Aicón discloses some initiatives addressing environmental impacts within its scope of business activities.

Transparency

Aicón is a limited liability company that does not publish a sustainability report and does not appoint an independent party to assess its COP.

SECTION 1

Statement of the CEO – *expressing continued support for the United Nations Global Compact and renewing on going Company's commitment to the initiatives and principles*

To our stakeholders,

I am pleased to confirm that PT Aicón Global Indonesia reaffirms its support for the Ten Principles of the United Nations Global Compact (UNGC) in the areas of human rights, labor, environment, and anti-corruption.

In this annual Communication on Progress (COP) document, we describe our actions to continually improve the integration of the UNGC and its principles into our business strategy, culture and daily operations.

We also commit to share this information with our stakeholders by utilizing our primary channels of communication.

Sincerely yours,

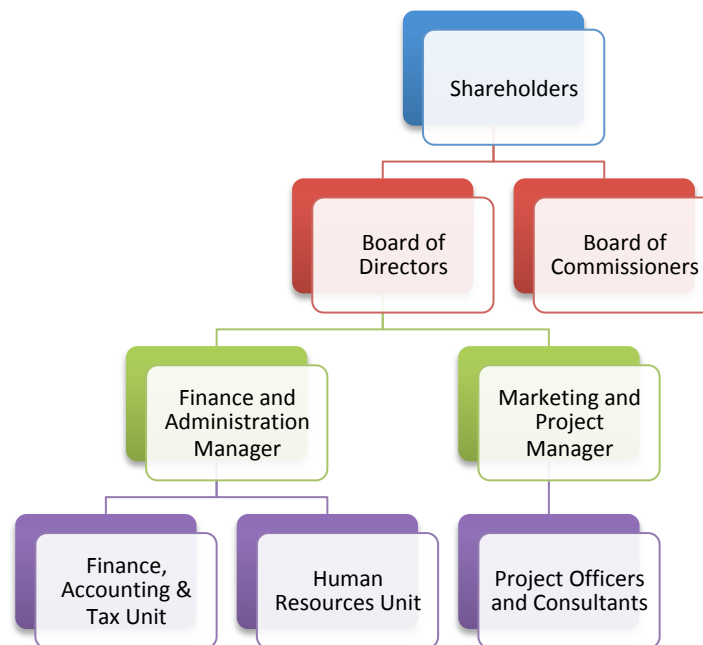



DR. Semerdanta Pusaka
CEO, PT Aicón Global Indonesia

SECTION 2

About Aicón

PT Aicón Global Indonesia is an Indonesia consulting company that serves corporations and/or other types of organizations in integrating sustainability concept, principles, and best practices into their business processes and activities. Founded in October 2010, Aicón's services portfolio includes social mapping, training and workshop, consultation, corporate reporting development, research, strategy development, community development program evaluation, and social impact assessment. Aicón is located in Jakarta and it serves state-owned enterprises, large national companies, and multinational corporations operating in a wide range of industry sectors, such as oil and gas, pharmaceutical, cement, construction, telecommunication, palm oil plantation, bank, and mining.



Picture – Organization Structure

Aicón organization structure is very lean with a total employees no more than fifteen people as of December 31, 2018. The CEO is part of the Board of Directors where collective decision-making is applied at the highest level of governance body. Slight organizational changes were made by end of 2018. There is now a Marketing and Project

Manager who leads, monitors and evaluates the overall project activities run by the Project Officers and Consultants.

Aicón and Sustainable Development Goals (SDGs)

Aicón supports the SDGs and assists the clients to understand as well as to align their business practices into SDGs. Aicón has taken the role in facilitating SDGs mapping and capacity building activities as well as strengthening the network among the stakeholders and the means of implementation in various organizations.

Implementing the Ten Principles

Aicón has policies that guide the implementation of four pillars of Ten Principles of UNGC in the company. All functions are responsible to apply sustainability principles at practical level and report directly to the CEO. In running its operations, Aicón individuals must ensure business activities in line with sustainability commitments. Persons in Aicón are also encouraged to collaborate with different internal functions and external stakeholders, such as business partners, clients and associations to make the Ten Principles of UNGC well practiced.

Aicón has a very short value chain with its business partners including the independent consultants, freelance writers, project-based graphic designers, and professional translators. Aicón communicates company policies and expectations to business partners, that they shall respect Aicón's corporate values and the Ten Principles of UNGC as well.

In order to measure its performance, Aicón reviews the implementation of the Ten Principles of UNGC periodically and releases COP document to communicate its achievements and challenges to the stakeholders.

Human Rights Management Policy and Procedure

“In the last three years (2016-2018), number of human rights incidents reported, solved, or carried over to the next period was ‘0’ (zero) in Aicón”

Aicón is committed to comply with the Human Rights Law in Indonesia and also the Universal Declaration of Human Rights. Aicón's Human Rights Policy serves as the operational guidelines to ensure that its business activities do not cause negative impact on human rights and the stakeholders. All people in Aicón including Directors must follow the company's Human Rights Policy and it is 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.

The Human Rights Policy is placed on the wall in the office room and the management sends a reminder about the policy via e-mail or other social media communication channel regularly. During internal gathering or events, CEO also conveys Aicón's commitment for human rights to the employees.

Performance on the commitment for human rights is usually one of the topics of discussion in the annual meeting of Board with the shareholders. The objective is to ensure that internationally recognized human rights are continuously respected. A person experiencing human rights incident in Aicón can report to Aicón's grievance mechanism. Through the mechanism, a victim or witness of human rights incident from internal and external can

report to the Board of Directors or the Board of Commissioners directly via e-mail or phone call. The report will be responded directly by the Directors or Commissioners, depending on the impacts, the types of incidents and the level of engagement needed for remediation.

Labour Management Policy and Procedure

“There were no significant work incidents or grievances from employees reported, solved, or carried over to the next period in Aicón in the last three years (2016-2018)”

As a consulting company, manpower is one of critical success factors of Aicón. The employees are mandated to follow Aicón’s labour policy as guidelines for ethical conduct in the company. New employees are also encouraged to understand the labour laws and principles, and discussion with the Directors on labour principles is usually organized as part of internal awareness raising and capacity building for the employees. In 2018, Aicón was in the process to prepare a draft of Company Employment Regulation following the Indonesia labour law regulations. To be published in 2019, the draft also considers the international labour standards and principles.

In overall, Aicón’s labour policy 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 pertinent regulations, and avoiding child labour and forced labour. Aicón also ensures equal opportunities employees at workplace. Decisions on rewards and promotions are taken based on merit.

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 Directors or Commissioners can handle cases or employment disputes by following the Indonesia Manpower Law or the international labour standards and principles. If needed, external authorities may be invited to solve the industrial disputes.

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 of activities, current performance, and priorities for the future.

Environmental Management Policy and Procedure

“As part of leadership review on the environmental performance monitoring and improvement, the Directors usually bring up the discussions in top management meetings quarterly”

Environmental Policy in Aicón highlights several issues, such as reduction of electricity and water consumption, solid waste management, utilisation of 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 environmental incidents to the Directors, Commissioners or Shareholders via e-mail or phone call. The Board of Directors or Commissioners can solve the cases according to the environmental regulations.

Activities to raise internal awareness on environment impacts were carried out through internal discussions with Directors. Up to now, the company does not provide environmental training for employees because its core operations do not have significant environmental impacts. However, the Directors usually bring up discussions on the environmental performance in the top management meetings quarterly and in the employee meetings. That is part of leaders' review on the results of monitoring and improvement of environmental performance in the company.

Anti-Corruption Management Policies and Procedure

“There were no actual or potential corruption incidents reported, solved and carried over to the next period in 2017 and 2018, while there was a potential corruption incident in 2016 leading to Aicón’s decision to release an opportunity to obtain a project”

All persons including the Directors in Aicón must follow the Anti-Corruption Policy. It reflects a commitment of the company to comply with all relevant anti-corruption regulations and avoid potential corruption events. In case of a corruption incident occurred, an employee or external party can report the incident through Aicón’s grievance mechanism or whistleblowing system.

Leadership for anti-corruption has been well implemented in Aicón since the year of 2016. In that year, a corruption incident was potentially occurred when a prospective client solicited for project fees. Responding the situation, top management made a quick decision to drop the project.

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.

Taking Action in Supporting Broader UN Goals and Issues

It can be said that Aicón supports the stimulation of the achievement of sustainable development goals through its consulting and capacity building activities for the companies.

Aicón Directors are the active members of IGCN and International Society of Sustainability Professionals (ISSP) Indonesia. At broader level, Aicón engages with Indonesia Global Compact Network (IGCN) and supports IGCN activities such as trainings and forums on various sustainability issues.

Sustainability Governance and Leadership

Aicón is committed to manage the actual and potential impacts on internal and external stakeholders as well as the environment. The Aicón Directors led by the CEO engage directly to define sustainability commitments and oversee the implementation.

In terms of stakeholder engagements, Aicón provides various communication channels such as direct meetings and discussions, phone calls, short messages, or emails for the stakeholders. Aicón is always open to hear new ideas and concerns; therefore, any potential impacts or grievances can be identified and addressed from the beginning.

CLOSING

Stakeholders who want to inquire information about this COP or Aicón may contact the following:

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