
PT. ARRGANI

**COMMUNICATION
ON PROGRESS**

**MEMBER OF
UNITED NATIONS
GLOBAL COMPACT**

05 AUGUST 2021

05 August 2021
Surabaya, Indonesia

To our stakeholders:

I am pleased to confirm that PT. ARRGANI 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,



Ervan Christawan
CEO

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.

PT ARRGANI has embraced a Value-Added approach toward employees, policies, safety, and family. These include:

- Employee Appreciation Awards
- Work hours that help support a more family friendly balance to life and work activities
- Company Benefits including healthcare and social security benefits
- Celebratory or condolence gifts to employees

When Covid-19 outbreak at Indonesia in March 2020 until now, ARRGANI have a standard protocol to ensure employee does not get infected by Corona Virus :

- Check Body Temperature before entering factory and office
- Provide sink and soap in front of main gate, office, and factory
- Give medic mask, hand sanitizer, vitamins, imboost, and medicine to employee regularly
- Change office and factory layout to ensure minimum distance 1.5 meter between employees

Employee Appreciation Awards

Every employee who according to the company's assessment achieves one of the following, will receive an award from the company:

- Conduct commendable actions in preventing the Company from crisis.
- Discovering or creating something of significant value for the company.
- Displaying high aptitude for work that sets a good example for colleagues.
- Provide valuable contributions in advancing the reputability of the Company.

Work Hours

Employees primarily work 24 hours in 3 shift. on Monday – Friday 7:00 – 15:00, 15:00 – 23:00, 23:00 – 07:00 which

accommodates after work or before work appointments and ability to take care of family or personal needs, while office and support personnel are able to request flexible schedules to accommodate the same needs.

Company Benefits

Company benefits include health and dental insurance, life and disability insurance. Paid personal time and vacation time are also provided.

A. Health Care

- The company covers employees' and their immediate families' health care in accordance with company policies, including inpatient and outpatient costs.
- The company covers dental health maintenance and spectacles

B. Social Security program coverage (Jamsostek)

- The company includes all employees in the Employees' Social Security program (Jamsostek).
- The Employees' Social Security referred to is to improve and guarantee the welfare of employees covering: Work Injury Insurance, Loss of Life Insurance, and Old Age Insurance.

The company will contribute a wedding gift to newly-married employees, and will contribute a token of condolence to employees upon the passing of their spouse, child, and parents.

Anti-Discrimination / Harassment Policy

PT ARRGANI will neither condone nor tolerate harassment of any type. This includes harassment due to race, color, religion, sex, sexual orientation, national origin, disability, age, or any other protected characteristic under state or provincial law.

LABOR:

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

PT ARRGANI does not discriminate against employees because of their views on unions and union activity. While PT ARRGANI is not a union facility, we continue to treat employees fairly, offering benefits comparable to those companies who are union.

PT ARRGANI does adhere to and comply with the right to collective bargaining and have posted legally required information regarding that right in plain view for employees to read, including the following :

All employees are prohibited from obstructing or forcing employees to form or not form, become administrators or not become administrators, become members or not become members and / or run or not run trade union activities by:

- terminating employment, temporarily suspend or demote;
- not paying or reducing workers' wages;
- intimidation in any form;
- campaigning against the formation of trade unions

Principle 4: the elimination of all forms of forced and compulsory labor.

Other than overtime required for customer needs, PT ARRGANI does not have forced or compulsory labor and does not condone the mistreatment of people in this regard. Overtime is typically on a voluntary basis first.

PT ARRGANI does not knowingly do business with customers or vendors who promote forced or compulsory labor activity.

Overtime Policy

A healthy balance between work and home life is important to everyone. The goal of the company is to accomplish the requirements necessary to meet our customers' delivery expectations. Employees who work overtime are entitled to reimbursed transportation home and meal allowance.

Principle 5: the effective abolition of child labor: and

PT ARRGANI upholds the abolition of child labor and only employs those who are at least 18 years or older and have Identity Card (Kartu Tanda Penduduk in Indonesian Language). We adhere to all regulations set forth by the state for minors regarding breaks, meal periods, and safe working conditions.

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

Most of this is covered in the Human Rights portion as it fits both areas:

- Equal Opportunity Employer
- Anti-Discrimination / Harassment Policy
- Fair wages above provincial-mandated minimum wage
- Encouragement of employee development and promoting from within (Equal Opportunity

Currently have a program which allows employees to get additional training necessary for their career path or current position.

- Development of an employee mentorship program
 - Helping new employees adjust to the new work environment and promote engagement
 - Aid with on-the-job training

ENVIRONMENT:

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

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

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

As a Plastic and packaging Industry company, the task of promoting the development and diffusion of environmentally friendly technologies is a challenge to our industries in general.

At PT ARRGANI, we have helped to provide plastic and packaging for food, drink, and all thing that need protection from dust, bactery, virus and etc. At this rate, we try to use some new biodegradable technology like Casava to made plastic bag. Hopefully our eco-friendly plastic material have impact to greener environment wherever in land or sea.

PT ARRGANI also want to expand our industry using **bamboo** as our primary eco-friendly material. Bamboo is a degradable material to alternatively change non eco-friendly material like plastic. **Bamboo** can replace things such as plastic straws, utensil, tissue, and etc.

PT ARRGANI continually cooperate with the colleagues, vendors, distributors and customers to use friendly environment that encourages the smooth adoption of eco-friendly packaging across all sectors.

ANTI-CORRUPTION:

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

PT ARRGANI actively discourages any corrupt behavior within our scope of influence. This includes assessing the risk of corruption when doing business, and ensuring that internal procedures support PT ARRGANI's anti-corruption commitment. PT ARRGANI is committed to doing business in a professional, legal, and appropriate manner.

Our reputation for integrity and excellence is upheld through careful observance of the highest standards of conduct and personal integrity. This involves enforcing internal policies relating to our ethical conduct throughout interactions with colleagues, customers and vendors.

MEASUREMENTS OF OUTCOMES

- No employees were dismissed due to diversity factors (please refer to our Equal Employment Opportunity Policy)
- Achieved a rate of 40% female recruits in the past 1 year, up from the previous 1 year's rate of 20%
- No employees quit their job due to diversity factors nor bad work conditions
- Rate of occupational diseases, injuries, and absenteeism remains minimal
- No negative impact on environment was noticed from the process
- No corruption intentions were noticed in the company