

**Communication on Progress
PT. Martina Berto
Martha Tilaar Group
2011**

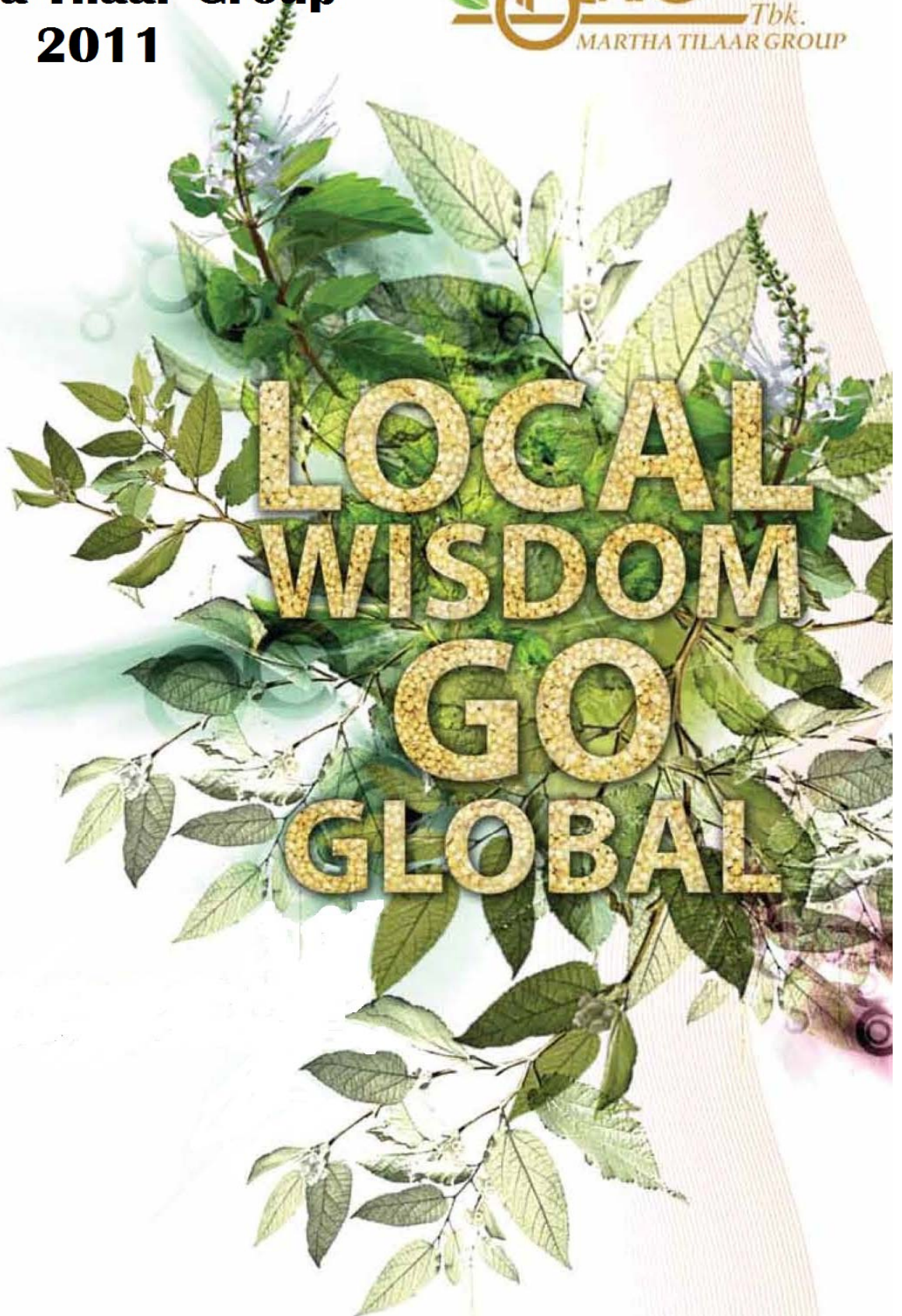


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THE STATEMENT OF TOP MANAGEMENT PT. MARTINA BERTO, TBK

Business sustainability concept has been implemented in our company, PT. Martina Berto, Tbk through integration of our industrial operation, environmental protection, social responsibility and corporate governance run consistently since the beginning of this company.

Everyone as a company member has taken the pride to be part of the Global Compact movement together with other world class companies in making the world a better place to stay and work by implementing the 10 principles of the Global Compact in the factory, office work place, environment as well as society.

Our corporate vision has also been rephrased into **"Local Wisdom, Go Global"** to strengthen our commitment in line with the Global Compact mission and sustainability. We have made lots of effort to preserve our local culture and biodiversity and convert them into innovative and value-adding-products for human health, beauty and wellness.

We feel honored to be given a chance as a member of Global Compact LEAD and would take this as a tool to promote the Global Compact initiatives and share our experience with peers in Indonesia as well as overseas.

Jakarta, 18 May 2012



Bryan David Emil
President Director PT. Martina Berto, Tbk.



Dr. (HC) Martha Tilaar
Board of Commissioners

Overview

As it had been reported previously, PT. Martina Berto has been grown significantly by bringing local wisdom in every single product. By the time being, competition among national companies as well as global companies become more and more tight. However, we can enter global market with high commitment in exposing our local wisdom and touching it with technology as market preference in this modern era. Furthermore, in running business we stand in commitment to implement Global Compact principles inline with MDGs which every criterion of those initiatives could be run in sinergis and support each other. New trend in business currently introduce to our corporate is "Business with the poor" that we have to do business not only collect profit but also giving chance to poorer involvement in business process wisely as it is written in the book of "Growing Inclusive Market" published by Global Compact Network of Indonesia (IGCN).

The ASEAN Leader had decided to transform ASEAN into a stable, prosperous, and highly competitive region with equitable economic development reducing poverty and sosio economic disparity as ASEAN vision in year 2020. By the time, this vision had been speedup into year 2015 instead of 2020, and Indonesia has been joined in year 2011. From now on, market competition will be so tight especially for cosmetic industries in local, regional, and global scale. Through our strategy "Local Wisdom Go Global" we try to win the competition by exploring wisely our local wisdom, then touching with technology to meet global requirements. It is therefore, we declare our strategy since early 2010 by implementing four pillars:

- Beauty Education,
- Beauty Green,
- Beauty Culture,
- Beauty in Women (Women Empowering Program).

Activities regarding to the four pillars will be described and included in each criteria below.

The Global Compact Principles have always been incorporated within our company's mission and business strategies. They are undoubtedly the soul of our corporate culture that enhances the company's image. Implementing these principles has been done sustainably inline to 8 targets of MDGs (Millenium Development Goals).

Not only has such business value been well recognized by our stakeholders, but it eventually also influences our business network worldwide. We would say that it is notably imperative that business operators should put some extra efforts to concatenate these core values with theirs.

Through our support of the United Nations Global Compact (UNGC), we also promote all principles of Global Compact to other stakeholders. It is, therefore, no doubt for us as corporate giving statement on continuing program implementation of 'UNGC 10 Principles' in the line of our business. Here we summarised into the 24 criteria about the progress we have made to fulfil these principles and we will continue to follow them up in future.

Introduction

PT Martina Berto Tbk (the "Company") was established in the Republic of Indonesia on 1 June 1977 and located in Jakarta. The Company started commercial operations in December 1981. Its products are marketed in the domestic and international markets. In 2011, the Company made an initial public offering through the Indonesian Stock Exchange.

The company milestones:

1977	1981	1986	1993	1995
 <p>Perseroan didirikan pada tahun 1977 oleh Ibu Dr. HC. Martha Tilaar, Bpk. Bernard Pranata (alm), dan Ibu Theresia Harsini Setiady.</p> <p><i>The Company was established in 1977 by Mrs. Dr. HC. Martha Tilaar, the late Mr. Bernard Pranata, and Mrs. Theresia Harsini Setiady.</i></p>	 <p>Pada tahun 1981, Perseroan mendirikan pabrik modern yang pertama di Jl. Pulo Ayang No. 3, Kawasan Industri Pulo Gadung, yang memproduksi kosmetika dan jamu, pertama kali dengan merek "Sariayu-Martha Tilaar".</p> <p><i>In 1981 the Company built its first modern factory at Jl. Pulo Ayang No. 3, Pulo Gadung Industrial Estate, manufacturing cosmetics and traditional medicine with "Sariayu-Martha Tilaar" brand.</i></p>	 <p>Pada tahun 1986, Perseroan mendirikan pabrik modern kedua di Jl. Pulo Kambing IV1, Kawasan Industri Pulo Gadung ("Pabrik Pulo Kambing").</p> <p><i>In 1986 the Company built its second modern factory at Jl. Pulo Kambing IV1, Pulo Gadung Industrial Estate ("Pulo Kambing Factory").</i></p>	 <p>Pada tahun 1993, Perseroan mengakuisisi PT. Cedefindo yang bidang usaha utamanya adalah jasa produksi (Maklumi) dalam produk kosmetika sebagai diversifikasi usaha Perseroan ke industri hulu.</p> <p><i>In order to diversify to the upstream industry, in 1993 the Company acquired PT. Cedefindo whose main business was in contract manufacturing (of private labels) for cosmetics products.</i></p>	 <p>Karena perkembangan penjualan yang pesat, pada tahun 1995, Perseroan memindahkan produksi jamu ke pabrik di Gunung Putri, Bogor. Sedangkan pabrik Pulo Ayang dialihkan ke anak perusahaan PT. Cempaka Bellosindo Indah, yang memproduksi kosmetika dengan merek "Mirabella" dan "Cempaka".</p> <p><i>Due to fast growing sales, in 1995 the Company relocated the manufacturing facility of herbal medicine to Gunung Putri Factory in 1995. Meanwhile, Pulo Ayang Factory was then transferred to the subsidiary company, PT. Cempaka Bellosindo Indah which manufactured cosmetics with "Mirabella" and "Cempaka" brands.</i></p>
1996	2005	2000	2010	2011
 <p>Pada 1996 mendapat sertifikasi ISO 9001 (Sistem Manajemen Mutu).</p> <p><i>In 1996 obtained ISO 9001 Certificate (Quality Management System)</i></p>	 <p>Pada tahun 2005, PT. Cempaka Bellosindo Indah di-merger dengan Perseroan sehingga merek "Mirabella" dan "Cempaka" dialihkan ke Perseroan dan produksinya digabungkan di pabrik Pulo Kambing. Selanjutnya bangunan Pabrik Pulo Ayang dialih-fungsikan menjadi kantor penjualan yang bersebelahan dengan Distribution Center milik Perseroan yang terletak di Jl. Pulo Ayang No. 24-25, Kawasan Industri Pulo Gadung.</p> <p><i>In 2005 PT. Cempaka Bellosindo Indah was merged with the Company, so "Mirabella" and "Cempaka" brands were also transferred to the Company and manufactured in Pulo Kambing Factory. Pulo Ayang Factory was then converted to Sales Office next to the Company's Distribution Centre located at Jl. Pulo Ayang No. 24-25, Pulo Gadung Industrial Estate.</i></p>	 <p>Mendapat Sertifikasi ISO 14001 in 2000 (Sistem Manajemen Lingkungan) dan sertifikat GMP (Cara Pembuatan Kosmetika yang Baik dan CPOTB : Cara Pembuatan Obat Tradisional yang Baik).</p> <p><i>Received ISO 14001 Certificate in 2000 (Environmental Management System) and GMP (Good Manufacture Practice) Certificate on cosmetics and herbal medicines.</i></p>	 <p>Membuka gerai retail baru, Martha Tilaar Shop (MTS) di Singapura untuk meningkatkan pasar internasional.</p> <p><i>Opened a new retail outlet "Martha Tilaar Shop" (MTS) in Singapore to boost the international market.</i></p>	 <ul style="list-style-type: none"> Pencatatan saham perdana. Perseroan mendirikan anak perusahaan Eastern Beauty pelago Pte Ltd Di Singapura untuk mengoperasikan Martha Tilaar Shop (MTS) di Singapura dan luar Indonesia. Initial stock listing The Company Established a subsidiary Eastern Beauty pelago in Singapore to operate the Martha Tilaar Shop (MTS) in Singapore and outside Indonesia.

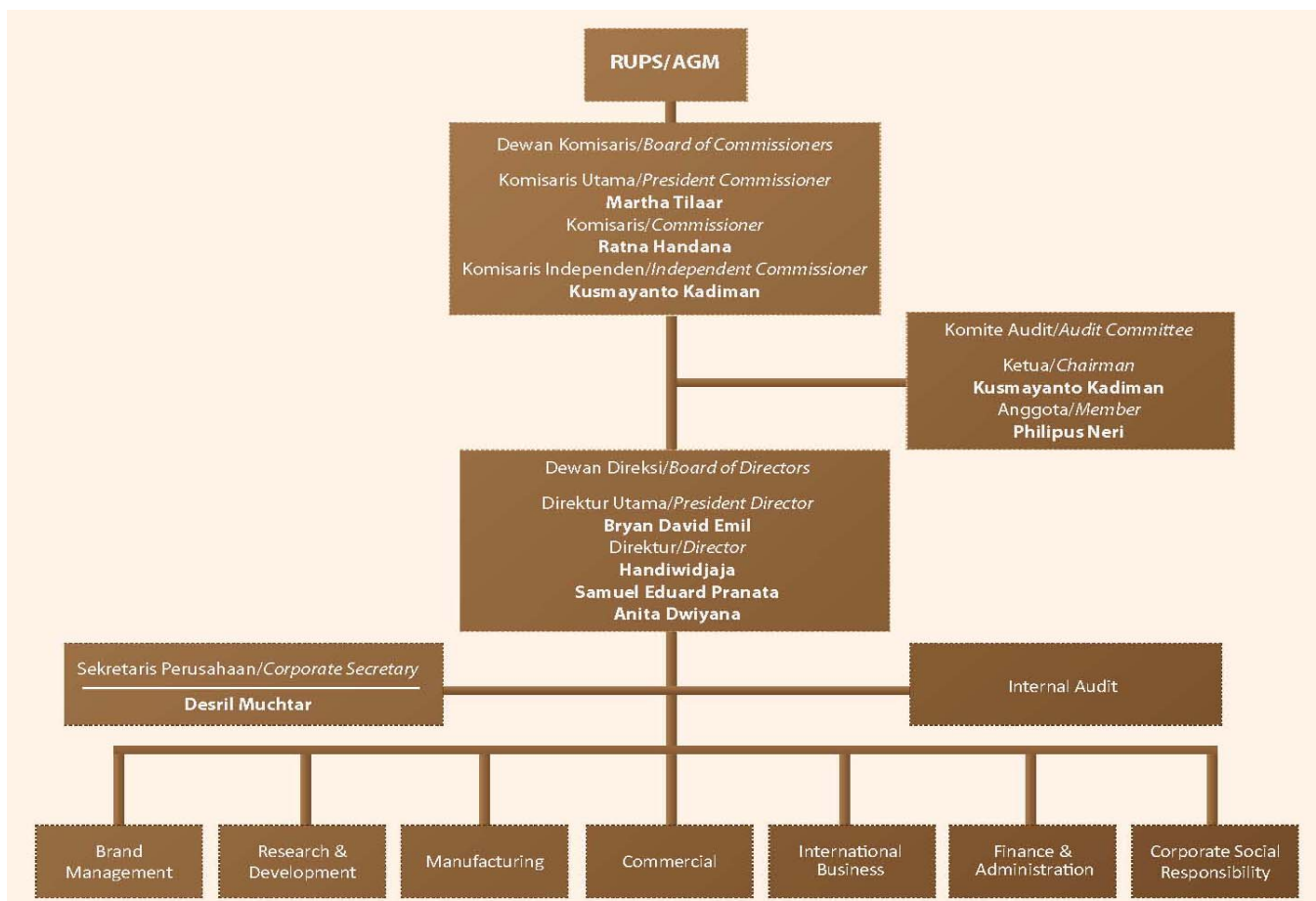
Picture 1: The milestone of PT. Martina Berto Tbk.

Our vision is to be the world leading company in cosmetic and spa products with Eastern nuances by implementing modern technology in Research and Development in order to give added value for stakeholders. So, we have short term target to be the Top-3 among national cosmetic company in Indonesia, and medium term target to be regional player in Asia Pacific companies of Cosmetic & Spa.

Our missions are:

- to develop, manufacture, and market beauty care and spa products with natural & eastern nuances and international quality standards to meet the consumer needs in various market segments with a healthy portfolio capable to achieve a top three rank in every segment in Indonesia.
- to provide excellent customer service to all customers in balanced proportion, including consumer and trade customers;
- to maintain healthy financial condition and sustainable growth;
- to recruit, train, and maintain competent and productive manpower as part of the Company's assets;
- to maintain efficient and effective methods of operation, system, and technology throughout the organization and business unit;
- to apply Good Corporate Governance consistently for the interest of all stakeholders;
- to give a fair return on investment to the shareholders
- to expand the international markets of cosmetics, spa and herbal products with medium term focus on the Asia Pacific Region and long term focus on the global market with selected products and brands
- to preserve our environment and strengthen our social activities for better welfare of Indonesian rural and forest communities by cooperation and collaboration with other companies or institutions, locally and globally, which are in-line with our marketing, promotion and product creation program.

Organization structure



Picture 2: The organization structure of PT. Martina Berto

Communication on Progress Review

Strategy, Governance and Engagement

Criterion 1:

Strategic Aspect of Global Compact Implementation

Strategy in corporate sustainability and implementing in line with the Global Compact Principles.

a. **Strengthen and empowering our supply chain**

Prior to the UN new proposal, *Unleashing Entrepreneurship: Making Business Work for the Poor* is “**Growing Inclusive Market: How to Create Business with the Poor**”, our company has involved the Indonesian farmers and small *jamu gendong* producers to be part of our supply chain since year 1991.

Our strategy for implementation of Global Compact Principle consist of adopting an established and globally recognized policy framework for the development, implementation, and disclosure of environmental, social, and governance policies and practices. Then sharing our best practices to other stakeholders, including strengthen collaboration and partnership with our supply chain and related stakeholders, such as UN agencies, governments, civil society, and other enterprises who have the same goals and business interests to engage in specialized work-streams in the environmental, social and governance fields.

b. **The strategy of our CSR activity**

Focus on four pillars of CSR that can be described as follow:

- We will integrate our business values and operations to meet the expectations of our stakeholders, include customers, employees, regulators, investors, suppliers, the community and the environment.
- We merge our social, economic and environmental responsibilities to our stakeholders through our actions and within our corporate policies.
- We will transparently communicate our strategies, targets, performance and governance to our stakeholders in our continual commitment to sustainable development
- We will measure the implementation and the outcome of our CSR activities, then improve continuously to meet the short and long term of company objectives.

c. **The application of Good Corporate Governance**

The application of Good Corporate Governance consistently in the interest of stakeholders is one of the missions of the Company. The Company has always been consistent in the exercise of Good Corporate Governance by considering as follows:

- **Transparency**
Transparent in the decision making process and disclosure of relevant information about the company. Disclosure of information that is clear, timely, adequate and comparable, which includes information on financial policy, production, operations, technology, human resource management, internal auditors, business development and other important decisions.
- **Accountability**
The clarity of function, implementations and organizational responsibility, so that the management of the Company would operate effectively. Assign duties and responsibilities as well as a clear performance assessment, either at the level of Executive Board and all elements of the organization thoroughly.
- **Responsibility**
Managing the Company in accordance with the applicable laws and the corporate principles. To ensure that the Company practices prudent and law abiding principles and implements the controlling.

- **Independency**
It is a situation where the Company is managed in a professional manner without conflicts of interest and influence/pressure from any party who does not appropriate with the applicable laws and the corporate principles.
- **Fairness**
The fairness and equality in fulfilling the rights of each individual and other stakeholders arising from the agreements and the applicable laws.

Criterion 2:

Description of effective decision-making processes and systems of governance for corporate sustainability

Our CSR activities are highly supported by corporate management since the beginning of this company. Dr. Martha Tilaar as the founder and all management implements such business by involving stakeholders including farmers and community as the main assets for success. Through the strategy "Local Wisdom Go Global" we try to win the competition by exploring wisely our local wisdom, then touching with technology to meet global requirements. Activities regarding to the four pillars can be described as below:

1. **Beauty education:**

There are several activities mainly to educate people to improve their competence in area they have done. So they can make themselves arise and create products more value added to win high competition in the market. Training and educating our employees and related stakeholders have been done periodically to enrich their better hard and soft skills to become the agent of change in the near future.

- Training on organic farming system for farmers producing plant materials as our main plant material suppliers.
- Training on MAC (medicinal, aromatic, and cosmetic) plants gardening in small area of land surrounding houses that can be used for family health care.
- Training on handicraft creation for prisoner was step two program by facilitating products for marketing.
- Empowering women in victim area
- Training on site for communities in rural area was also activity done periodically and consistently every year.
- Jamu goes to school program was about introducing local wisdom of Jamu as Indonesia indigenous culture for caring family health by using natural ingredients.



Picture 3:
Collaboration with team of WWF for local Kalimantan government empowering program



Pictures 4:
Ecoducation regarding the usage of Indonesian MAC plants for Japanese cosmetic producer, Kose



Pictures 5: Organic farming education for farmers in Wonogiri, Central Java.



Pictures 6: Organic farming education for farmers in Cibadak, Sukabumi, West Java.



Picture 7: Ecoducation for blind people



Picture 8: Ecoducation for kids



Picture 9: Ecoducation for elderly people



Picture 10: Ecoducation for students



Picture 11: Ecoducation for women

2. Beauty green:

The activities relate to green mission have been done along the year 2011 as the commitment of corporate management in conserving our nature as well as greening our nation. The main target of this program is reducing emission and environment conservation through collaborative actions.

- Greening factory area as supporting activity on implementing green factory.
- Planting movement in schools area to raise awareness among students that tree planting action should be done in reducing impacts of global warming and also resource of oxygen for human life.
- 3-R (reduce, reuse, and recycle) movement have been done to recycle waste water from production process before released to public drainage through waste water treatment plant setup previously. Monitoring and evaluating periodically all activities producing waste and how to handle waste properly. We have applied environmental management since few years ago that is one of continuous improvement program.
- Saving energy used in production process by reducing electric and water consumption on every step of production and offices. Changing ball-lamp into LED lamps will reduce significantly electric consumption. In some parts we use solar panel to produce electric for specific needs such as for lighting in our garden. Water saving is also done continuously to reduce water waste especially from office uses such as reducing toilet flush volume and also use recycle water rather than using clean water.
- Actively support in the programs in line with CEO Water Mandate initiative by campaigning Water saving through program activities internally and externally.

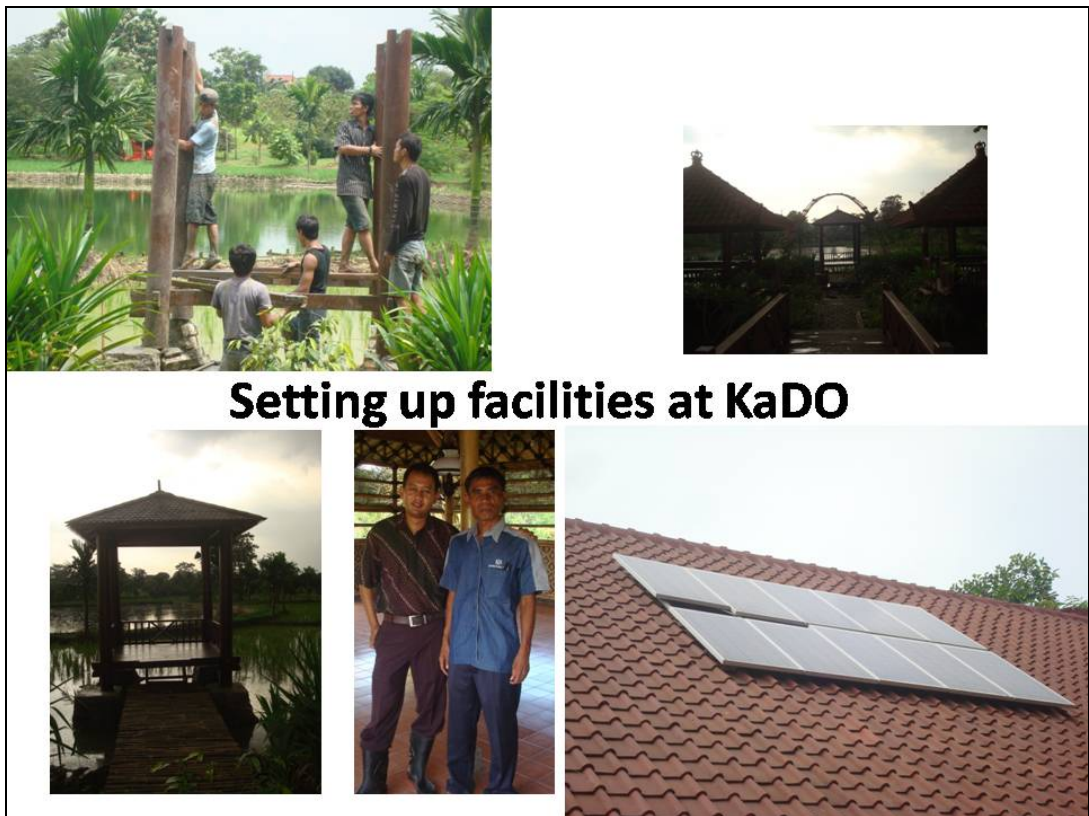


Pictures 12: Healthy life program in school





Pictures 13:
Collaboration between Martha Tilaar Group and Rotary Club in community empowering program for 3R



Setting up facilities at KaDO

Pictures 14: Saving energy with solar panel in Kado

3. Beauty culture:

Promoting and preserving local culture in term of exploring indigenous culture and local community to be parts of sustainable development that they are not only as an object of development but also as a subject who play an important role especially in preserving our nature. So, this program is focused in the conservation of Indonesian indigenous knowledge

- Our activity in exploring local culture has been done consistently through cosmetic color trend to open views and knowledge of people about our richness in diverse culture and its potential resources in nation. This year we promote culture of Nusa Tenggara through our cosmetic color trend.



Pictures 15: Trend Color Sari Ayu Martha Tilaar always based on the rich culture of Indonesia

- Performing Indonesia local culture as a resource potential for our nation by supporting local community in exploring local resources which have economic value in the market and possible for them to trade it while activity in conservation run simultaneously.



Pictures 16: Collaboration of Sari Ayu with the dancing performance of Ong Tin Princess



Pictures 17: Partnership of Sari Ayu Martha Tillaar with Jember Festival in East Java

4. Beauty in women:

This activity has been done mainly to promote the role of women by exploring their indigenous potential to be stronger in playing the same role to other and also educating them for specific area of women. So, the activities will focus on how we can improve the skill and knowledge of women, especially in the remote and forest area, so they can improve the family welfare.

- Training for women prisoner to improve their knowledge and skills about planting, gardening, and handcrafting. Products from their crafting activity will be facilitates to enter market, so it can motivate them in positive ways. Their daily activity in jail is more interesting rather than just staying for nothing. Moreover, they will be ready if sometime has release their freedom from prison and come back to community that they have skills to be implemented positively and worth for others.
- Beauty class activity was has been done periodically to give more skills for women and knowledge on how to explore self skill in beauty makeup.



Pictures 18: Result of empowering women in prison



Pictures 19:
Result of empowering women in village Srumbung, the victims of volcano disaster in Magelang

The self assessment on the achievement of CSR Goals

The measurement indicators based on 4 pillars implementation:

- **Beauty Education,**
 - The total amount of green trainees
 - The amount of agent of change that distributed in urban area
 - The amount of farmers to be trained regarding to organic farming system

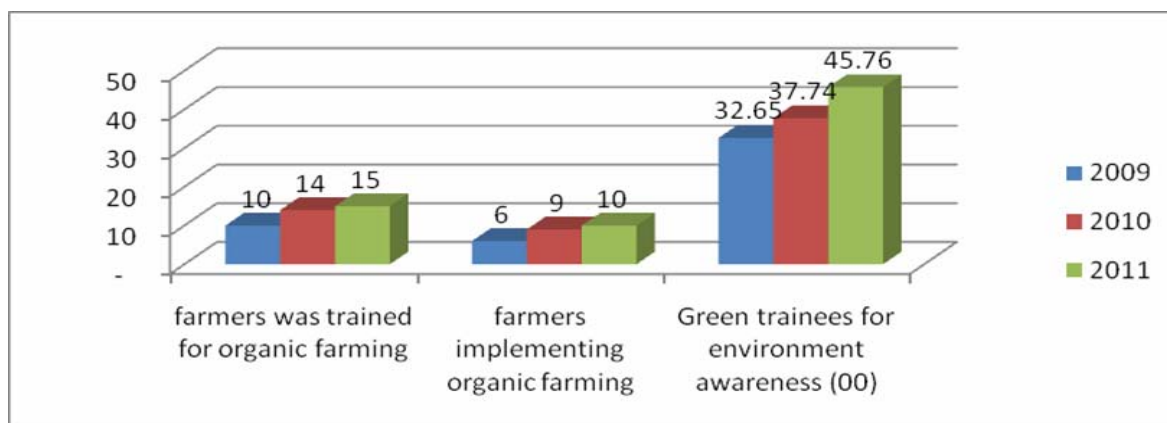


Table 1: The self assessment of Beauty Education activities

- **Beauty Green,**
 - The amount of farmers implementing organic farming system
 - The amount of green libraries in universities and schools
 - The number of plants conserved in our Kampoeng Djamoe Organik Martha Tilaar
 - Living library in schools where students can learn more about biodiversity

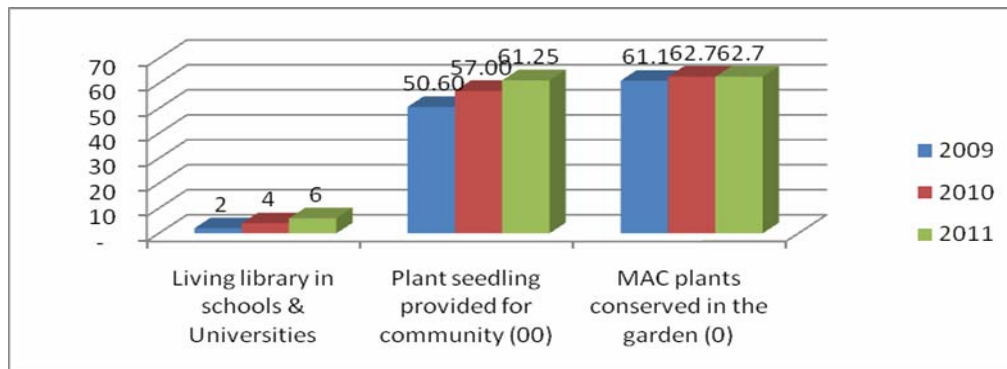


Table 2: The self assessment of Beauty Green activities

- **Beauty Culture,**
 - The quality of publishing books



Pictures 20: The True Exotic Colors of Indonesia & The Green Science of Jamu

- **Beauty in Women**
 - The amount of women that got special skilled training
 - The output quality of trainees (in %)
 - The amount of new entrepreneurs

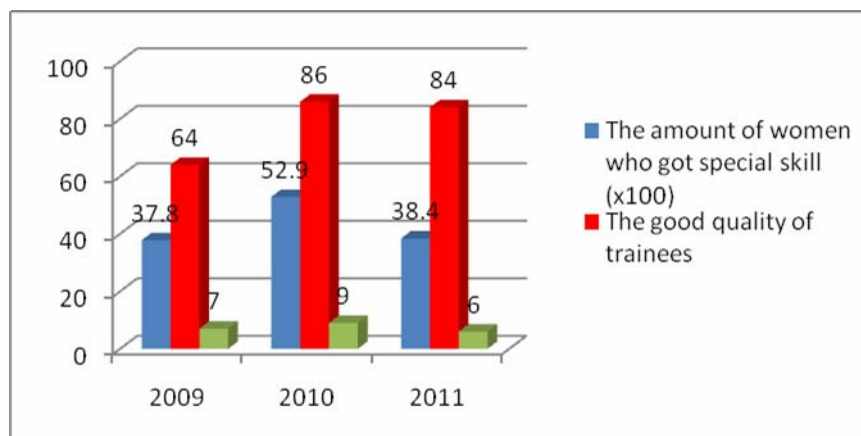


Table 3: The self assessment of Beauty in Women activities



Picture 21: Several activities regarding with beauty in women program

Criterion 3:

The COP describes engagement with all important stakeholders

a. List of stakeholder group engaged by the organization

- **Indonesia government authorities**
 - Agriculture ministry, especially with Directorate General of Horticulture, Directorate General of Estate Crops, Directorate General of Processing and Marketing for Agricultural Product, and The Indonesian Agency for Agricultural Research and Development (mainly with two research center institutions: research center for medicinal and aromatic plants and research center for spices).
 - Forestry ministry, especially with Research and Development Forestry Agency and Directorate General Forest Enterprises.
 - Health ministry, especially with Directorate General Pharmaceutical Services and Medical Devices and the National Agency of Drug and Food Control.
 - Industrial ministry, especially with Directorate General Manufacturing Industrial Base.
 - Trade ministry, especially with Directorate General Foreign Trade
 - Coordinating ministry for economic affair
 - Ministry of justice and human rights
 - National standardization body
- **Non government organizations**
 - World Wildlife Fund Indonesia
 - Yayasan Kehati (The Indonesia Biodiversity Foundation)
 - Setara Foundation
 - Indonesia Non Timber Forest Product
 - Wahana Lingkungan Hidup Indonesia (Walhi – Indonesia Forum for Environment)
 - Indonesian Conservation Community Foundation (Warsi)
 - Aliansi Masyarakat Adat Nusantara (Indigenous Peoples Alliance of the Archipelago).
 - Perkumpulan Telapak
 - Dewan Rempah Indonesia (Indonesia Spice Council)
 - Indonesia Global Compact Network
 - Swisscontact Indonesia
 - Perkosmi (Indonesia Cosmetic Association)
 - Gabungan Pengusaha Jamu dan Obat Tradisional (Association of Jamu and Traditional Medicine Producers)
 - Yayasan Bina Swadaya (Self reliance development foundation)
 - Yayasan Bina Usaha Lingkungan

- **United Nations Institutions**
 - International Labour Organization
 - United Nations Conference on Trade and Development
 - United Nations Development Program Indonesia
- **Global partners**
 - ProFound – Adviser in Development
 - SIPPO - the Swiss Import Promotion Programme
- **Local and global universities**
 - The Leiden University in the Netherlands
 - Mediterranean Agriculture Institute of Chania, Greece
 - Indonesia University
 - Padjadjaran University
 - Surabaya University
 - Airlangga University
 - Institute Technology Bandung
 - Institute Technology Bogor
- Several Suppliers and Farmers cooperation

b. Outcome of stakeholder involvement

- Product and service selection matrix for sustainable Biotrade program of Indonesian native species: collaboration with UNCTAD and Setara Foundation.
- Facilitating Indonesia SME working on natural ingredience to participate in SIPPO program that is promoting Indonesia natural product in International exhibition in Germany for few years.
- New master degree program of Integrated Microfinance Management in Padjadjaran University in Bandung that started in September 2011: collaboration between the Leiden University (the Netherlands), the Mediterranean Agriculture Institute of Chania (Greece), Padjadjaran University, Yayasan Bina Swadaya and Martha Tilaar Group.
- The second lifting of master degree program on Jamu in University of Indonesia that started last June 2010 : collaboration program between Martha Tilaar Group and University of Indonesia.
- Continuous program of women empowerment in women prisoner in Tangerang and Jakarta: collaboration program with Ministry of Justice and Human Rights.
- Maintaining living library (garden of medicinal, aromatic and cosmetic plants) in campus of Indonesia University and Institute Technology Bandung and setting up in basic schools and high schools.
- Education program, training facilitation and coaching clinic for small and medium enterprices of Indonesian cosmetic producers and related health authorities: collaboration between PT. Martina Berto, the University of Indonesia, the National Agency of Drug and Food Control, the Health Ministry and the Industrial Ministry.
- ASEAN Cosmetic Good Manufacturing Practices, ASEAN cosmetic standard and related method of analysis for cosmetic ingredients and finished products : collaboration between PT. Martina Berto, Indonesian Cosmetic Association, the Health Ministry, the Nasional Agency of Drug and Food Control, the National Standardization Body, the Industrial Ministry, ASEAN Cosmetic Association, and the International Standardization Organization.
- Publication of Indonesia cases part II, Growing Inclusive Market: collaboration among Indonesia Global Compact Network (IGCN) members.
- Working together with Ministry of Agriculture conducting workshop on organic cultivation and postharvest handling of MAC plants attended by local farmers.
- Guiding and supervising farmers producing plant materials of MAC plants to be supplied to company as high quality plant materials produced by local farmers.
- Progress in innovation and product development

The commitment of PT Marina Berto towards R&D is well depicted in increasing number of research conducted in Martha Tilaar Innovation Center (MTIC) and increasing number of project collaboration with the local universities and several research institutions. The company takes nearly 45 weeks to develop a new product. This includes R&D, marketing, packaging, trial production and product launching.

UN Goals and Issues

Criterion 4:

The COP describes actions taken in support of broader UN goals and issues

Program activities of company CSR have been inline to the Millenium Development Goals of United Nations, though for only some poin of MDGs. However, we do continuously improve and extend programs suitable for target area we have work on.

Some activities related to goals of MDGs will be described below as it is in goal criteria.

Related to MDGs #1, company supports eradicate extreme poverty and hunger by giving opportunity for people to work in this company without any discrimination of RAS and gender.

Balisari spa therapist training program is dedicated as example of Growing Inclusive Market, how we create business with the poor. Through the scholarship program granted to the teenage girls from poor families in rural areas of Indonesia, Martha Tilaar Group has created a business model that is beneficial for both parties. Those teenage girls are given opportunities and facilities to train as professional spa therapists. Next, the grantees are employed as spa therapists. As such, they receive both appropriate financial and non-financial facilities. The benefits enable the women to raise their level of dignity, as indicated by the improvement of their living standards and economic conditions of their families and by their personal pride as employees of a big company whose professionalism is well acknowledged. At the same time, the benefits of this program have guarantee Martha Tilaar Group with a supply of professional employees, so this company can improve its brand image as the provider of international quality products and services. In the end, all of these efforts contribute profits for the company. Having been officially accepted as the grantees of the scholarship program, all of them are going to engage in the training program, within which they are educated to be a good quality spa therapist. Early on the implementation of the training program in 1989, the trainees were sent to Puspita Martha International Beauty School for learning the basic knowledge of spa service and other beauty treatments from head to toe

Company also implements standard salary for all employees based on government rules and also additional bonus in some cases every year including annual improvement salary.



Pictures 22:

Balisari Training Center for Spa Therapists, dedicated to avoid women trafficking

Related to MDGs #2, we support all people to achieve universal primary education through scholarship and education awards for children of low level employees. Everyone who has kids with good school performance and rank will be awarded and had scholarship from company for continuing their study until Senior High Schools. This program has been done since long years ago.

Still on about Balisari Spa training scholarship, after finishing the 6 – 8 months training program in Balisari, the trainees are asked to sign an employment contract that lasts for five years and mentions that they are ready to be placed anywhere according to the decision of PT. Cantika Puspa Pesona management, based on the demand for spa therapists from spa outlets in several areas, trainees' evaluation reports at the end of the training term, and direct evaluations from the teachers. Then those trainees will be placed as spa therapists in MTG salon and day spa outlets and franchised MTG spa outlets spread throughout some cities in Indonesia, Malaysia, Brunei Darussalam, America and Europe continents, and many more. The spa therapist scholarship program that runs for 20 years has encountered a variety of challenges and problems that hampered its success. Around 3.695 women from marginal families have followed this program since 1998.



Pictures 23 :
Dr. Martha Tilaar with Spa Therapists, which were graduated from Balisari Training Center for Spa

Related to MDGs #3, we do implement anti discrimination on employing people in our company. There are more women working in our company due to our business related closely to women. However, we do treat all employee at the same wages based on their level. The important thing for our company is not employing children under the age of 18.

Related to MDGs #5, our company has always been committed in improving maternal health since the beginning. We came to area where maternal mortality was higher such as in Nias before year 2009. We give extention and knowledge to people how to be healthy in delivering baby. We guide them how to use local potential and wisdom such as using herbs and traditional treatment in caring pregnan mother. This program has been replicate to other area especially in remote area for low income people.

Related to MDGs #6, combat HIV/AIDS, malaria, and other diseases, we do it mainly for people visiting our garden KaDO where the event of health presentation takes place. We motivate audience to do self health care by using natural products including herbal products. There are so many people visiting our garden and have learned about health care and health improvement by using herbs.



Pictures 23:
Combact HIV/AIDS and other diseases campaign by Dr. Martha Tilaar
in television for better healthy living with nature

Related to MDGs #7, ensuring environmental sustainability is one of our main programs here by involving all stakeholders or we do it ourselves internal company. Kampoeng Djamoe Organik (KaDO) or spice garden is the real example of our movement in greening our planet where in the area of about 10 hectar in the center of industrial estate, we set up green area with various kind of MAC plants. This garden has been dedicated for the city people in Cikarang, West Java, to reduce pollution released from industries and city vehicles, and also producing oxygen for human life. There are more than 600 MAC plant species grown in this garden planted organically and also designed as a landscape garden. So there are so many people visit this garden every day especially during holidays. People learn more about environment and our indigenous plant species that can be used as herbal products. In this garden we also set up pond as a water catchment and fishery. There are also some species of fish living in this pond. In the future, this garden will be a center for environmental education and the area of conservation.

We do highly support government program called One Billion Indonesia Trees (OBIT) green campaign program stated by Indonesia President in year 2008. The Indonesian government has committed for the planting of one billion trees in Indonesia until 2013 to reduce green house gases emissions by 26% resulting from clearing and degradation. Our company has implemented this program in the area of KaDO. Moreover, we do also education to young children, pupils and students on how to reduce the impact of global warming and to preserve the environment. We provide education for the public of all ages and professions regarding efforts to address global warming, and utilization of medicinal, cosmetic and aromatic (MAC) plants in health care, beauty and environmental preservation. Several visits have been held by young children, the pupils from elementary to high schools, as well as the students from universities and companies to our MAC plants organic garden of Kampoeng Djamoe Organik (KaDO), where they learn how to preserve the food, the environment and daily activities to reduce the impacts of global warming



Pictures 25:
Several health care and educing global warming program in Kampoeng Djamoe Organik Martha Tilaar, Cikarang.



Television program on green movement



Pictures 24:

Television campaign for green movement by the MDG's Ambassador, Dr. Erna Witoelar and her team

Related to MDGs #8, we always develop a global partnership for development that as mention above we do collaboration local and international partners both Government and non governments. By doing collaboration we can speed up the program goals and also scaling up project coverage area. We realized that achievement of target goals we need to conduct collaboration and connection among organization with the same vision and mission in order to fasten and to give more impact to the program. There are some programs we do with collaboration under the flag of United Global Compact Network of Indonesia set up in year 2006. Some programs such as "Tjahaja" which was facilitating children to express their ideas and story though picture they took by using photographs. Other program was internet for schools that is collaborative program supported by network provider in Indonesia distributing computers and network modem for schools in remote area.

We do also conduct multi universities collaboration to develop master degree program in Integrated Micro Finance Management in Indonesia. This special program has been initiated by the Leiden University in the Netherlands, where we are working together to develop master degree programs of Integrated Micro Finance Management in Padjadjaran University in Bandung (West Java) that contribute to deliver better know-how for Manager who will lead Microfinance institution, so they can manage better programs for the poverty reduction in Indonesia.



Pictures 26:
Development of Master Degree program of Integrated Microfinance Management in Padjadjaran University



Picture 27:
Planting tree by former Rector of the Leiden University Netherlands in Kampoeng Jamoe Organik garden

We also collaborated with UNCTAD in value change analysis of BioTrade program of Indonesia native species of natural ingredients for food, spices, medicinal and cosmetic plants, including eco-tourism program in 2010 – 2011.



Pictures 28:

Several activities BioTrade program with UNCTAD and UNDP, including trips to site of BioTrade and workshop..

Human Rights Implementation

Criterion 5:

Description of our commitments, strategies or policies in the area of human rights

a. Reflection on the relevance of human rights for the company

- Health and safety system.
 - Since the company has the Good Manufacturing Practices certificate, as well as the international certificates of ISO 9000 and ISO 14001, the company provides safe and healthy working facilities and take appropriate precautionary measures to protect employees from work-related hazards and anticipated dangers in the workplace.
 - Then health and safety incidents are reported and investigated, and a confidential procedure is in place for receiving and handling health and safety complaints from employees, then routinely monitors its production processes, machinery and equipment to ensure that they are safe and in good working order.
 - Workers, supervisors and managers are trained to respond to workplace emergencies; first aid kits and fire extinguishers are readily available; and escape exits are clearly marked and free from obstruction.
 - The workplace is maintained to ensure clean and comfortable conditions including a suitable temperature, ventilation and lighting; suitable washing and sanitation areas appropriate for both genders.
 - The company also provides safe drinking water and lunch or dinner for all employees and facilities for clean and sanitary food storage and eating.

- **Protective equipment and training**

The company supplies its employees with the protective equipment, especially in danger tasks and provides training necessary to perform their tasks safely

- **Free for all religions and ethnic group**

Company have supported and respected the protection of human that was proclaimed internationally in term of treating our man power in running business. Our employees are coming from many parts of Indonesia with different culture and have different beliefs in religion and culture. Therefore, we have to facilitate them all living together in differences and give them similar job description and right without any discrimination among them.

RELIGION	2009			2010			2011		
	MGT	NON MGT	TOTAL	MGT	NON MGT	TOTAL	MGT	NON MGT	TOTAL
Moslem	65	539	604	65	545	610	70	540	610
Christian	53	45	98	53	51	104	49	51	100
Buddhist					0	0	1	0	1
Total	118	584	702	118	596	714	120	591	711

Tabel 4: The description of employee's religion

ETHNIC	2009			2010			2011		
	MGT	NON MGT	TOTAL	MGT	NON MGT	TOTAL	MGT	NON MGT	TOTAL
Javaness	64	498	562	66	503	569	64	501	565
Sundaness	14	57	71	14	60	74	10	60	70
Sumatraness	9	20	29	9	20	29	14	20	34
Kalimantaness	1	1	2	1	1	2	1	1	2
Sulawesiness	3	2	5	3	2	5	3	2	5
Malukuness	2	4	6	2	4	6	2	4	6
Baliness	1	0	1	1	1	2	1	0	1
Ns									
Tenggaraness	0	1	1	0	1	1	0	1	1
Chinese	24	1	25	24	2	26	25	2	27
Total	118	584	702	120	594	714	120	591	711

Tabel 5: The description of employee's ethnic group

Criterion 6:

Description of effective management systems to integrate the human rights principles

a. Regular stakeholder consultations in the area of human rights

Continuous program from last year is about external program for empowering women prisoner to support their right to prepare their future and improve their welfare. Several training program for women prisoner has been held in Women Prison atTangerang (West Java) so that their human rights are recognized and appreciated. The training includes making pot plants, sewing, drawing, and making card decorations. It is expected that when they are free and join the society, they already have the skills and expertise sufficient to support their life. We help also to market their products so that they earn revenue for the saving for its future.

b. Training and job enrichments

Several training programs have been conducted internally, as well as sending the employees to join the external training and capacity building programs



Picture 27: Several activities in employee's training program

c. The outcome of our commitment in human rights principle

Dr. Martha Tilaar has been chosen by the Ministry of Law and Human Rights as the Ambassador of Education and Training in Human Rights, periode 2010 – 1014.

Criterion 7:

The description of effective monitoring and evaluation mechanisms of human rights integration

a. Performance objectives for each supervisor and manager

The company implements Management by Objective method for employee assessment, where each employee is fully aware of his/her role in making contribution toward the performance objective of the company. This method is supported by 360 degree feedback method which is useful for qualitative assessment to show the employees strength and areas for improvement. Employees are expected to assess themselves (self assessment) for upgrading themselves, in conjunction with Training and Development Needs Analysis resulting in positive synergy. All supervisors and managers, including the directors, should set-up the performance objectives, based on their job description every year as working plan, and then will be evaluated in the end of year. The result of this evaluation of performance objectives will be used to set-up the career plan and the new amount of their salary compensation and other company benefits.

b. Process to deal with incidents

Every employee becomes the member of workers social security insurance (*Jamsostek ~ Jaminan Sosial Tenaga Kerja*) as it is based on Indonesian Law No. 3 of 1992, in principle, a system of social insurance for workers and their families. Social security scheme covers programs associated with risk, such as occupational accident insurance, death insurance, health insurance, and retirement program.

d. Product stewardship

- The company take steps to prevent risks to human rights arising from product defects or improper use or misuse of company products
- Every product complaint, both comes from internal staffs or our customers, will be managed according to our standard operation procedure by the customer relation managers and follow up by Quality Assurance Department, to ensure that product stewardship with regard to human rights entails that the company protects consumers, users and others against hazards to human rights, including health, life, privacy and other impacts, which may result from the manufacturing, marketing, usage and disposal of a given product.
- Product stewardship reports and procedures will be evaluated periodically to prevent and monitor such improper use or misuse.
- We also give a reward for the customer who give a product or service complaint(s) to us.
- Customer, especially the young generation, love our products.



Picture 28: Sari Ayu Brand became the most favourite brand for youth

e. **Human rights standards in suppliers**

The company has promoted the international human rights standard in its interactions with suppliers and business partners. Although the the human rights standards of suppliers and other business partners are beyond the direct control of the company, however, the company tries to avoid complicity in human rights abuses by its suppliers and business partners by taking human rights standards into account when selecting and developing business relationships.

Criterion 8:

Standardized performance indicators on human rights

a. **Outcomes of internal awareness-raising and training efforts**

The career path and promotion will be given to every employee by our Human Resources Management Department, which based on the achievement of their overall performance objectives, the improvement of their personal characters, as well as the effectiveness of implementation of training program that has been given for every employee.

b. **Our human resources management has six dimensions:**

- **Job analysis;**

Regarding job analysis, manager in any organization can understand and determine duties and responsibilities of each job that in turn will be beneficial in finding out the right person to occupy the positions. Every job has different scale of responsibilities, from the simple one to the complex duties. Consequently, certain job types may need simple skill while another one requires more complete skills.

- **Recruitment process;**

Recruitment process is a process in which organization choose applicant to fulfil a certain job. Selection refers to the process to identify potential applicants who have education, skills, ability and characteristics needed by organization to attain its goals.

- **Competence development;**

In this stage, there are two interrelated activities: training and development process. Training refers to efforts to facilitating learning of particular sciences and skill that is suitable for creating more professional staff. Meanwhile development opportunities consist of efforts to improve staffs' education, skills and attitude in order to enlarge staff capability in coping job challenges.

- **Performance management;**

Performance management is used to ensure that staffs and managers' activities and their results are relevant with organization's goals. It requires specified activities and results as a guidance to attain organization goals.

- **Reward and punishment system;**

Salary structure is also play important role in managing human resources. By determining salary level of staff performance, organization can decide activities and performances demanded from the staff.

The salary structure also will be evaluated and compared by the same business structure and segmentation, to avoid the hijack of our good people.

- **Working relation.**

Working relation is a manner in which organization finds out capable staff to participate in decision making process, their rights and responsibilities. If so, every organization member can perform their jobs well. Moreover, there will be transparency in measuring staff performance since all of organization member understand their rights and responsibilities. As consequence, manager and organization in general will be more equal in giving reward and punishment.

In relation to staff promotion, carrier path is an important tool to guide staff and organization in placing person in higher position. This path will be beneficial for organization to find competent staff and also for staff to plan their carrier in the future. It means that organization may take policies to promote staff in higher position without waiting enough service age as stated in regulation, but manager may appoint potential staff due to their achievements. Further, staff may plan their carrier - for example, after ten years from recruitment, they want to sit in the middle level manager – based on carrier path guidance.

Labour Principles Implementation

Criterion 9:

Description on commitments, strategies or policies in the area of labour

By the year 2011, all employees of the Company have given the significant contribution to Company efforts to produce the qualified product and meet the consumers need. Human Resources (HR) an essential part of the company in running effort and maintain its position in a competitive market. Therefore, the Company realize that a good and sustained development and management of HR become one of the success key and continuity of the Company..

a. **Reflection on the relevance of the labour principles for the company**

The Company provides freedom to employees in implementing their aspiration in various activities, such as:

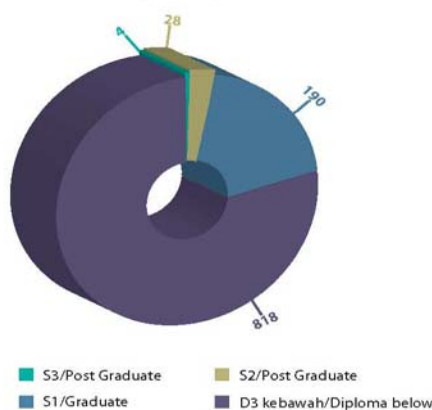
- **Puspa Karya Employee Cooperatives**
The Employee Cooperatives, which have become a legal entity, were founded as an employee forum to sharpen their entrepreneurship skill through mini market operation, soft loan program and other business ventures that give financial as well as non financial benefits to the members. The cooperative income has increased by average 10% every year.
- **Religious Activities**
Mambaul Barokah, Choirunnisa, and Prayers Meeting are carried out periodically, intended to strengthen employees' faith that would have effect on their spiritual values. Several inter-religion celebrations are carried out to develop religious tolerance among the employees. The company also provides the religion weekly ceremonies for both Moslem and Christian.
- **Sporting Activities**
Sporting Events are conducted to build sportsmanship and develop close relationships among departments

b. Written company policy on labour

The company has the written on labourship which is distributed to all employees, so they can learn the labour's code of conduct to find out their duty and rights.

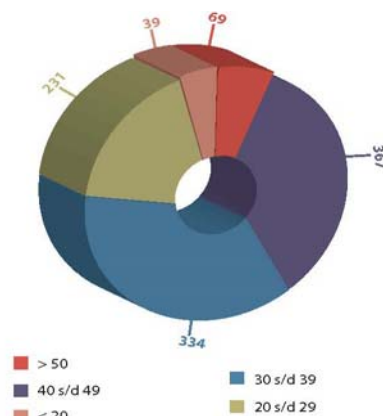
c. Human asset composition

- Human asset based on education and ages in year 2011 is not so different to the previous year. Here are employee composition based on education and age



Picture 29:

Employee Composition based on Education



Picture 30:

Employee Composition based on Ages

- Composition comparison of human asset in year 2009, 2010, and 2011

AGEs	2009			2010			2011		
	MGT	NON MGT	TOTAL	MGT	NON MGT	TOTAL	MGT	NON MGT	TOTAL
< 18 years old	0	0	0	0	0	0	0	0	0
18 - 20 years old	0	0	0	0	0	0	0	0	0
21 - 30 years old	5	99	104	4	52	56	2	57	59
31 - 40 years old	60	300	360	47	270	317	45	243	288
41 - 50 years old	37	173	210	45	243	288	50	263	313
51 - 55 years old	9	11	20	5	37	42	16	27	43
> 55 years old	7	1	8	10	1	11	7	1	8
Total	118	584	702	111	603	714	120	591	711

Tabel 6: Composition of human asset based on ages

There is no child labour under 18 years old work as company employees but more in productive period at the range 31-40 years old. There is also no discrimination in beliefs, culture, and gender, which are our value in achieving high productivity of this company. Our commitment in treating our man power as the asset of company instead of just workers, they have contributed a lot in target achievement both for sales target and other company performance targets.

GENDER	2009			2010			2011		
	MGT	NON MGT	TOTAL	MGT	NON MGT	TOTAL	MGT	NON MGT	TOTAL
Women	65	279	344	64	280	344	67	288	355
Men	53	305	358	54	316	370	53	303	356
Total	118	584	702	118	596	714	120	591	711

Tabel 7: Composition of human asset based on genders

Moreover, there is no such descrimination in culture, beliefs and gender. It means that every person has similar treatment as company members. We gave opportunity to employee to develop and improve their skill by giving external training and courses. We gave also scholarship to potential employee to take higher degree for special subject. Facilities and benefits are given to employee as their achievement of target setup annually.

d. **Specific commitments and goals for specified years**

- Every supervisor and manager will set up their yearly goals based on the company's objectives. The achievement of the target will be evaluated in the end of the year.
- The new salary will be adjusted based on the goal achievement and job position.

Criterion 10:

The description on effective management systems to integrate the labour principles

a. **Employee Training and Development**

Management continues to focus on the sustained employee development of, to broaden and enhance the capacity of employees. Personal Effectiveness Program was conducted for the employees of the Company, where the emphasis of the program is tailored to the needs of each Department. The training content is focused to the strengthening of individual character and re-enter the values of personal and professional effectively. This raining is still carried out refer to a significant impact in strengthening the individual character and improving the performance.

In fulfilling to certain needs, the employees are not only training in domestic, but also abroad. We collaborate with the Singapore Institute of Management for Strategic Planning and Thinking to improve our competency, and also to be able to do benchmarking with firms in various countries in the world.

The training program is implemented in accordance with the plans which have been drawn up. Training is also intended to educate employees in order to better understand the workings of a particular system to be implemented in the Company. By the time the system guarantee of kosher will apply, the training was carried out intensively to prepare the related employees.

The other program that will be implemented is improving productivity of work in the sphere of manufacturing, to meet the target set. Before making such a program, then performed a workshop on Lean Manufacturing, where our objective is that all employees have the same understanding and to facilitate the creation of synergies towards improvements that have been set.

A number of 17 employees have earned certification to support the work as required, such as Health Professionals and the General Work Safety, Water Waste Treatment Process, Certified Safety Assessment of Cosmetic Assessor, Certified Professional Marketer, Competence Make Up Certified Assessor, Assessment Center, and several other certifications.

As the vanguard who played an important role, Beauty Consultant, Beauty Advisor, Beauty Sales Consultant sustainably and periodically received the beauty training accordance with growing cosmetics trends, from national and international standard coaches

After completing the training, employees get a certificate of Competence Make Up, so that they will be recognized in a professional manner. With the certificate, the employee can provide assistance to the wider community to learn to use make up.

The skills to apply cosmetics are certainly not limited to streamline sales, but these skills are attached to the employee. This course adds the confidence of employees as individuals with special skills, and can be used in the future.

b. Program for employee.

▪ **Scholarship program**

In line with the employee development, employee's family, i.e. students at the elementary level, junior and senior high school, who achieve a certain accomplishments, also get assistance from the Company. This is intended to motivate students to keep learning and completed with satisfactory performance.

Periodically, a limit value for the scholarship is increased by the Company. In 2010, the minimum value is 7 to earn a scholarship, and in 2011, the minimum value to be 7.5.

The aim is to stimulate corrective actions of the students and to train students for trying to optimize the ability he has. Total students get scholarships is 60

• **Employee Award Program**

Employee award is given to employees who have been working for 5, 10, 15, 20, and 25 years.

In 2011, the Company gave awards to 168 employees on their work period.

• **Insurance Program**

Through sustainable analysis, insurance benefit programs for employees experienced the increased. One of these is benefit to cover the cost of hemodialisa, which is considered necessary to guarantee the health of employees, and provide a sense of security to the employees for this insurance cover

Criterion 11:

The description on effective monitoring and evaluation mechanisms of labour principles integration

a. System to track and measure performance based on standardized performance metrics

The company has a mechanism for standard wages, salary, annual increasement and additional benefits based on the grade and position of each employee, then periodically will be compared by the standard salaries of relevant industries.

b. Employee performance evaluation

The company implements "Management by Objective" method for employee assessment, where each employee is fully aware of his/her role in making contribution toward the performance of the Company. This method is supported by 360 Degree Feedback method which is useful for qualitative assessment to show the employees strength and areas

for improvement. Employees are expected to assess themselves (self assessment) for upgrading themselves, in conjunction with Training and Development Needs Analysis resulting in positive synergy.

c. **Process to deal with accidents**

- The management guidelines state our top priority of ensuring a safe, healthy workplace where employees can work in peace of mind. To achieve this, we constantly strive to create a "zero accident" workplace where our employees and subcontract employees work safely, both for their own sake and to instill a feeling of safety in the minds of residents around our factories.
- Occupational Safety and Health Committee at each company site leads Safety and Accident-Prevention Efforts. The committee also ensures the safety of facilities and prevent accidents through risk assessments, conduct site patrols to make sure rules are being followed, and raise employee safety awareness through hand-on workshops. The committee also send members to other sites to exchange safety information with committee members there.

d. **Disclosure of main incidents involving the company**

We set-up incident management in our customer relation department to respond quickly and effectively to a customer problem enables a company to deliver the highest standards of customer care at a time when the customer most needs it. Based on Good Manufacturing Practices, we have a standard operation procedure to deal with customer complaint(s). We also have dedicated manager and his team who will have closed relationship with our Quality Assurance Manager to handle this matter, so we can give a quick and right response to our customers.

Criterion 12:

The standardized performance indicators on labour principles integration

a. **Outcomes of internal awareness-raising and labour principle integration**

The business principle to success is the commitment of company management making integration among all stakeholders including labors and communities. Our company labors perform good performance in their area of work based on their specialization. It is impossible to produce good quality end products without any support from labors and suppliers. It is also impossible to make high sales of our products in the market without support from distributor, media, and also facilitation of government agencies. So, our successful thing in growing our company is our good integration among us internally and also externally with other parties including government. This can be seen in our supply chain production in this company by involving all stakeholders.

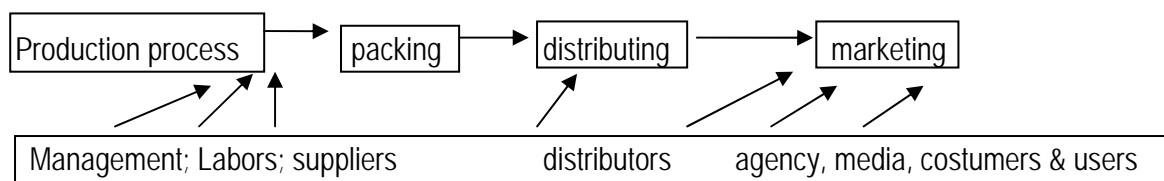


Table 8: Integration among stakeholders

b. **Outcome from our loyal customers to our credible capacity building.**

There are events of loyal costumer gathering organized by each product brands to give appreciation to our loyal costumer in various type of events. There are also distributors gathering to give appreciation to our good performance distributors which can achieve target or even more, both for national and international distributors. The successful marketer is about how they can contact and integrate to their costumer.

c. **Reward for our loyal customers**

It is a marketing policy of the company to give reward to our loyal costumer. As it is mention above, there is annual event for costumer gathering.



Picture 30: Reward for loyal customers, religious trip to Mekkah (Moslem) or Jerusalem (Christian)

 A green-themed announcement for the "My Harmony in Valentine" contest. It features four photos of winners, each with their name and age: Shinta Handayani (28 Thn, Ungaran), Maya Pradhipta Hapsari (32 Thn, Jember), Jasiva Suryaaida (23 Thn, Bandung), and Tri Septiani Nurokhmah (24 Thn, Bantul). The text says: "Selamat Kepada Para Pemenang. Inilah pemenang lomba foto My Harmony ini Valentine". It also shows images of SARIYU Beauty Spa products and a list of retailers where the products are available: Martha Tilaar Shop, Carrefour, Giant, Hero, Hari Hari, Hypermart, Naga Swalayan, and modern markets. At the bottom, it states: "Hadiah akan dikirimkan setelah ada konfirmasi dengan pemenang".

My Harmony in Valentine

Selamat Kepada Para Pemenang
Inilah pemenang lomba foto My Harmony ini Valentine

Shinta Handayani, 28 Thn, Ungaran

Maya Pradhipta Hapsari, 32 Thn, Jember

Jasiva Suryaaida, 23 Thn, Bandung

Tri Septiani Nurokhmah, 24 Thn, Bantul

Body Lotion Harmoni tersedia di:
Martha Tilaar Shop,
Carrefour,
Giant,
Hero,
Hari Hari,
Hypermart,
Naga Swalayan dan
modern market
terdekat di kota anda

Hadiah akan dikirimkan setelah ada konfirmasi dengan pemenang

SARIYU MARTHA TILAAR
0-800-1-627842
021-4612821
customer_care@martatilaar.co.id

Picture 31: Reward for loyal customers in valentine day.

 A promotional graphic for the "MARTHA TILAAR Beauty Journey 2012" contest. It features a collage of travel-related images: a beach, a city skyline with the Petronas Towers, and a traditional Thai temple. A central text box says: "WIN TRIP 3 HARI 2 MALAM KE BANGKOK LOMBOK KUALA LUMPUR BANDUNG". A "MORE INFO" button is visible. The background is a mix of these travel scenes.

MARTHA TILAAR Beauty Journey 2012

WIN TRIP 3 HARI 2 MALAM KE
BANGKOK
LOMBOK
KUALA LUMPUR
BANDUNG

MORE INFO

Pictures 32: Reward for loyal customers, products and trip to several cities (local and oversea).

Environmental Stewardship Implementation

Criterion 13:

The description on our commitments, strategies or policies in the area of environmental stewardship

We setup our environmental programme to be implemented both as internally and external activities.

a. **For internal program,**

We are focusing in the area of manufacturing process. This programme will be monitored and evaluated periodically to meet our commitment in preserving every and implementing green production. Some internal programs have been implemented as follow:

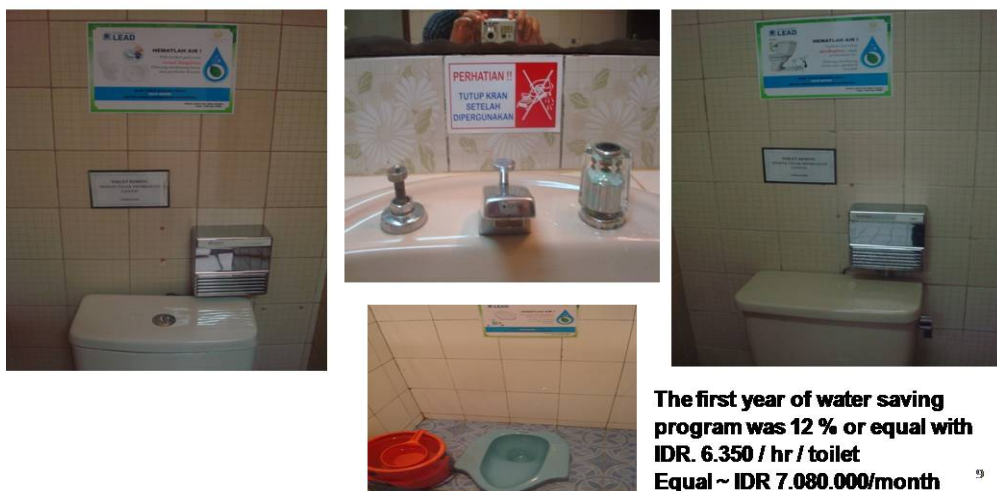
- As we have pledged in CEO Water Mandate, we do internally saving water used for manufacture and office needs. The program conducted in year 2011 is about reducing water used for toilet flush in every office toilet where we can reduce about 1.2 liters of flush water. The next step of this program will be utilise recycle water from WWTP for toilet flush instead of using clean water. By saving water energy we can support national program on saving clean water for future.



Pictures 32: PT. Martina Berto Tbk has joined water mandate program



TOILET WATER SAVING PROGRAM



Pictures 33: Water saving program in PT. Martina Berto Tbk.



Pictures 34: Poster of water saving program in PT. Martina Berto Tbk.

- In the garden we setup solar energy to utilize more sun light for office need and also giving an example for visitors that we can do such things in fulfilling our need of electricity.
- Saving natural resources by reusing waste water after being treated in the waste water treatment plant (WWTP) to be normal water without any harmful material. We have used for about 40 tonne/month along year 2011. Moreover, we do saving on energy use for manufacturing including electricity and water that was monitored periodically.
- Good environment by controlling impact that may release such as treating sewage before reused as garden irrigation, absorption well, and changing ozon material more friendly to environment. In year 2011 we have treated waste water 100% before reusing it. We have made biopores in some places around the factory to absorb more water inside the soil. We have also changing ozon destructive material of central air condition into 100% safe with environment friendly material.
- Together with all stakeholders we try to perform clean environment around the factory by continuing clean emission programme that have been started view years ago, and also make a code with recycle logo/environment friendly in every plastic packaging we use. By the end of 2011 about 100% vehicles entering factory area have met standard emission. This was applied not only for company vehicles but also visitor's vehicles and all vehicles entering factory area without any exception.
- Sustainable program on environment conservation have been centralized in the area of conservation "*Kampoeng Djamoe Organik*" where we have collected more than 600 species of Indonesia original MAC (medicinal, aromatic, and cosmecitical) plants. In this area we conduct some training in preserving environment for students and communities.
- Water saving action for water catchment and fish pond in Kampoeng Djamoe Organik.

Repairing pond for water catchment & fish cultivation





Pictures 35:

Water saving program by redevelopment of garden pond in Kampoeng Djamoe Organik garden

b. External program

- We actively involved in green programme conducted by other parties (GO and NGOs) or self initiatives implementing our own programme. Collaborative action under coordinator of IGCN (Global Compact Network for Indonesia) together with other members we do implement program in tree planting and disaster recovery program in villages.
- Collaborative program we setup with other parties, GO and NGOs to rehabilitate water resource in the area of mount Manglayang, Bandung, West Java. This program is in the step of designing activities involving communities around the area. This area will be rehabilitate by planting more trees and also educate community to take care their environment while they still can get income from this area.



Pictures 36:

Join program with Kehati Foundation in Citarik watershed, the area of mount Manglayang, Bandung.

- Collaborative action will also be conducted in Yogyakarta to support local community in caring their water resources from the mountain and use it for community needs.



Pictures 37: Join program with local government in Depok, Sleman, for downstream program 2011 – 2012



Pictures 38:
Join program with local community in Muntilan area, Yogyakarta,
for upstream water mandate program 2011 – 2012

Criterion 14:

The description of effective management systems to integrate the environmental principles

Since year 2000 we have implemented management system of ISO 14000 related to environmental policy in running our production process. It is no doubt that our company conducts monitor and evaluation regarding to the ISO requirements and it is fully supported by company management from the top level to down. Some action have been done in bolstering environmental awareness among us as company members can be described as below:

- Continuing environmental program on setting up Waste water treatment plant (WWTP), conducting monitor and evaluation of the process. There are about 38 ton per month average of recycle water from the WWTP have been use for garden irrigation and other uses such as washing vehicle, and also direct flow to the city drainage. Currently in the phase-3 of this program
- Continued program saving electricity by changing electrical equipment with the new save equipment including ball lamp and air conditioner. Currently in the phase-2 of the program to change the Freon resource of air conditioning with environmental friendly resource for about 20 units in this year 2011.
- In the garden (KaDO) we set up solar panel to produce about 6000 watt hours of electricity to light on our garden.
- Reviewing environment program documents regarding to government rules and communicating environmental friendly activities as we got BLUE Label of PROPER policy from the Ministry of Environment. The blue label means we have met requirement on handling environment impact due to our production process in our factory. The next step of labeling for next year will be GREEN label means our activity in business conducts CSR program that is involving communities as our stakeholders.



Pictures 39: Blue certificate from Indonesia Environment Minister

Criterion 15:

The description on effective monitoring and evaluation mechanisms for environmental stewardship

a. Green program objectives in year 2011

Ojective, Target and & Program of Environment (clausa 4.3.3)		Time Estimation	Implementation & Monitoring Program (Status & achievement)			
Description			2010		2011	
			Jan s/d Juni	Jul s/d Dec	Jan s/d Juni	Jul s/d Dec
I. To be the company saving natural resources	1. Reuse of WWTP output for daily needs through:		T = 40 A = 38	T = 40 A = 42	T = 40 A = 38	T = 40 A = 38
	a. build sewage chamber b. installing water pump for garden irrigation c. activities on watering garden	2007 2007 Dec-10	3/Juni'10	3/Des'10	3/Juni'11	3/Des'11
	2. Saving natural resources through : - recording & monitoring electric consumption: a. Electric consumption (KwH / month) b. Ratio (product amount / KwH)	Dec-10	114.22 T = 27000 A = 23775	133.56 T = 27000 A = 26610	134.09 T = 27000 A = 25189	140.32 T = 27000 A = 26099
	- Recording & monitoring water consumption : a. water consumption (m3 / month) b. Ratio (Kg product / m3)		3874 T = 60 A = 33	3661 T = 60 A = 45	4726 T = 40 **) A = 35	2951 T = 40 A = 61
II. Performing environment with controlable impacts	1. Program implementation of domestic waste water based on Per. Gub. No. 122/year 2005 --> by establishing WWTP by Dec. 2010 : a. Collecting information b. working plan c. implementation phase I of WWTP d. Monitoring & evaluation the result of phase I : - The quality of domestic waste water should meet standard quality e. Implementation of phase II of WWTP f. Monitoring dan evaluation. - The quality of domestic waste water should meet standard quality	2007 2007 Dec-07 Dec-09 Jul-10 Dec-10	4/April'10 2/ Juni'10	4/April'10 5/ Des'10	2/ Juni'11	5/ Des'11
	2. Construction program of Bio-pore (absorbtion well) should meet the current regulation a. Collecting information b. planning c. Constructing bio-pore phase I (20%) d. Constructing bio-pore phase II (20%) e. Constructing bio-pore phase III (20%) f. Constructing bio-pore phase IV (20%) g. Constructing bio-pore phase V (20%)	Feb 2009 Mar-09 Dec-09 Dec-10 Dec-11 Dec-12 Dec-13	3/ Juni'10	3/ Des'10	3/ Juni'11	3/ Des'11
	3. Program on gradual replacement of ozone depleting substances through: a. inventoring equipments using ozon depleting substances b. Searching alternative substances for replacement c. doing needed trials d. evaluating and taking corrective action e. periodic replacement phase I (2 Aircondition) f. periodic replacement phase II (2 Aircondition) g. periodic replacement phase III (2 Aircondition) h. penggantian secara periodik tahap IV (2 Aircondition) i. penggantian secara periodik tahap V (3 Aircondition)	Mar-09 Jun-09 Jul-09 Dec-09 Jul-10 Dec-11 Dec-12 Jul-13 Dec-13	4/Jan'10 4/Jan'10 1/Jan'10	4/Jan'10 4/Jan'10 4/Des'10	1/Jun'11	4/Des'11
	a. inventoring equipments using ozon depleting substances b. Searching alternative substances for replacement (trial & evaluation) c. periodic replacement phase I (40 pieces) d. periodic replacement phase II (2 Aircondition) e. periodic replacement phase III (2 Aircondition)	Dec-10 Jul-11 Dec-11 Dec-12 Dec-13	N/A	4/ Des'10		
	4. Set up revision of Master Environment Management document through: a. Find out the right and credible consultant b. Selecting/deciding the best consultant c. Produce the new Master Environment Management Document	Jun-09 Jul-09 Jul-10	4/Mei'10			
	5. Reducing plastic use in the production step a. Recording plastic use in production & wharehouse area b. Searching alternative materials for replacement c. Monitoring & Evaluation	Des 2010 Des 2011 Des 2012	N/A			
	III. Together with all stakeholders company performing green & clean company	up to year 2011				
	1. Continuing program of Clean emition with the achievement reach 99% vehicles in PTMB factory areameets standard environment requirement, through the following action: a. working together with General Affair Department to implement, clean emmition program for cars b. monitoring & evaluation		1/Jun'10	4/Nov-Des'10	1/Jun'10	4/ Des'11
	2. Inclusion of recycle/environment friendly logo for plastic contains. This should be printed on own plastic containers while for free mould containers should use the green plastic materials by: a. giving new product information to the choosen sppliers b. production trial of plastic container at supplier factory c. approval from quality control and R&D department d. delivery	up to year 2011	T = BK baru A = 3 new items 3/Mei'10	T = BK baru A = 3 new items 4/Des'10	T = new BK A = 3/Mei'11	T = new BK A = 4/Des'11

Tabel 9: The internal environment programs and its target and achievement indicators in year 2011

b. Effective monitoring and evaluation for company internal green program

Effective monitoring and evaluation has been done periodically to all our environmental program which had been set up in the beginning. Document of monitor and evaluation will be reported to stakeholders and company management to set up policy in the next run. The internal environment programs and its target and achievement indicators in year 2009, 2010 and 2011. (attached)

Criterion 16:

The outcome of standardized performance indicators on environmental stewardship

a. Outcomes of internal awareness-raising and training efforts

Report document as mentioned in the criteria 15 will be followed up by company management in setting up planning of the next step. The goal had been achieved will also be recorded and being replicated to other program and partners as well as stakeholders. Scaling up the program by involving other partners in the form of collaborative action through GC local network.

b. We have appointed to be the lead and facilitator of several green Biotrade action program and export promotion program such as:

- The local expert of SIPPO (Swiss Importer Promotion Program Organization)
As local expert, we give the facilitation for SME's from natural and organic products producers in Indonesia to improve the quality of their products and also give the market access to European natural and organic markets.

- The lead coordinator of BioTrade program from UNCTAD for sustainable trade of native species by Indonesia communities.

The first task was rapid-national assessment of the BioTrade potential for Indonesia and selection of potential sectors or value chains. The vision is to enhance the sustainable trade of native biodiversity-derived products and services in a fair way that improves the welfare of local communities

The purpose of the Indonesian BioTrade programme is for the conservation and sustainable use of biodiversity and contributes to poverty alleviation, through trade. This will be achieved by empowering local communities as the main point of departure, and giving the added value of the current assets of natural resources.

This BioTrade program will be the national and international collaboration project in year 2011.



Pictures 40: Panel discussion toward Rio+20 summit in Doha, Qatar.



Pictures 41:
As President of Perkosmi, Indonesia Cosmetic Association,
presented potential of BioTrade program in Indonesia in Doha, Qatar.

- The leader of several council bodies in Indonesia, such as Indonesia Spice Council and Indonesian Global Compact Network, as well as the president of Perkosmi (Indonesian Cosmetic Association).



Picture 41: As board of ASEAN Cosmetic Association, presented the harmonization cosmetic regulation



Pictures 42: Carbon Finance Workshop in Jakarta



Pictures 43: As director of Indonesia Spice Council, during Spice Council Congress in Jakarta

Anti-Corruption Implementation

Criterion 17 - 20:

The COP describes robust commitments, strategies or policies in the area of anti-corruption

Anti-corruption commitment is stated by company management and is supported and implemented in all level of employee as well as suppliers and other stakeholders. This program is continuous action in our company by continuous monitor and evaluation to all level and all section related to government policy and company policy.

We do identify potential area where someone can do such thing including bribery, so there is no potential section doing corruption. We also implement this policy to all stakeholders involve in the supply chain including supplier and partners as well as government.

Audit Committee

In line with the spirit to implement good corporate governance as well as to comply the regulations of Capital Markets and Financial Institutions Supervisory Agency (Bapepam-LK), the Board of Commissioners has formed the Audit Committee.

Purpose of establishment of the Audit Committee is to assist the Board of Commissioners in the conduct of supervisory role by reviewing financial statements, internal control systems, audit process, compliance of the Company on the regulations and applicable laws, code of ethics and risk management initiatives of the Company. In carrying out its duties the Audit Committee cooperate with Internal and External Audit.

Value Chain Implementation

Criterion 21:

The implementation of the Global Compact principles in the value chain

a. Description of raw materials and (semi-) finished products used, by country or region of origin

Our company uses natural ingredients as well as chemical ingredients for our cosmetic and herbal products, which comes from local and global suppliers.

b. Strong supply and distribution relationships

The company maintains strong relationships with its suppliers and distributors. Its distributor network enables widescale distribution and also serves as a channel for promotional activities, consumer education and awareness programmes. In addition, Martha Tilaar shop support brand-building initiatives, acting as company customer support centres alongside its retail hub. The Company's spa products are separately promoted and distributed through spa chains operated by the PT Cantika Puspa Pesona. A different subsidiary of the company also provides outsourced labour for Company manufacturing facilities.



Pictures 44: Distribution channel in Indonesia, partnership and collaboration action with PT. SAI Indonesia



Pictures 45: International marketing network 2011



Pictures 46: Martha Tilaar Shop



Pictures 47: Puri Ayu Martha Tilaar Stores



Pictures 48: Martha Tilaar Spa

c. Promoting action and movement on Green & healthy program as well as environmental friendly activities among stakeholders through:

- Customer gathering



Pictures 49: Sari Ayu Customer Gathering



Pictures 49: Customer Gathering in Kampoeng Djamoë Organik

- **Media gathering**

Giving information what we have done regarding to the environmental activities through press release and giving opportunity to media to see directly our company and also our activities on environmental movement. From this event, we hope there is something to learn and to share to others.



Pictures 51: Media Bisnis Gathering

- **Supplier gathering**

This event is organized to deliver information and program that the company setup related to environment conservation. We do periodically inform our supplier about our policy in reducing gas emission around the factory, so they ask to be aware to join this program by monitoring their vehicles entering the factory with zero emission, otherwise they cannot enter the area.



Pictures 52: Suppliers Gathering

- d. **Strategically located manufacturing facilities well supported by distribution network and marketing activities**

The Company operates three strategically-located manufacturing facilities in Indonesia. Seamless logistics support, excellent distribution system, proximity to major sea and air ports make these locations elements of paramount strategic advantage to the Company. It has an extensive presence across marketing channels, with multiple agents, branches and depots located across Indonesia that ensure superior distribution. Additionally, the Company has a strong relationship with its suppliers and distributors that support the Company in various promotional activities.

- e. **Internal audit which involved in our business:**

Internal audit is done annually for the evaluation of our suppliers and material principles is done by our own audit team, both audits for ISO 9000, ISO 140001, and also internal audit based on GMP of cosmetic and herbal products. We have run ISO-2000 and ISO-14000 simultaneously since year 2000. So, regular audit is done to meet the requirements by independent surveillance bodies.

- f. **Policy on value chain, including a policy for suppliers and subcontractors**

We have several standard operation procedures to evaluate and monitor the performance of our suppliers and principles, which is based on the supplier/principle assessment policy that will be evaluated every year. In this policy, it is also including the allocation of responsibility in the value chain and procedures to remedy any non-compliance issues, audits / screenings for compliance in the value chain, and also value chain risk assessment to identify potential issues with suppliers and other business partners

Transparency and Verification

Criterion 22:

The information on the company's profile and context of operation

BUSINESS STRATEGY

The following is some strategies committed by the Company:

- a. Various brand development in wide range of market segments.
- b. Manage the existing brands with strategic brand portfolio and products.
- c. Promotion and integrated communication media are integrated in above the line (a printed advertisement, television commercial, advertising outside a room, radio, etc) and below the line (cosmetic fair, trade fair, beauty a class, sponsorship, consumer education, fashion show, etc).
- d. Total supply chain management from the purchase of raw materials and packaging material, production to be finished products, distribution to outlets and up to the hands of consumers.
- e. Opening of Martha Tilaar Shop (MTS) in major cities and shopping malls in Indonesia as Customer Service Centers. Products sold at MTS are selected ones of international quality and presented as a total beauty shop concept with eastern and natural nuances. In international markets, however, the opening of MTS international is intended as a market penetration tool to create initial brand and Company awareness in the target markets.
- f. To appoint agents/distributors in domestic and international markets to handle marketing and distribution for one or more brands is according to the agents/distributors potential.
- g. Innovation of herbal products using natural materials from Indonesia that will give added value and product differentiation against competitors.
- h. Focusing on business development in Indonesia, in domestic market until the Company achieves a top 3 rank in the domestic beauty & personal care industry.
- i. To increase export contribution with focus on the Asia Pacific Region in the next 5 years, in preparation for global market expansion in time to come.

BUSINESS PROSPECT

Demand for cosmetics is increasing in line with revenue growth of community are accompanied by changes in the lifestyle of the community. Based on the results of the forecast Euromonitor International 2011 for next 5 years, the beauty care industry in the country grew on average by 7% per year. With the Company's position that reach 2.4% market share, the industry's growth of 7% is a huge prospect for the Company to increase their sales.

For 2011, the Company's sales of the color cosmetics product categories, skin and body care, hair care and herbal and other experienced an increase in sales of 11.99%, 16.51%, 14.21% and 22.73% respectively. With a constantly increasing sales year by year show its business prospects were promising in the future.

Criterion 23:

The description of high standards of transparency and disclosure report

a. Indonesia cosmetics industry in 2011

The demand for cosmetics and toiletries has increased substantially over the past years. Business sources forecast a positive outlook for the cosmetics market in coming years. For the time being, due to concerns about the economy, the high dollar exchange rate, and the upcoming appointment of the new cabinet in October, the market is predicted to remain stagnant. However, growth of 10-15 percent is projected for 2010 and 2011.

Overall demand of cosmetics and toiletries in Indonesia will continue to increase substantially, despite the extremely tight competition. Domestic manufacturers are successful in the middle and low-end market segment, and supply most of the local demand. There is good acceptance of imported cosmetics in Indonesia which represents around 16 percent of the total market. Most popular cosmetics brands have entered the Indonesian market and are experiencing growing sales.

The growth potential is also affected by increased demands from the service industry such as beauty parlors and spas. Spas and salons offering treatment programs have increased in number. More people seek professional help for facial and skin treatment, stimulating the growth in sales for skin care products. More new upscale beauty salons and skin care clinics were opened in shopping centers. The number of professional hair care salons selling specialty products has also increased.

In addition to generic spa and beauty treatments, spa businesses and related product lines have increased their offerings to consumers. Wedding spa or pre-wedding body and beauty treatment has become a trend in Indonesia, contributing to the growth of the skin care market. Presently, local products dominate the market for skin and body care. The Indonesian spa industry is widely recognized particularly in the hotel and resort areas. There are increasing opportunities for spa aromatherapy supplies, since local producers lack the research capabilities to develop quality products.

In Indonesia, the cosmetics and toiletries market is predicted to grow more than 34 percent by 2011, according to Euromonitor. One of the key drivers: an emerging consumer concern over appearance. For example, sales of anti-aging products increased in value by more than 27 percent in 2006, and are expected to increase by a total of 145 percent by 2011.

b. Major players in the Indonesian market

Indonesia is home to around 450 cosmetic product manufacturers, many of which are very small-scale boutique companies producing low price cosmetics. Multinational firms including Unilever Indonesia PT and P&G Home Products Indonesia PT remain market leaders due to their strong product lines, superior brand images and substantial marketing budgets. Their market position is supported by Indonesian consumer preference for foreign rather than domestic brands, which are regarded as more reliable and better quality.

However, more recently domestic producers such as PT Martha Tilaar Group and PT Mustika Ratu have reported significant growth in sales and market share. This has been largely attributed to their focus on utilising natural ingredients to produce herbal and chemical free beauty products. Since Indonesia is a natural source for around 75% of all herbs used as raw materials in natural cosmetics, they have been long and widely accepted both locally and internationally.

c. Comparison of key financial performance indicators for the previous 5 years

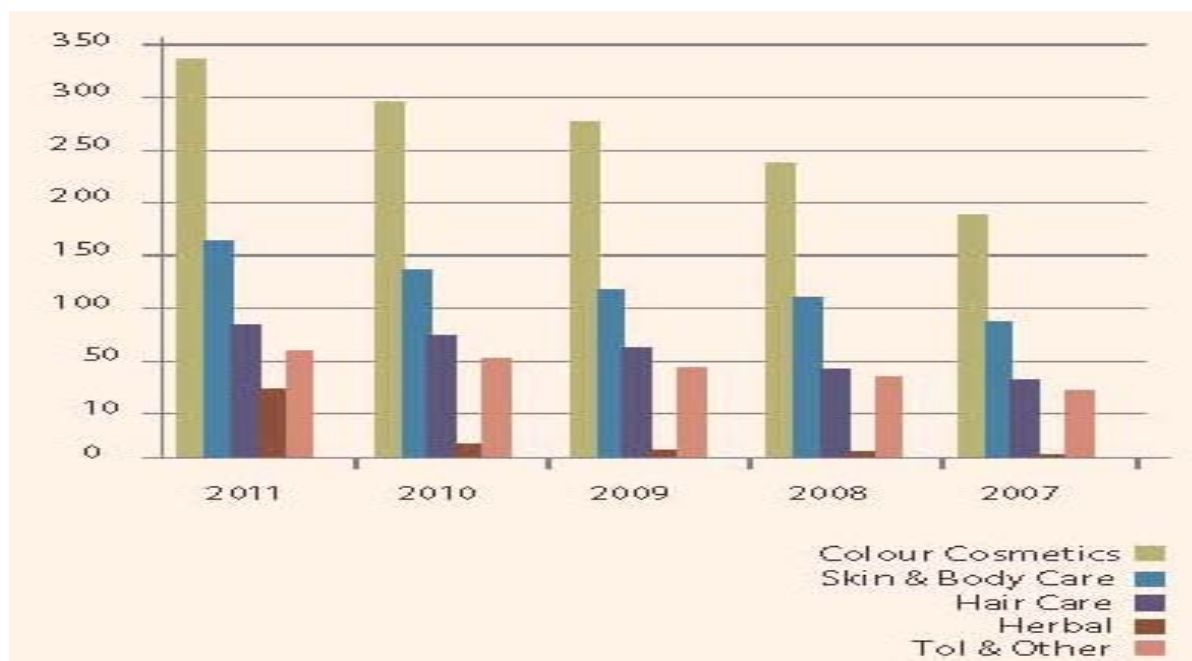
Keterangan/Description	2011	2010	2009	2008	2007
Laba (Rugi)/Profit (Loss)					
Penjualan/Sales	648.375	566.186	516.319	429.883	334.949
Laba Kotor/Gross Profit	346.141	301.486	268.075	233.431	184.728
Laba Bersih/Net Profit	42.663	36.764	22.230	2.696	2.253
Laba (Rugi) persaham/Earning Per Share	40	51	222	27	23
EBITDA	57.138	59.727	34.310	20.584	17.542
Jumlah Saham Beredar/Outstanding Shares	1.070.000.000	715.000.000	100.003.000	100.003.000	100.003.000

Keterangan/Description	2011	2010	2009	2008	2007
Neraca/Balance Sheet					
Aset Lancar/Current Asset	459.791	263.874	211.744	207.095	191.672
Modal Kerja Bersih/Net Working Capital	347.071	97.803	91.636	99.264	106.826
Total Aset/Total Asset	541.674	333.130	276.872	279.400	263.518
Kewajiban Lancar/Current Liabilities	112.665	166.071	120.108	107.831	84.846
Jumlah Kewajiban/Total Liabilities	141.131	216.211	186.180	188.075	174.380
Ekuitas/Equity	400.542	116.919	90.692	90.944	89.137
Keterangan/Description	2011	2010	2009	2008	2007
Rasio/Ratio					
Laba Kotor terhadap Penjualan/Gross Margin	53,39%	53,25%	51,92%	54,30%	55,15%
Laba Bersih terhadap Penjualan/Net Margin	6,58%	6,49%	4,31%	0,63%	0,67%
Laba Bersih terhadap Aset/Return on Assets	7,88%	11,04%	8,03%	0,96%	0,85%
Laba Bersih terhadap Ekuitas/Return on Equity	10,65%	31,44%	24,51%	2,96%	2,53%
Rasio Lancar/Current Ratio	408,10%	158,89%	176,29%	192,06%	225,91%
Kewajiban terhadap Ekuitas /Debt to Equity Ratio	35,24%	184,92%	205,29%	206,80%	195,63%
Kewajiban terhadap Aset/Debt to Assets	26,05%	64,90%	67,24%	67,31%	66,17%

Tabel 10: Several key financial performance in 5 years (million IDR)

d. Comparison of key performance indicators of sales report for the previous 5 years

The Company groups its products not only based on the production process, but also based on product categories, namely colour cosmetics, skin care, body care, hair care, herbal medicines, etc. The histogram of sales of each category in the last 5 years is as:



Tabel 11: Sales performance in 5 years (million IDR)

e. Company Performance



Pictures 12: Company Performance for 5 years

f. The comparison of key performance indicators with peer companies

We started 2011 with a very strong confidence that in this year we were able to grab a better achievement than in the previous year. Because this year is the first year the Company listed its shares on the Indonesia Stock Exchange, encouraged us to work more actively to provide better performance, especially for shareholders and other stakeholders.

To achieve our belief, the Company rose the capital expenditure of Rp.14,334 million in 2010 to Rp.25,514 million in 2011, or rose by 78.00%. Which to buy new machines to increase production capacity in order to meet the market demand for the Company's products as well as improving production efficiency.

Although the competition in the industry of beauty and personal care strictly but we remain more confidence the Company will be able to add sales both on the market and existing segments and new markets in the areas that we never covered. Proceeding the achievement that has been achieved in past years, the Company managed to improve its performance by grabbing sales growth of 14.51% from Rp.566,186 billion in 2010 to Rp.648,375 billion in 2011. The entire product category as well as the contract manufacturing of the Company's business provides rose sales contributions.

The Company's sales growth exceeding the growth of the industry based on the research of Euromonitor i.e. of 7.00% per year. The Company's efforts in increasing market share in beauty and personal care industry were quite turned up, where the Company's market shares rose from 2.22% in 2010 to 2.40% in 2011. Market share of the Company has not quite large yet, because the Company was not entering at all categories of beauty and personal care products. For the categories of color cosmetics, Company's market share rose from 13.60% in 2010 to be 14.59% in 2011. For categories of Skin & Body Care market shares of the Company also experienced rose from 1.85% in 2010 to 1.89% in 2011. As well as for the market share of Hair Care category rose from 1.36% in 2010 to 1.52% in 2011.

The growth of export markets in the region which along with area economic growth is also becoming serious management concern. Management has prepared more detailed strategy to execute Asia, particularly Southeast Asia. We believe that the diversity of our product/brand portfolio, high quality with competitive costs, the strength of our innovation, market development program, we are ready to address those challenges as well as opportunities in the future to create added value and sustainable profit growth.

Last but not least, we greatly appreciate and thank the shareholders, Board of Commissioners, employees, suppliers, distributors, agents, customers, business counterparts and all other stakeholders for the trust and support to us throughout 2011. With all your assistance, we are ready to perform better in the year 2012 and onward.

Criterion 24:

The COP is independently verified by a credible third party

a. Reviewed by a multi-stakeholder panel



Picture 53:

Brand PAC Martha Tilaar and Puspita Martha International Beauty School won 35th ASIAN HAIRSTYLING & MAKE UP COMPETITION 2011 in Hong Kong, 13 June 2011. Sandy got Runner-Up for Evening Party Make up and Slamet won The Most Outstanding Make Up Artist

b. National and International Awards and Achievements of the Company described below



No	Penghargaan/Awards	Prestasi/Achievement	Lembaga/Institution
1.	Corporate Image Award 2011	The Best in Building and Managing Corporate Image	Bloomberg Businessweek & Frontier Consulting Group
2.	Anugrah Business Review 2011	3rd Corporate Communication of The Year 2011	Business Review
3.	Indonesia Customer Satisfaction Award 2011	Caring Colours: The Best in Achieving Total Customer Satisfaction	SWA & Frontier Consulting Group
4.	Social Media Award 2011	Caring Colours: Great Performing Brand in Social Media	Majalah Marketing & Frontier Consulting Group
5.	Penghargaan PROPER	Peringkat Biru	Kementerian Lingkungan Hidup
6.	Indonesia Most Favorite Brand 2011	Sariayu (Foundation): Indonesia Most Favorite Youth Brand 2011	Markplus Inc
7.	Choice Brand Award 2011	Sariayu (Cleansing Milk): No.1 Choice Brand	Kartini & Women Insight
8.	Top Brand Award 2011	Mirabella (Lipstick): In Recognition of Outstanding Achievement in Building the Top Brand	Majalah Marketing & Frontier Consultant Group
9.	Top Brand Award 2011	Sariayu (Traditional Body Butter): In Recognition of Outstanding Achievement in Building the Top Brand	Majalah Marketing & Frontier Consultant Group
10.	Top Brand for Teens 2011	Sariayu (Facial Mask): In Recognition of Outstanding Achievement in Building the Top Brand	Majalah Marketing & Frontier Consultant Group
11.	Marketers Award: Indonesia Brand Champion 2011	Sariayu (Eye Shadow, Compact Powder, Blush On, Lipstick, Moisturizer): Indonesia's Women Brand Champion 2011	Markplus Inc
12.	Marketers Award: Indonesia's Most Favorite Women Brand 2011	Sariayu (Foundation): Indonesia's Most Favorite Women Brand 2011	Markplus Inc

Picture 54: Several International and National Awards and Recognition 2011

c. Reviewed by peers (e.g., Global Compact Local Network)

Martha Tilaar Group has been chosen to be member of GC LEAD member with another 55 global companies in February 2011.



Picture 54:
Dr. Martha Tilaar with other global leaders and
Secretary General United Nations Mr. Ban Ki-Moon in Davos, February 2011.



Pictures 55:
DR. Martha Tilaar has received Life Time Achievement Award - Anugerah Perempuan Indonesia 2012

Jakarta, 19 May 2012
Nuning S. Barwa
CSR Director Martha Tilaar Group

Heru Data Wardana
Community Development Manager