

Letter from the SWA Chairman

Dear friends,

During this time, SWA has supported a number of efforts to confront and overcome the complexity of environmental degradation, social inequalities, and sustainable development, through the appreciation based on research and publicity on SWA Magazine. However, that's not enough. We still needed more development of the quality of programs and policies that already exist, as well as in terms of quantity and consistency of such programs. Depart from that way of thinking, we then feel the need to design and run a new program called Indonesia Green Company Achievement 2012. The appreciation was successfully conducted on 21st June 2012 at Shangri-La's, Hotel Jakarta. Thank God, in this program, we are supported by a panel of judges who are very competent in his field, such as Prof. Dr. Emil Salim, SE.: Chairman of the Presidential Advisory Council for the Economy and Environment, which also acts as our chairman of the judges.

Middle of this year we are also preparing for the implementation of the Regional Green awarding Indonesia (IGRA) to-3 which will take place mid November 2012. SWA magazine and KBR68H was offering gift awarding IGRA 2012 as a testament to the collective support of both institutions to go green movement nationally. A call to sympathy for the initiative and we never stop and continue actively seek to support the management of natural resources are balanced.

SWA presents to its stakeholders its annual continually COP's report. In this report we give a corporate program description related with 10 Principles. That is the basic reason for this report: an exercise in full transparency open to all. We were underlined in our latest program, because we have set a goal of becoming sector leaders through an advance on all fronts, especially significant contribution to environmental sustainability.

By including business sustainability as one of our strategic lines, we have incorporated commitment to the community as part of the company's core business and, as a result, definitively embedded corporate social responsibility into the way we do business. We were able to boost our global corporate reputation in the communities where we work, thanks to progress made under all headings (offering, innovation, good place to work, integrity, support for social causes and environmental protection).

This company has implemented to bridge the digital divide, in other words, inequalities that may arise between those people and communities that use information and communications technologies (ICT) as part of their everyday lives and those that either have no access to ICT or lack the knowledge or ability to make use of them. To compile this list, we have grouped together IT based technology development programs through SWA Digital Division.

SWA underlined commitment to social and cultural action programs. Based on the certain measurement model, the company writing and doing CSR's program with partners in special projects. Among the social programs, we would like to highlight the SWA's initiative, which, for the third successive year, doubled the number of crucial topics it supported in our articles as part of its fight against child labour and others issues.

Finally, we believe now was a good years for CSR because we continued to improve the model for

reporting and communicating our successes. For one thing, we can be proud to say that SWA does not just have a CSR report, but a complete CSR management information system. We are laying a particular emphasis on the social impact that the firm has on the community.

Majalah SWA has been a participant of the United Nations Global Compact (UNGC) since 2006. We still understand the importance of UNGC's ten principles in the areas of human rights, labour, environment, and anti-corruption.

SWA's always firm commitment to the United Nations Global Compact and to fulfill its principles. The initiative reflects the key role that Corporate Social Responsibility plays in the company's approach - an approach that acknowledges multiple stakeholders, that is simultaneously local, and that is both voluntary and designed to promote excellence in business ethics. Our commitment this year is shown by publication of a printed supplement detailing our compliance with Global Compact.

We steadily take appropriate actions in line with the principles, as fundamental guidelines for sustainable and socially responsible development of our business. We continue to support UNGC by intertwining the ten principles in the way we do business, which helps making us a better corporate citizen in Indonesia.

We believe that we are making progress every year. And this progress is to a great extent thanks to those, such as you, who put their faith in us and spur us on to continuous improvement.

Jakarta, July 10, 2012

Yours sincerely

Kemal Effendi Gani

Editor in Chief

United Nations Global Compact Progress Report

Global Compact communication on progress

Majalah SWA signed up to the Global Compact Principles in 2006. Since then, the Company has reported annually on its commitment to this initiative, the application of the 10 Principles, and the assessment of the results obtained from the policies applied in order to comply.

Overall, we continue to support the basic commitments that existed at the 10 principles. Our comments are follows:

Principle 1:

Support and respect the protection of internationally proclaimed fundamental human rights within area of influence.

- Our commitments are continuously support and agree with this principle. The HR Excellence Award 2012 is a joint initiative by SWA magazine and LMFEUI, given out annual for an excellence in managing employee development and empowerment. Attaining this award is a significant milestone for companies and reflects their commitment and continuous effort to

develop and empower our human resources, as well aligning HR development practices with their businesses.

- We also ensure that every policy concerning manpower is aligned with national manpower policy, that has been endorsed by the tripartite of company, employee (as represented by the Labor Union) and the Indonesia government.
- We comply to the standard regulation for working hours, minimum wages, overtime payment, minimum working age, and make sure that employees' rights are respected. Some policies surpass the government's standard; such as pension plan, personal accident and health allowance.
- We apply a strict Health and Safety Management System as an essential working condition at all levels of our business units, in accordance with the Decree of Minister of Manpower of Indonesia Number PER-05/MEN/1996 regarding Health and Safety Management System.
- We ensure that all the regulations are updated by continuously benchmarking the working conditions to other companies; such as meals and transportation, health issues, salary and benefit standards.
- We carefully assess potential local humanitarian and cultural issues, and make sure that business activity would strengthen and benefit local people as one of the most important stakeholders. Through a participatory community needs analysis and dialogue process, a better understanding and more effective programs can be generated.

Principle 2:

Ensure that businesses are not complicit in human rights abuses.

- Our commitments are continuously support and agree also with this principle. We have been actively involved in open dialogue with government, labor, NGOs and institutions to regularly discuss human rights issues. To raise awareness of HIV - AIDS, we conduct seminars and invite employees to voluntarily join the blood test while maintaining utmost confidentiality.
- We also provided with other basic needed facilities, such as mosque and sporting facilities. In addition to that, we are also involved to supports in developing and maintaining public infrastructures, such as other mosque and other public facilities.

Our Corporate Social Responsibility ("CSR") mission has been actualized by contributing to all the communities in the various locations of our operations in the areas of education, society and health care. To strengthen our CSR efforts, a formal CSR Special Program that we named SWAID has been established in 2008. It will play an increasingly important role in planning, coordinating and monitoring the Company-wide CSR activities to ensure their effectiveness and conformity with the Corporate Values.

Principle 3:

Uphold freedom of association and effective recognition of the right to collective bargaining

- Our commitments are continuously support and agree also with this principle. SWA Management has been respect and support the association Forum Karyawan SWA (FKS) as a strategic partner in roll over the company. Every year there is a meeting of the Employee Forum SWA (FKS), including the period of 2012. We should thank them for the duration of its staff who have devoted attention to bridge the interests of employees and companies. The events of the most eagerly awaited each meeting, including election of new board which sometimes shows the heroic performance, because each employee is very enthusiastic about campaigning for their champion. Anyway, after a "champion" best elected, members of the congregation can accept gracefully

In a business organization of human primary asset, equal partners (sparring partners) are needed to realize the vision and mission together. For SWA, the presence of FKS is a reliable sparring partners for each other together in managing the working relationship between management and employees. The goal, none other than to create a conducive working environment for employees to perform well, the end will create the satisfaction of the stakeholders - both of the employees, shareholders, partners, and the reader SWA.

Management and employee forums like this will generate tremendous synergy, where both parties have the vision and mission are aligned. Thanks to God, we do not require a learning process that is too long to put forward the spirit of "win-win" in relationship management and FKS.

Principle 4:

Support the elimination of all kinds of forced or compulsory labor

Whether it is internal or external, our employees are given constructive opportunity to express their opinion responsibly through labor union. The labor unions are considered a mutual partner whose opinion is respected and we work together towards increasing productivity as the way to prosperity.

Our other concern area:

- Our recruitment policy clearly states that the hiring decision is based on organization planning and focuses on competency; eliminating any form of discrimination (race, religion, gender or ethnicity). The same applies for salary setting, training opportunity and career development.
- We always care and strive to provide adequate facilities to enhance the quality of life of our workers and staff. However, due to the hardship, safety, security and the demand of physical challenge of the job, certain jobs are more attractive to male than female candidates.
- SWA respects the rights of its employees of different religions or beliefs to perform religious activities without interrupting working hours. We also encourage all employees to respect each other and maintain a harmonious relationship with fellow employees and the community around us.
- SWA also provided extensive training for its workers and staffs including safety training for work handling, prevention of sexual harassment and other mandatory trainings that are specifically designed for the job safety and protection of the environment.

Principle 5:

Support the abolition of child labor

- Our commitment for this Principle continuously support and agree also with the principle. How to set eligibility criteria become self employee, among others: should not be under the age of 17 years, did not feel forced, etc.
- To ensure that we do not employ child labour, thorough checks are made during recruitment and selection process that the candidate's age is above 18 years. This mechanism starts when we receive applications and verify the candidates' date of birth from their identity cards or birth certificates.

In our company, parents are encouraged to send their children to schools and complete the compulsory study instead of helping them to work in the industries. We also provide motivation to employees' children who excel in school by giving a gift in a sustainable manne. The cost of educational assistance for children of primary school level, junior high school, and high schools are also provided by the company. This is also to protect the children against any form of safety and health risks.

Principle 6:

Support the elimination of discrimination in respect of employment and occupation.

- Business Principles & Code of Conduct with FKS
 - 40% of the workforces are women
 - 10% of management and 20% of middle management are women
 - All employees covered by corporate agreements
 - Agreement is understood to mean a framework agreement for a group of workers which specifies general labour conditions, their rights and responsibilities (salaries, hours, breaks, menstruation leave, holidays, redundancy arrangements, definition of professional categories, salary revisions, etc).

Most relevant SWA Indicator Tool 2011 Progress Health and Safety Prevention Policy

- Almost 170 employee health risk evaluations were carried out / 70% of the workforce benefit from health protection

Principle 7:

Businesses should support a preventative approach to environmental challenges

Business must develop and utilize “environmentally friendly”. Changes must be implemented at unit level, by means of technique or materials, as well as at a strategic level through company policy, stakeholders, R&D, and constant monitoring of environmental issues and initiatives. As a media the company, the advancement of good health occurs not only through the innovation, production and distribution of magazine, but also through the creation and preservation of healthy environment.

SWA is dedicated to identifying emerging environmental issues relevant to the paper based industry and stakeholders and leading efforts to address them strategically and tactically through innovative policies and technology programs.

Driven by SWA's dynamic business environment, the global trend will seize opportunities to advance the efficiency and effectiveness of corporate's programs. We will focus on the following six strategic imperatives :

1. Integrate corporate approach into business function and product development trend.
2. Drive risk – based decision making
3. Capture opportunity and mitigate risk associated with partners

Principle 8:

Undertake initiatives to promote greater environmental responsibility

Related with Principle 7 and 8, SWA Management in associate with partners whose also concern to the environment issue, are conducting 2 achievement for this year, they are: Indonesia's Green Company Achievement 2012 and Indonesia's Green Region Award 2012.

Indonesia's Green Company Achievement 2012; empowered by SWA cooperate with Yayasan KEHATI and IDX, organizing a program called "Indonesia Green Company Achievement 2012" and "Appreciation of the Public Company 25-KEHATI SRI Index". This program is basically a continuous effort to encourage companies in Indonesia to run its business operations based on the principles of Triple Bottom Line. Through this program, we are inviting companies in Indonesia to following the Green Company Program Achievement in 2012. We ask them to file a challenge and what goals they want to accomplish and achieve. What strategies they design, and how the execution, as well as what kind of results. There are 4 Companies elected by the judge panel to accept the achievement, and 25 Public Company accept the Appreciation of the Public Company 25-KEHATI SRI Index.

With these efforts, we expect to be able to produce some things. First, to search for examples of best practices run companies in Indonesia, second to inspire other company, and third to motivate them continuously to improve the quality and quantity in running its business operations based on the principles of triple bottom line and sustainable business.

Thank God, in this program, we are supported by a panel of judges who are very competent in his field, such as Prof. Dr. Emil Salim, SE.: Chairman of the Presidential Advisory Council for the Economy and Environment, Professor of the UI Environment. Prof. Tjandra Setiadi, Ph.D.: The Center for Environmental Studies (PSLH) ITB, Professor and Head of the Laboratory of Microbiology and Bioprocess Technology ITB. and so on. "We believe, with the support of the competent judges, this program will be able to contribute to our joint efforts to promote sustainable business people in our country improve their business operations based on the principles of triple bottom line sustainability". Said Kemal.

Indonesia's Green Region Award 2012; empowered by SWA with KBR68H, as a pro-active attitude toward environmental issues is by making this topic as the main writing material our magazine. SWA Group, in particular business unit SWA magazine and its event organizers MIX Interactive, along KBR68H as a partner is enthusiastic again held IGRA July 21, 2011. SWA magazine editor in chief, Kemal Effendi Gani, thankful for the cooperation that already exists and hopes the program plus the awarding IGRA 2012 survey confirms the spirit of developing more sustainable land and grow better from year to year. "Through IGRA 2012 we hope to encourage all parties, especially local government districts and municipalities in Indonesia, continue to promote the region as proporsional excited. "Said Kemal.

Awards will be given later on of course is only a step and requires a more through follow-up again. Only with such awareness that we can expect the achievement of development goals are also considering the size of the natural balance will be achieved. Of course, added Santoso who is also President Director of KBR68H, solicitation of participation by various categories of conduct surveys to IGRA Year 2012 is going to all corners of the country. "The steps that have been conducted, is underway and will be followed by Tim SWA and KBR68H until final will be held in a professional manner and uphold the principles of openness and good governance. "Said Santoso.

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies. Climate Change Office

- Good Practice Manual for Network Energy Efficiency drafted
- 5% reduction in electricity consumption (KWH / equivalent access)
- Inclusion of energy variable in procurement procedures
- Development of initiatives to provide efficient solutions for customers: Connected Household, Energy Efficiency Service Buildings
- Marketing efficient equipment: Evolve the low-energy and recycled material consuming.

Principle 10:

Work to fight corruption in all forms including extortion and bribery.

SWA Management fully agree that transparance is the most important from a public issuers can be trusted. One is transparency run properly, the confidence of these issuers will increase. Because, if the company transparent, certain other aspects of good corporate governance (GCG) will follow. Because, with transparency, it means that every time there is public control to the issuer. If a strong control, the implementation of GCG issuers will be good. SWA had been several times writing these articles in five years later. The Indonesian Institute for Corporate Governance (IIGC) cooperating with SWA Magazine awarded Indonesia's Local companies as The Most Trusted Company 2011 Based On Corporate Governance Perception Index and Indonesian Most Trusted Company 2011 Based on Survey to Analyst and Investor in implementing Good Corporate Governance. The award took place at Ballroom A Shangri-La Hotel Jakarta in an event called "Good Corporate Governance as Culture."

CGPI Award is an appreciation and recognition to trusted companies having applying GCG in order that their commitment and existence able to continuously improve and be recognized and supported by the community. IIGC does not only motivate the company to apply GCG through CGPI program, but also make CGPI as a scientific assessment event aiming at developing and creating relevant GCG concept, valid and according to the context of Indonesian business progress.

All contribution and hope given by all parties through CGPI program is expected to be able to support the realization of Indonesian business which is professional and respected for the success and welfare on Indonesian nation. GCG theme as culture is directed to assess many company efforts having applied GCG not only to fulfill obedience, arrangement and control but also to realize dominant company behavior and characteristics as a culture to be an asset and determining factor of company sustainability.

CGPI assessment is made in four stages, those are, self-assessment, document completeness, paper preparation, and observation. Participants of CGPI fulfilling all assessment stages are of companies. Result of CGPI 2011 assessment of the four stages decides 6 companies with the category of Most Trusted, 15 companies with the category Trusted, 5 companies with the category Fairly Trusted. Assessment has been made by making survey to 100 analysts and investors. They are requested to appraise 10 of all public companies they mostly know have applied GCG properly. Parameter of assessment covers transparency, accountability, responsibility, independence and fairness.

For detailed information and indicators concerning compliance with the principles see our on line report and activities (www.swa.co.id and www.swamediainc.com).

ATTACHMENT:

Implementation cases:

Detail of Indonesia Green Company Achievement 2012

This program is basically a continuous effort to encourage companies in Indonesia to run its business operations based on the principles of Triple Bottom Line. Through this program, we are inviting companies in Indonesia to file a challenge and what goals they want to accomplish and achieve. What strategies they design, and how the execution, as well as what kind of results we accomplished.

With these efforts, we expect to be able to produce some things. First: to search for examples of best practices run companies in Indonesia in running its business operations based on the principles of triple bottom line and sustainable business.

Second, by disseminating some of the best examples of strategies and policy execution was green company, we hope this will inspire more other companies doing the same thing, so we would expect from year to year more and more companies in Indonesia are becoming more "green". And it is in our opinion is very important and strategic. Because, in the future, more and more partners from overseas buyers, investors, consumers, who would prefer companies that are considered more "green" as their business partners.

Third, to give appreciation to those companies that are willing to run the company's operations based on the principles of triple bottom line very well, we also hope it will continue to motivate them to continuously improve the quality and quantity of programs they are associated * with the principles of

triple bottom line.

In this program, we are supported by a panel of judges who are very competent in his field, namely:

1. Prof. Dr. Emil Salim, SE.: Chairman of the Presidential Advisory Council for the Economy and Environment, Professor of the UI Environment.
2. Prof. Tjandra Setiadi, Ph.D.: The Center for Environmental Studies (PSLH) ITB, Professor and
3. Head of the Laboratory of Microbiology and Bioprocess Technology ITB.
4. Dr. Ir. Arif Budimanta, M.Sc.: Founder of Indonesian Center for Sustainable Development (ICSD), Lecturer in Environmental Sciences Graduate UI.
5. Mrs. Darwina Sri Widjajanti: National Program Director of Leadership for Environment and Development (LEAD) Indonesia, Executive Director Foundation for Sustainable Development (YPB).
6. DR-Eng. Eniya Listiani Goddess: Senior Researcher / Program Director, Fuel Cell and Hydrogen Technology Deputy for Information Technology, Energy and Materials Agency for the Assessment and Application of Technology (BPPT).
7. Basuki W. Sambodo: Assistant Deputy Increasing Role of Community Organizations Ministry of Environment (MoE).

In line with Indonesia program Achievement Green Company, we also support and encourage public companies listed on the Indonesia Stock Exchange, to run a company operating in a professional, profitable for all the share holders and stakeholders, applying the principles of good corporate governance, and triple bottom line.

In recent years, the Foundation has sought to run KEHATI research and analysis with the full support of the Indonesia Stock Exchange to pick 25 Public Companies that could be included in the Sustainable Responsible Investment is based on specific criteria. These companies are certainly special. Therefore, these are companies that, among others, has been running a company operating in a professional, profitable for all the share holders and stakeholders, to move in areas that are environmentally friendly, and apply the principles of good corporate governance and triple bottom line. This group of 25 public companies and specifically made its stock price index, which is referred to as the SRI index-KEHATI.

Detail of Indonesia Green Regional Award 2012

A number of phases IGRA 2012 shall include brainstorming methodology, distribution of recruitment materials and contact person for the invitation, the invitation to the province, invited panelists (list and willingness), follow-up of crustaceans, the determination of the deadline, the collection of early material, Delphi round 1, recap and finalize the results of the Delphi rounds I, Delphi round II, recap and finalize the second Delphi round, the Top 10, preparation varifikasi (teams, materials, form and coordination), verification, preparation for the judging (invitations, jury and place), an invitation to finalists, the judging and awarding the implementation plan.

As for the weighting of the assessment includes a variety of factors judged most dominant influence. The indicators are intended. First, aspects of Waste Management, which involves efforts to reduce, recycle, reuse, disposal site, processing and utilization, etc.. Second, Pengeloalan Forest and Plantation, which is an effort afforestation, reforestation, avoided deforestation, illegal logging, handling, etc.. Third, the Land Use Management & Spatial Planning, which related to the step expansion of protected

areas, availability of green areas, management of public space, public facilities, housing, industrial estates and offices, etc.. Fourth, the Land Use Management & Spatial associated with the expansion of protected areas, availability of green areas, management of public space, public facilities, housing, industrial estates and offices, etc.. Fifth, Transportation in terms of management systems and transportation facilities, transportation pollution control, energy utilization of environmentally friendly transport, energy efficiency, etc.. Sixth, Water Catchment Area (DTA) and Watershed (DAS), which ensures the availability and DTA & watershed management, irrigation repairs, etc.. Seventh, the Clean Water availability in the case of ground water conservation, construction of water supply, sanitation etc. facilitates. Eighth, Air Quality in uaya reduction of pollution sources - transportation, industry, burning of land / forests, efforts to minimize negative impacts of pollution, reforestation, etc.. Ninth, Energy in terms of socialization and utilization of environmentally friendly energy sources, efforts to minimize the negative impacts of energy use are not environmentally friendly, energy saving, etc.. And finally, the tenth with respect to adaptation to climate change, related to the antisipasi aspects of drought, floods, storms, landslides, rising sea levels, rising air temperatures, etc..

50 targeted district/cities following IGRA 2012. The selection process by the panelists as a series of stages of assessment of IGRA in 2012, will be start after the closing date collection of papers on 18th July 2012. Next there will be the verification results of the assessment of the panelist of the 10 districts / cities above that qualify. Results of verification that will be supporting material for the jury in the assessment session presentation. Pesentation it self will be held in August 2012. Then the 10 districts / cities selected will be invited to present environmental conditions of her life in front of the jury before finally crowned as the winner.

Achievement :

Palembang Charter 2010 Achievement

As a business magazine that has 27 years of work in the Print Media industry, SWA re-notch performance by receiving the award for media which have met the criteria of the Charter of Palembang in 2010 at the closing ceremony of the National Working Meeting of States Newspapers Publishers (SPS) in Pekanbaru, 13-14 July 2012.

A similar award is received by a number of other media - a total of 48 media. Appreciation signed by the Chairman of SPS Dahlan Iskan was accepted by representatives of SWA Magazine; Bambang Halintar who currently serves as Business Leader Magazine SWA.

Palembang Charter 2010, is a media award that has met the following criteria: 1). Company has met the standards of the Press Council, 2). Adheres to the Code of Ethics of Journalism, 3). SPS members, and 4). Exis World Press Publishing until today.

Ahmad Djauhar, Sekjend SPS Center, at Rakernas 2012 states that this time to discuss various strategic industry development trend of the press and digital printing. Therefore, in addition to SPS officials attended the Centre, the event was attended by about 150 leaders from all over Indonesia Press. While the number of SPS members who recorded the current total to 450 media. **