

GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS – SME VERSION

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|------------------------------|--|----------------------------|-----------------------------|
| Company Name | PT. Excelcomindo Pratama, Tbk | Date | June 4 th , 2007 |
| Unit (if applicable) | Corporate Communication | | |
| Address | Grha XL Kawasan Mega Kuningan Lot E4-7 No.1 Jakarta 12920 | Membership date | |
| Country | Indonesia | Number of employees | 2106 persons |
| Contact name | Ventura Elisawati | Sector | Telecommunication |
| Contact Position | Head of Corporate Communication | | |
| Contact telephone no. | 0818 121763 | | |

Brief description of nature of business

XL, one of the subsidiaries of Telekom Malaysia (TM), is one of the leading **telecommunication companies** in Indonesia. **XL** started its commercial operations on 8 October 1996. Currently **XL** provides Consumer Solutions by offering dual band cellular networks through pre-paid cards *jimat*, *jempol* and *bebas* and post-paid card *Xplor*. Meanwhile, the Business Solutions unit of XL is a provider of leased line, broadband and IP (Internet Protocol)-based corporate solutions. On 21 September 2006, **XL** launched **XL 3G**, the first fastest and widest cellular telecommunication services based on 3G technology. TM is the Company's controlling majority shareholder with 59.63% ownership.

Statement of support

The United Nations Global Compact has taken an important role to promote companies worldwide to become part of responsible corporate citizens and its ten principles have been a guideline for the companies to achieve such goal. It is also a room where companies can share their practice, experience and knowledge of responsible corporate citizenship.

In this opportunity we provide our second report, which presents our achievements in implementing the Global Compact's principles [during ---- or to date]. We have put into actions, among others, [] as the application of the [] principle. By sharing our report, we hope it is not only for our own advantage, but also beneficial information to influence and inspire others around the world to be better responsible corporate citizens.

Furthermore, as our sustainable participation in the United Nations Global Compact, we are committed to continuously support the ten universal principles of Global Compact which are categorised in four main areas, consisting of the area of human rights, labour, environment and anti-corruption

Signature

Position

Mr. Hasnul Suhaimi

President Director

PT. Excelcomindo Pratama, Tbk



PRINCIPLE 1 BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

Implementation:

- Company Regulations and Code of Business Ethics
The company has been consistently implementing this principle as written in the Company Regulations and Code of Business Ethics and always be re-evaluated every 2 years and distributed to all employees. The last reviewed is applicable up to November 2007. The reviewed document is similar as previous, only edited to be suitable for current condition.
- Health Insurance
Providing facilities to all employees for having better healthy living standard:
 - Health allowance for all employees and their family which covered outpatient, inpatient, Maternity, dental and glasses.
 - The Social Security Program as mentioned by the government regulation
- Pension Fund Program
A life-saving program to ensure prosperous live for employee when retired from the company
- Employee Satisfaction Index
This parameter use to describe how employee and employer can collaborate effectively

PRINCIPLE 2 BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

Implementation:

- The content of company regulations and code of business ethics
The regulations are still involving the Order and Disciplinary procedure, to ensure that the company is not complicit in human right abuses.
 - arranging working hours in the office
 - rights and obligations of employee and employer
 - categorizing violations done by employee is described by light, medium and heavy violation
 - sanction procedures against misconducts from oral warning, then followed by warning letters (first, second and third)
 - termination of employment also regulated with bipartite process (employee and employer) and if necessary can be involved third party (government)
- Benefit for employee
Company program for employee's benefits still consistently done
 - health insurance
 - pension fund
 - annual leave and progressive leave for loyal employee
 - one month additional salary for celebration of holy day
 - bonus if achieving company's target

PRINCIPLE 3 BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

Implementation:

- Labour Union
We give opportunities to workers to join labour union freely, internally and externally without fear of intimidation and reprisal.
- Political Activities
Externally, we allow employee to joining political parties out of office area and out of working time, as long as they do not intimidate others with their ideology during working hours in office area.
- Religion Fellowship
Internal we accommodate some groups for employee to join in :
 - Maj'lis Ta'lim XL (MTXL) – Moslem Fellowship
 - Persekutuan Doa Rajawali Group (PDRG) – Christian Fellowship

PRINCIPLE 4 BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

Implementation:

- Recruitment Procedures
In term of employee recruitment procedures, we totally based on the government rules.
- Over time
The procedures and payment of overtime follows government regulations.

PRINCIPLE 5 BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR

Implementation:

- No child labour
Based on the ILO Convention No. 138 year 1973, regarding the abolition of child labour, our Indonesian government proclaimed law No. 20 year 1999 implemented on May 7, 1999. This law is normative and should be implemented by all employers.

In our company the minimum age of employee is 22 years old as shown by below data (as per April 2007):

| Age | 22 - 24 | 25-30 | 30-35 | 35-40 | 40-45 | 45-50 | 50-54 |
|---------------|---------|-------|-------|-------|-------|-------|-------|
| Executive | 1 | 148 | 358 | 318 | 116 | 33 | 20 |
| Non-Executive | 58 | 477 | 322 | 161 | 50 | 25 | 12 |
| Total | 59 | 625 | 680 | 479 | 166 | 58 | 39 |

PRINCIPLE 6 BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

Implementation:

- No sex discrimination (as per April 2007)

| Executive | | Non-Executive | |
|-----------|--------|---------------|--------|
| Male | Female | Male | Female |
| 727 | 272 | 713 | 394 |

- No religion discrimination in all job positions (as per April 2007)

| Religion | Executive | Non-Executive |
|-----------|-----------|---------------|
| Buddhist | 11 | 11 |
| Christian | 300 | 270 |
| Hindu | 10 | 23 |
| Moslem | 678 | 803 |

- Promotion procedures are fully based on personal performance evaluated by immediate superior, head of department and Human Capital Planning & Development (HCPD) department.

PRINCIPLE 7 BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

Sample of implementation: N/A

PRINCIPLE 8 BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

Sample of implementation: N/A

PRINCIPLE 9 BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

Sample of implementation: N/A

PRINCIPLE 10 BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

In our Code of Business Ethic stated that we do not practice bribery as well as corruption is not allow in our business and personal life activities.