

GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS – SME VERSION

Company Name	PT. Excelcomindo Pratama, Tbk	Date	
Unit (if applicable)	Corporate Communications		
Address	Menara Prima Lt 8 Jl. Lingkar Mega Kuningan Blok 6.2 Kuningan Jakarta 12920	Membership date	
Country	Indonesia	Number of employees	2064 persons
Contact name	Myra Junor	Sector	Telecommunication
Contact Position	General Manager Corporate Communication		
Contact telephone no.	+62 818 777 381		

Brief description of nature of business

XL is one of the major cellular providers in Indonesia and majority owned by Axiata Group Berhad (formerly known as TMI Berhad) through Indocel Holding Sdn Bhd (67.0%) and Khazanah Nasional Berhad (16.8%) and Etisalat (16%). XL owns an extensive fiber optic backbone network. Started its commercial operations in October 1996, XL's business consists of Consumer Solutions as triple band (900/1800/1900) cellular network and service provider and Business Solutions as corporate service provider. On 21 September 2006, XL launched XL 3G, the first fastest and widest cellular telecommunication services based on 3G technology

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 report, which presents our achievements in implementing the Global Compact's principles. 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 categorized in four main areas, consisting of the area of human rights, labor, environment and anti-corruption.

Signature



Position

General Manager Corporate Communication
PT. Excelcomindo Pratama, Tbk

XL CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

PT. Excelcomindo Pratama, Tbk (XL) is one of the biggest telecommunication companies which have operating since 1996. XL has committed and initiate in helping Indonesian Government to developing the country. Relate to XL business, telecommunications, XL focuses on Educational Corporate Social Responsibility (CSR) Program especially Information and Communication Technology (ICT).

XL CSR activities are aim to inspire and motivate to act and reach for achievements in the society through “**Indonesia Berprestasi**” (translates: Indonesia Achieves!) theme.

Indonesia Berprestasi (IB) strategic programs involve many parties: local authorities, NGOs, communities, etc.

XL Indonesia Berprestasi Program which have been conducted during 2007, until now:

1. **Komputer untuk Sekolah (Computer for village schools)**

Komputer untuk Sekolah (KuS) is a 5 years integrated program which include:

- Computer donation
- Computer training
- English courses
- Internet Introduction
- Internet Access

XL has granted 62 schools in 2008 on **Komputer untuk Sekolah (KuS)** program.

2. **Internet Sehat** (Translate: “**Proper used of Internet**”) booklet and socializations

Internet Sehat booklet is a tools for teachers, students and parents to learn how to use internet properly; and how to manage oneself to stay away from internet negative impact: pornography, violence, gambling and piracy. **XL** and ICT Watch also initiated the road show for socializing the booklet in several cities in Indonesia.

3. **Develop more than 20 Semai Benih Bangsa (SBB) kindergartens.**

Co-operating with Indonesia Heritage Foundation, **XL** built these character-building based kindergartens in rural areas across Indonesia. With free tuition and proper facilities, **XL** hopes these kindergartens can encourage under privileged children to get proper education, as a foundation for better generation. **XL** also supports the teacher training programs and computer donation.

4. **Develop library in rural area and Mobile library donation**

XL had been developing several libraries in rural area such as: *TPA (Tempat pembuangan Akhir)* Cakung Jakarta, 9 schools at Aceh, Kalimantan, etc. XL had also donated mobile libraries to communities in Jabodetabek and providing an access to get knowledge through books for rural area.

5. **Taman Pintar (Science Park) Jogjakarta supports**

Science Education Park was built on 2005 in the city of education, Jogjakarta. **XL** had support Taman Pintar by providing the telecommunication learning corner which include Telecommunications historical, GSM Introduction, 3G Technology and also dedicated broadband internet connection.

6. Scholarship

XL had cooperation with Dharma Wanita Indonesia in helping the underprivileged area. XL had grant 42 achieving student with annual scholarship.

7. SMS Donation

XL SMS donation program has been conducted since 2006, such as :

- a. SMS Peduli Yogya, to helps Yogya Earthquake victims.
- b. SMS Infaq, helps XL customer to distribute Infaq and donate to Nurani Dunia Foundation for developing libraries in rural areas.
- c. SMS Gema Natal, collaboration with Cahaya Bagi Negeri Foundation to funding the school rebuilding at Papua.
- d. SMS Unicef Donation, The donation had been contributed for Children immunization program.

8. Indonesia Berprestasi Award

A motivational and inspirational program, the objective is to appreciate Indonesians, who are under limited conditions and situations but still can prove themselves to donate something big for Indonesian society. The 5 categories considered are: science & technology, arts and culture, education, entrepreneurship, Social and community. The achievers get the award to only get back to their society and create more achievements for themselves and others.

More details on these CSR programs can be viewed on www.xl.co.id

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 December 2009. 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. The Result of last survey (average rating 2.93 of scale 4)
- Nursery Room
XL is concerned with parenthood especially of mother and her newborn that still need breastfeeding. Therefore we provide a nursery room where mother and the newborn spend their quality time during office hour breaks or due to urgency.

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) in tripartite process
- 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 all employees to join the 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 31 March 2009):

Age	<25	25-30	30-35	35-40	40-45	45-50	50-54	Retire in 2008
Executive	9	239	422	331	148	26	17	3
Non-Executive	85	358	246	116	31	22	8	3
Total	94	597	668	447	179	48	25	6

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

- No sex discrimination (as per 31 march 2009)

Executive		Non-Executive		
Male	Female	Male	Female	Total
904	291	587	282	2064

- No religion discrimination in all job positions (as per 31 March 2009)

Religion	Executive	Non-Executive
Buddhist	8	10
Christian & Catholic	313	207
Hindu	14	23
Moslem	860	629

- Promotion procedures are fully based on personal performance evaluated by immediate superior, head of department, and Human Capital Development Department.

PRINCIPLE 7	BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES
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Sample of implementation:

Smoking prohibition in **XL's** office buildings

As we are aware that one of the challenges of environmental is clean air, **XL** has started to impose smoking prohibition in **XL's** office buildings formally thorough its policies which are Company Policy, Enterprise Risk Management Policy, and Business Continuity Policy.

PRINCIPLE 8	BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY
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Sample of implementation:

1. Trees and plants – big and small - outside and inside the office
2. Paper waste reuse
3. Electricity efficiency including reducing freon utilization for AC– off starting at 06.00 PM

PRINCIPLE 9	BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES
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Sample of implementation:

XL's business is in the area of providing network for cellular and IP based communication whereas the technologies used are not producing any harm waste to environment during operation. However, it is with great intention towards keeping save the environment, **XL** will make sure that all agencies and vendors working for **XL** are environmental destruction

free.

PRINCIPLE 10	BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY
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XL's Company Regulation and Code of Business Ethic stated that all crimes including corruption, extortion, and bribery are strictly prohibited and any violation upon them, if proven, will be penalized with disciplinary action up to termination of employment.