

**General**

Period covered by Communication on Progress (COP)

From: January 2012 To: December 2012

**Statement of continued support by the Chief Executive Officer (CEO)**

MarkPlus, Inc. with many other companies and institutions have signed a long-term commitment to become a member of Indonesia Global Compact Network on April 8, 2006. Throughout these years, we have been continuously promoting and practicing Global Compact initiatives through our core vision, mission, and corporate values. Internally, we also have constantly promoting good Corporate Governance to our employees in conducting business, and providing good and safe working environment to all of our employees.

We will continue contribute ideas and concepts to other Indonesia Global Compact Network members, and encourage other organizations to support the Principles of UN Compact Network. We believe that by adhering to this core set of universal values which are fundamental in meeting the socio economic needs of the world, we would be able to foster sustainable growth.

**Hermawan Kartajaya**

**Founder & President**

**MarkPlus, Inc.**

## **Human Rights Principles**

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses

## **Assessment, Policy and Goals**

MarkPlus, Inc. has made an internal and external commitment to respect human rights in our operations. The company's philosophy, values, policies and procedures covering management and employee roles reflect the company's implementation in respecting human rights. These implementations on the Company Regulation and Code of Business Ethics has been consistently practiced and re-evaluated regularly. Regulations involving order and disciplinary procedures, advancement opportunities, competitive compensation and benefits, work environments, as well as obligations to the community ensure that the company is not complicit in human right abuse.

We also have 4 (four) core values that represent our passion in daily activities. These passions are: Passion for Knowledge, Passion for Business, Passion for Service, and Passion for People.

## **Implementation**

### **MarkPlus Annual Gathering 2013**

MarkPlus Annual Gathering 2013 (held in December 15-16, 2012) carried a theme entitled, "Grow through Synergy, All For One, One For All", in which achievers within the company are recognized and awarded and the company's business direction and strategy are discussed together. At this specific Annual Gathering, MarkPlus, Inc. intends to encourage its employees to further work on improving six pillars of character, which are trustworthiness, respect, responsibility, fairness, caring, and citizenship. For 2013, our focus is "Fairness" This program is also in line with the MarkPlus Code of Conduct which we launch on 2010.

### **The "M" Pin**

In the MarkPlus Annual Gathering, we also launch a new pin, with a unique design. Nobody knows marketing better than us. Ever since our establishment in 1990, we at MarkPlus, Inc. always love to discover and share marketing knowledge, insight, and solution. The design represents our substance with style, as reflected with our "M" signature. The "M" design represents the six pillars of character, which are trustworthiness, respect, responsibility, fairness, caring, and citizenship. "M" is:

1. Modern : COOL // characteristic or expressive of recent times or the present // contemporary or up-to-date
2. Moving : INSPIRING // Arousing or capable of arousing deep emotion
3. Maverick : PROGRESSIVE // someone who exhibits great independence in thought and action // Independent in behavior or thought

## **Social Gatherings**

Employees within the company are actively engaged in employee social gatherings and sports activities, such as badminton, futsal, and basketball, which in turn strengthen their spirit of teamwork as well as improve their performance.

To support the family spirit, on the June 26, 2011 (Jakarta office) and July 3, 2011 (Bandung office) we conduct a family day, which is a family gathering to strengthen our relationship, not just towards our employees, but also towards their family. While for our employees and our alumni (ex-employees), we conduct a break fasting in fasting month on the August 22, 2011, where we invite all the employees (fasting or not) and all the alumni.

In accordance with our MAG 2012 theme, MarkPlus, Inc. intends to encourage its employees to start to show the company's ethical code as a true MarkPlus Citizen by actively participating in every MarkPlus event, especially in its biggest annual events, "MarkPlus Conference" and "MarkPlus Annual Gathering" at the end of the year. We name this participation as "MarkPlus Purple Week".

### **MarkPlus Code of Conduct**

This Code of Conduct ("Code") is a statement of our principles and expectations that guide business conduct at our Firm and support the overall Firm's culture philosophy that encourages all employees to be Excellent, Professional and Ethical individuals. Professional Excellence with Integrity is the key to MarkPlus' continued success in all our dealings with our clients, customers, plan sponsors, employees, providers, shareholders, regulators and others with whom we do business.

This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets the basic principles to guide all employees and officers of the Firm (including all of its subsidiaries).

The basic principles discussed in this Code are part of the Firm's policies and are subject to any Firm's policies covering the same issues.

This Code applies to all of the Firm's officers, employees, contract workers, including those in the Firm's subsidiaries and facilitators with full-time and exclusive status, whether operating inside or outside of Indonesia. Selected codes may also apply to departing and former employees of the Firm.

All of MarkPlus employees and officers must conduct themselves accordingly; use their judgment, to be accountable for their actions and to conduct business with integrity, seeking to avoid even the appearance of improper behavior. In addition, the Firm's policies apply to various Firm operations and you need to know and follow those policies that apply to your company work.

Every year in the MarkPlus Annual Gathering, we will ask all the employees to re-sign the code of conduct which they have previously signed before.

### **Unrivalled Personal Growth**

Employees are provided with a dynamic and challenging environment. They are often given a diverse range of tasks and projects, giving them the opportunity to deepen their knowledge not only in one field, but also learn across a wide range of business and marketing topics. Employees are able to learn from a range of activities - whether from reading the latest books, the latest research journals, listening to/working with more experienced people or experts within a particular topic, or experiencing challenging business problems to solve. At MarkPlus, employees get to meet different levels of people from various industries, hence sharpening their 'people' and communication skills. They will also learn to multi-task and work well in teams as working in teams is how we do things here.

Employees work with groups of smart, motivated, dynamic, helpful and supportive people. Whenever an employee needs help, peers will go to extraordinary lengths to make certain that they are assisted. We constantly invest in their personal development, from career-long formal trainings to day-to-day coaching from team mates.

To support the personal growth, especially knowledge growth, we held internal training, with various topics. The participant also adjusted according to their needs. The format of the training itself varied depends on the requirement, such as symposium, workshop, etc.

### **Measurement of Outcomes**

#### **1. Weekly Internal Review Meetings**

This is to ensure that all of us are better coordinated and more committed to execution. This meetings and the monitoring systems are very important for all of us to achieve our goals and targets, especially

this year and also to discuss and evaluate the implementation of MarkPlus Core Values and also MarkPlus Characters at all branches.

**2. Ethics Committee**

A committee whose overall responsibility is to champion and enforce all principles and articles within MarkPlus Code of Conduct to all MarkPlusers. Upon a spotting or a report of violation of the Code of Conduct, Ethics Committee will immediately conduct necessary investigations and convene to formulate a recommendations of actions to be finally decided by MarkPlus top management.

**3. Monthly Operational Report Meeting**

A monthly meeting among the top-management level to discuss all operational and business aspect. This meeting also act as evaluation for all action taken within a month.

## **Labour Principles**

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

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation

## **Assessment, Policy and Goals**

### **Freedom of Association**

Through i-Link, MarkPlus, Inc. facilitates communication programs to allow dialog with employees to understand their aspirations as well as sharing ideas that are work related. Employees are able to post news or articles from outside sources as well as their own work and receive feedback in forms of comments. Through this blog system, every employee has the opportunity to express his or her opinions.

### **Political Activities**

MarkPlus Inc. is not affiliated to any political party. Employee joining political party is considered personal affair. Employees should not use the company's time and resources in conducting his/her political activities.

### **Collective Agreement**

Every employee is recommended to discuss any work related matters to his or her supervisor in order to find the best solution. Every MarkPlus, Inc. employee has the right to collective bargaining, which aims to reach a collective agreement that are usually set out for issues relating to employees pay, working hours, training, health and safety, and rights to participate in workplace or company affairs.

### **Employment Policy**

With the re-evaluated employment policy, MarkPlus, Inc., again, reminds all employees of the official working hours. The standard working hours can be found in the Employment policy, in which it supports the elimination of all forms of forced and compulsory labor.

### **Minimum Working Age**

All of MarkPlus, Inc.'s employees are of working age (18 years or older). MarkPlus, Inc. policy strictly does not allow to hire any child labor at any cost and condition.

### **Distinctive MarkPlus Culture**

At MarkPlus, Inc, our culture is defined by our core passions: the Passion for Knowledge, Passion for Business, Passion for Service and Passion for People. Satisfied and smart associates are the key to our success. We work in teams, where we are singularly competent but also collectively dependent. Our current goal is to create a workplace of diversity that attracts the most talented associates and enables them to develop their fullest potential. We believe that a successful company embodies a diverse yet inclusive culture, where we respect and leverage the differences we bring to the workplace.

## **Implementation**

### **Working Environment**

Policy is in place and implemented across business units. MarkPlus, Inc. provides a working environment that is free from harassment and discrimination and has hired employees from diverse backgrounds, including that of race, ethnic, color, religion, national origin, disability, marital status, age, sexual orientation, or gender.

**Promotions**

Promotions that are made at the end of the year and announced during the MarkPlus Annual Gathering are all fully based on individual performance and potentials, evaluated by immediate superior, and approved by superior's superior and Head of Human Resource.

**Reporting**

A government regulation (Regional Regulation - Perda No. 6 Year 2004) about the reporting obligation regarding the employee/labor welfare facility at the company.

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## **Environmental Principles**

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

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

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

## **Assessment, Policy and Goals**

### **5S**

1. Seiri : Sort, Clearing, Classify
2. Seiton : Straighten, Simplify, and Set in order, Configure
3. Seiso : Sweep, shine, Scrub, Clean and Check
4. Seiketsu : Standardize, stabilize, Conformity
5. Shitsuke : Sustain, self-discipline, custom and practice

## **Implementation**

### **Energy Preservation**

In order to preserve energy, MarkPlus has placed a policy regarding air conditions and lights. Air conditioning and lights are not to be turned on before 8:00AM. Air conditions that are on are limited to be set to 22°C, not lower. This policy has been in force early in 2009.

### **MarkPlus KX (Knowledge Exchange)**

MarkPlus, Inc. has also revitalized an internal portal (MarkPlus KX) that contains information that are related to the knowledge from all the divisions. This portal serves as an information hub that can be accessed by every authorized MarkPlus employee in order to keep him or her updated and well informed, mainly about the knowledge. Through this system, MarkPlus employees are able to keep track of the case study, training modules, research insight, journal, etc.

## **Measurement of Outcomes**

### **1. Monthly 5S (Seiri, Seiton, Seiso, Seiketsu, Shitsuke) Meeting**

Every month we organize a meeting among the 5S committee to evaluate and discuss about the working environment, including the punishment for those individuals or business units who does not implement the 5S policy.

## **Anti-Corruption Principles**

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

## **Assessment, Policy and Goals**

### **Promoting Good Corporate Governance**

The company also supports some government institutions, universities and business community by providing seminar related to the implementation of Business Conducts and Practices.

## **Gifts**

MarkPlus, Inc. employees have consistently abided by the rules of conduct, in which they are provided with guidelines in dealing with “gifts”. In MarkPlus, Inc., it is never appropriate to offer or receive bribes, kickbacks or gratuities, which can subject the employee to criminal or civil penalties.

Employees should politely decline all gratuities and immediately notify Chief Asset Officer and/or Corporate Secretary about any bribe or kickback offered to them. They are recommended to seek guidance from the Legal Department whenever they are unsure if a payment or gift is a bribe, kickback or gratuity.

This statement also included in MarkPlus Code of Conduct.

### **Access to Regulations and Policies**

The i-Link system, in which all employees are able to access, contains all the guidelines related to compliance with laws, regulations and company’s policies; fair dealing; conflicts of interest; outside engagements, insider trading, gifts & entertainment; integrity of financial records, crisis management, establishment of authorities, group asset and confidential information protection.

## **Implementation**

### **Measurement of Outcomes**

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