

Letter from the SWA Chairman

Greeting to our friends and stakeholders,

We recognize that a key requirement for participation in the UN Global Compact is the annual preparation and posting of a Communication on Progress (COP) that comprises of a statement of continued support for the UN Global Compact, a description of practical actions with regard to the principles of the UN Global Compact, and a measurement of outcomes or expected outcomes. So, as an obligation, SWA proudly reported many activities 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 during July 2012 until **July 2013**.

Not only we are successfully implementing The 3rd – Indonesia Regional Green Awarding (IGRA) which take place in mid December 2012 with our partners KBR 68H, middle of this year we are also preparing for The 2nd Indonesia Green Company Achievement 2013. That we are hopping this two appreciation will endorsed the collective support of both institutions (government and private sectors) to go green movement nationally. A call to sympathy for the initiative, as we never stop continue actively seek to support the management of natural resources to balanced.

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 program with partners in special projects. Among the social programs, we would like to highlight the SWA initiative, regarding the flood disaster happens in Jakarta last January 2013, SWA manage to collect contribution, by coordinating with Indonesian Red Cross to evacuees, help and support the flood victims with foods and relief items.

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.

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

SWA 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, June 20, 2013

Yours sincerely

Kemal Effendi Gani
Editor in Chief

Statement of Continued Support

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United Nations Global Compact Progress Report

Global Compact communication on progress

SWA Magazine 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 commitment are continuously support and agree with this principle. The HR Excellence Award 2013 on 19th June, 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 Indonesian 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 commitment are continuously support and agree also with this principle. We have been actively involved in open dialogue with government, labor, NGO 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 and activities for local and SWA man power. (for example we have continuously conduct SWARobicks – Aerobics sport regular events in office, sport tournament (Football Futsal, Chess, Table Tennis).

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.

Two of SWA CSR activities held throughout the year 2013 was in January, SWA manage to help flood victims in the form of food, evacuation, and funds in cooperation with PMI (Indonesia Red Cross). In February, MIX Magazine, a sister company of SWA, paid a social visit to Wisma Tuna Ganda Palsigunung Jl. Raya Bogor KM 28.5, Cimanggis East Jakarta, to help and share the children with special needs through food and funds.

Principle 3:

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

- Our commitment 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 2013. We should thank them for the duration of its staff who have devoted attention to bridge the interests of employees and companies.

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 the employees, shareholders, partners, and SWA reader.

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

The collective bargaining, is implementing smoothly through out the compensation and benefit that give back to the employee, such as :

- Providing educational assistance costs for the employee's daughter's son (special groups of employees to staff down, starting from elementary education until higher level of education)
- Provision of Insurance Accident for new employees (non permanent workers)
- Health insurance EQUITY For permanent employees & family (husband / wife and for 3 children included)
- Implementation of routine Medical Check Up
- Evaluation of annual salary increases
- Adjustment of the UMP in 2013 according to government regulations
- Provision of benefits in accordance with the government's inflation (technical calculations graded)

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 apply a strict Regulation of the Governor of Jakarta Capital Special Region No. 189 of 2012 on the Provincial Minimum Wage in 2013.

- 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. For workers training, we are now cooperating with partners such as PPM, Prasetya Mulya, Dunamis, and many more.

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 labor, 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 workforce 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 labor conditions, their rights and responsibilities (health general check up routine, salaries, hours, breaks, menstruation leave, holidays, redundancy arrangements, definition professional categories, salary revisions, etc.).

Most relevant SWA Indicator tool progress is, in 2011 SWA provide Health and Safety Prevention Policy with reliable insurance company.

- Almost 175 employee health risk evaluations were carried out / 70% of the workforce benefit from health protection

- Regarding to the EMPLOYEES activity, SWA is endorse all the employee communities to held their activities with in company funding support, and also provide all activitiy that will bring the life ballance on human rigths :
 - Implementation of the tournament table tennis, indoor soccer, chess
 - Implementation of gymnastics SWAROBK each Friday, two weeks
 - Conduct of employees Birthday celebration, in the end of each month
 - Implementation of gathering employees in order SWA Birthday (Tea walk), as well as watching the show/movies together
 - Implementation of Ramadhan events (lectures, iftar)
 - Giving gifts to the sons and daughters of employees who excel (starting last year, the new school year)
 - Facilitated tranportation a.k.a : “MUDI K BARENG” on I’dl Fitri for employees (last year to Semarang)

On June 30th 2013, collaborating with This Able enterprise; a social enterprise with a noble mission to empower, enforce and enlighten disabled in Indonesia. A social business for society profit that provide equal treatment in a company employment referring to Regulation No.43/ Tahun 1998/ Pasal 28 states; *“that every company is required to provide as much as 1% of the total number of employees to allow the disability to be a career and contribute actively in an agency without exception”*.

As a Media Partner SWA will support publication, that shows we always encouraging all activities that related with the elimination of discrimination in respect of employment and occupation.

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. One of our collaborative action with digital partners, is to provide SWA Magazine and MIX Magazine in a digital format. So everyone can access SWA and MIX Magazine and also collect them not in a print way or a paper based, but in a form of a digital files.

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 up coming achievement for this year, they are:

Indonesia's Green Company Achievement 2013 and Indonesia's Green Region Award 2013.

Indonesia's Green Company Achievement 2013; empowered by SWA cooperate with Yayasan KEHATI and IDX, organizing a program called "Indonesia Green Company Achievement 2013" 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 2013. 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 judges 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 practises 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 last program, we are supported by a panel of judges who are very competent in his field, suches 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.

In 11th December 2012 at Balai Kartini Jakarta, we proudly celebrating Indonesia's Green Region Award 2012 : The Evidence of government commitment to Environmental Sustainability. For the third time, KBR68H and SWA Magazine Awards held Indonesia Green Region (IGRA) in 2012. This event is a tribute to the district and city governments who care about environmental sustainability in the region in a planned and massive. This year, awards are divided into two categories namely "pemerintah kabupaten" and "pemerintah kota".

The implementation of IGRA 2012, is through a number of stages and involves various parties. In the early stages, the committee collected data related to regional policy in terms of the environment, and how the involvement of the community as well as the perceived benefits of cooperation forged with NGOs or other agencies in encouraging the implementation of environmental programs.

In the research, six panelists from government, environmentalists, media and private, using the Delphi technique, assess and make a ranking for each county and city governments. In this stage, elected 10 counties and 9 cities become finalists.

The 10 districts are (in alphabetical order):

1. Banyumas
2. Gresik
3. Jepara regency

4. Jombang
5. Karanganyar
6. Lamongan
7. Malang
8. Muara Enim regency
9. Ngawi
10. Purbalingga

The 9 city are (in alphabetical order):

1. Medan
2. Padang city
3. Payakumbuh
4. Probolinggo
5. Surabaya city
6. Surakarta (Solo)
7. Tangerang city
8. Tarakan city
9. Yogyakarta city

In the final round, the finalists were given the opportunity to present a presentation on environment-related policies in front of the jury. There are a number of criteria that assessed the grand jury, as follows:

Identify problems and challenges in the environmental field;
Strategy solutions / breakthrough and programs to solve the problems in the environmental field;
Environmental management and urban planning / sustainable region;
Supporting data and confirmation of the results of the field verification;
Education and tangible outcomes for stakeholders (community, industry, etc.);
Proficiency in presentation and answered questions of the jury.

After the presentations, the Jury consisting of Darwina Sri Widjajanti (Executive Director of LEAD Indonesia, environmentalists), Prof Tommy Firman (Professor of Planning Engineering Dept., Bandung Institute of Technology), Heru Waluyo (Assistant Deputy Area Studies and Sector, Ministry of Environment), Berry Nadhian Furqan (former Director of WALHI), Toriq Hadad (Senior Journalist TEMPO), Salman Bakhtiar (PT Indonesia Power) and Palgunadi Setiawan (businessman), ranked 5th best IGRA was elected in 2012 for each county and city.

For the city, the Big 5 winners (in alphabetical order) are the city of Probolinggo, Surabaya, Surakarta (Solo), Tarakan City, and Yogyakarta.

While the top 5 for the district (in alphabetical order) are Banyumas, Karanganyar, Lamongan, Malang, and Purbalingga. (*)

Hopefully, we can conduct the successive awards of IGRA also for this year.

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
 - As a printed Media we have our obligation to support and reduce paper consumption that driven by us. So in that area, in order to minimize paper waste, we are developing SWA Magazine and all our printed products to digital products, which can be accessed online through www.swa.co.id and also to all of our digital partners.
- Going forward, we have been cooperating with various digital and IT vendors to further promote the use of SWA magazine in digital form in which if one is able to reduce the causes of climate change on the paper consumption. Hopefully, this initiative is also able to contribute to the environmental action and realize SWA paperless society.

Principle 10:

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

SWA Management fully agree transparency 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 is 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 article 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 2012 Based On Corporate Governance Perception Index and Indonesian Most Trusted Company 2012 Based on Survey to Analyst and Investor in implementing Good Corporate Governance. The award took place at Ceria Room Shangri-La Hotel, Wednesday, December 19, 2012

For the 10th time, with SWA Magazine Indonesian Institute for Corporate Governance (IICG) held surveys Corporate Governance Perception Index (CGPI). Participatory, assessment CGPI times include 13 aspects namely: transparency, accountability, responsibility, independence, fairness, commitment, competency, leadership, working ability, vision, mission, values, strategy and ethics policies

Outside the participatory surveys, to complete the study, the Magazine SWA also conduct its own survey. The method: involving stakeholders namely the analysts and investors to assess the extent to which public companies in the Stock Exchange Indonesia can be categorized GCG has run well. Total companies surveyed is all issuers listed on the Indonesia Stock Exchange.

With these two studies, it gives birth to Indonesia's rating Most Trusted Companies. this is a ranking of the best companies on the basis of good corporate governance practices

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 survey in 2012 was attended by 40 companies, an increase number of participants in 2011 were only followed by 34 companies. The result, 10 companies were selected to obtain highly reliable rating, 25 companies with a rating reliable, and 5 companies obtain rating fairly reliable

Implementation cases:

Coverage & Detail of Indonesia Green Regional Award 2012

IGRA 2012:
Generating Creative Government Initiatives
in Environmental Management

Implementation of the Indonesia Green Region Award encourages municipalities and counties in the country for more caring and creative in environmental management in their respective areas. Who excel in the arena of IGRA 2012? What is interesting notes?

The level of city and county environmental damage in Indonesia is getting worse. According to Environment Minister Balthasar Kambuaya, environmental degradation reached 40% -50% of the national territory. The significant rise since entering the era of regional autonomy, in which the authority of environmental management in local government.

Balthasar said, most of the provinces and districts / cities in Indonesia does not meet environmental standards. In fact, if it refers to the quality standard of Environmental Quality Index, a standard of quality that should figure in the range of 80% -90%.

Environment Minister stated, there are at least six types of services related to organized local government environment, namely (1) the protection of water resources, (2) prevention of water pollution, (3) recovery of water pollution on water resources, (4) the prevention of air pollution; (5) the prevention and mitigation of the environmental impacts of waste, and (6) follow-up reports from the public service due to pollution / environmental damage.

According to a study conducted by Yale University and Columbia University, in collaboration with the World Economic Forum and the Joint Research Center of the European Commission in 2008, seen from the score of the Environmental Performance Index (EPI), Indonesia ranks 102 out of 149 countries with a score of 66 , 2.

To be honest, during the development - including in these areas - is more focused on purely economic considerations. In fact, evidence suggests that the economic development that is environmentally sustainable will be getting close to the destruction of economic resources themselves. As part of efforts to encourage local governments to pay more attention to the development of environmentally sound, IGRA event held since 2010. So, this time a third IGRA event.

Total participants IGRA 2012 reached 33 city and county governments. After passing the assessment phase of a paper by a team of experts, participants who qualify for the next stage as many as 19 participants, consisting of 10 counties and 9 cities. However, because the two participants are not present, namely Padang and Tangerang, the total finalists only 17 participants. Of the judging process at this stage of the presentation was finally selected five finalists IGRA winner 2012 for the city category, and five category winners districts. (See Table)

IGRA winner this year for the city and county made separately, unlike the previous year in which the participant cities and counties combined (and happens to all the winners in 2011, is the city).

In 2012, for the category of the city, the first and the second winner is still the same as the 2011 winner of the IGRA Surabaya (with a score of 91.90) and Yogyakarta (86.02). The next rank, successively occupied Probolinggo (85.30), Tarakan (84.78) and Surakarta (82.98). Figures achieved Surabaya is also ranked first in the category of districts that perched on the score of 86.44.

In the district category, the winner is the fifth new participants this year following the IGRA. Successively from the first to the fifth rank, ie Karanganyar, Malang, Banyumas, Purbalingga and Lamongan.

Need to be refreshed again in the event that the assessment of IGRA in 2012 look at three things, namely the assessment of the paper is structured expert team of participants, verification assessment in the field, and the presentation to the jury.

This assessment notice six aspects of local government-run environmental management, namely (1) the identification of problems and challenges in the environmental field, (2) strategic solutions / breakthrough and programs to solve problems in the field of the environment, (3) management and environmental management land use such as waste management, land, forests, plantations, agriculture, transportation, water catchment areas, watersheds, water supply, air quality, and energy and adaptation to climate change, (4) supporting data and confirmation of the results of the field verification; (5) execution and real results for stakeholders (community, industry, etc.), and (6) the skill in presentation and answer any questions the jury.

According to Berry Nahdian Furqan, one of the jurors IGRA 2012, from one year to the district profile / participating cities is almost similar. If it is different, it is just the head region. He saw this indicates a commitment to environmental issues head area in general is low. "The mentality has not been established regional leader in terms of environmental sustainability issues. As a result, the participation

of local governments in the event the IGRA is still low, "said Berry who is also Chairman of the Green Party. He also guessed, perhaps because this event is voluntary and only award the prize, clean city that has different implications for the distribution of state funds.

Even so, if you look at what participants described, it seems they are already showing serious initiative and creative enough to build the area into a cleaner environment, green, healthy and beautiful. For example, in terms of dealing with waste. A number of participants made trash bank program by empowering the community and make it a revenue opportunity. This is accomplished participants from Surabaya city with a population of 3 million people over 125 banks with garbage, and Yogyakarta is home to around 500 thousand inhabitants over 40 banks with garbage.

Creativity is also shown Surakarta make toilet with biodigester program. There is also a build Purbalingga biopori 500 point and 50 point infiltration wells (in 2012). In fact, founded the village of Malang Regency Energy Independent Pro-Climate in Talangagung Village, District Kepanjen, which utilize waste into electrical energy source.

The program released Lamongan Lamongan Green and Clean (LGC). In this program include multifunctional implemented landfill management, and Adiwiyata green school, as well as Green Day Program.

However, some weaknesses still found in participants. Among these, the weak notion of community initiatives and the region itself in managing their environment. The programs are implemented most of the initiative and the idea of the government concerned. In fact, environmental management is a long-term program and involves the survival of society itself. Just like Salman said N. Bakhtiar, CSR Manager of PT Indonesia Power, which became a major issue in this case is actually the governance. "It takes a strong leadership figure, from the mayor or regent," he said.

In the eyes of Heru Waluyo, Deputy Assistant Regional Policy Studies and Sector Ministry of Environment, there is a difference between city and regional environmental management. Because, city management and district management actually can not be compared to one another, "he said. The reason, the city leads to the urbanized nature with the complexity of the problem, such as traffic, housing, and land conversion. The county coverage area is more spacious and has a rural and agricultural area wider.

This is echoed Berry. According to him, each region has the potential issues and different. Therefore, he suggested the method differentiated assessment, such as the mining areas with the areas in Java.

In general, the participants were assessed Berry has been nominated deserve to go to the final stage. Only it is not all the finalists have exciting breakthrough. "On average they already have environmental programs. However, only some of which have interesting and original breakthrough, "he said. He cited Surabaya. Crocodile in the city, Mayor Tri Rismaharini not only make the program, but also a consistent run. "In the context of the management of parks, green space, and waste management continues to show a positive trend," he said.

Going forward, we expect more and more local governments are able to make interesting and creative breakthroughs in the management of the local environment.

Coverage & Detail of Good Corporate Governance Award 2012

On year 2012, for the 10th time, SWA collaboration with Indonesian Institute for Corporate Governance (IICG) conducted surveys Corporate Governance Perception Index (CGPI). During the 10 years of its journey, the survey showed significant improvement. In terms of number of participants, for example, from year to year continues to grow. This year, the number reached 40 participants, up from last year, 34 participants - compare that number with the first survei less than 20 companies. In fact, these numbers are still relatively "poor" when compared to the number of companies going public in Indonesia, which has now reached 400.

Over the last few years, in line with the dynamic movement of the economy and good business in the country as well as at the global level, every year the theme of the survey tailored to emerging issues and contextual to business practices in Indonesia. Last year (2011), for example, with the proliferation of business practices are not commendable, surveys targeting the theme "Good Corporate Governance (GCG) in Ethical Perspective". Previous year (2010), to cultivate the GCG implementation in companies of this country, a survey entitled "Corporate Governance in Cultural Perspective".

This year (2012), surveys the theme chosen is "GCG Risk in Perspective". Why this theme chosen? As has been widely reported, last October, Indonesia awarded Investment Grade (Worthy Investment) from the rating agency Rating and Investment Information Inc (R & I) Sovereign Rating raised Indonesia from BB + to BBB-(stable outlook). Ten months earlier, in December 2011, Fitch and Moody's also gave the same predicate (Investment Grade) for Indonesia. That is, in a span of less than a year, the three major rating agencies assess Indonesian world as a viable country for investment. This position has put Indonesia par with developed countries that have always dominated the top rankings.

Assessment rating agencies are based on Indonesia's economic strength is able to achieve high growth amid the global economic downturn. The achievement was supported by a variety of factors such as conservative fiscal management, low government debt, and the financial system more stable. Indonesia is also considered able to lower the unemployment rate, accompanied by an increase in income per capita, subdued inflation, and interest rates are relatively low so as to encourage increased consumption of the private sector. Other valuation basis, greater confidence on the Indonesian economy has positive influence on increasing foreign investment and sustainable improvement of the investment climate to support political stability.

Naturally, if the Governor of Bank Indonesia Nasution expressed his pride over the achievement. According to him, the title of Investment Grade from the three major rating agencies world Indonesian economy shows strength amid global economic and financial uncertainty, which until now has not also show symptoms of improvement. "We've been on the right track and ready to achieve better performance," Nasution said with sparkling eyes in front of the press, welcomed the achievement.

With predicate reached Investment Grade, is certain to be more and more foreign investors are flocking to Indonesia to play their funds. This moment is clearly a golden opportunity for firms in the country to capture these opportunities, either through private placements and capital market instruments. Influx of fresh funds from global financial markets would be more exciting Indonesian companies to gallop faster

again. On the macro level, major companies that received an injection of funds from the world of high profile investors will surely whipped up national economic growth. His double influence is clear: employment expansion, increasing the tax paid to the government, as well as Indonesia's economy increasingly integrated with the global economy.

Coming through any line that foreign capital inflows into Indonesia, the first thing that investors would have been a risk factor. Although they realized that none of the investment is not risky, they will remain settled on lands the smallest risk. To minimize the risk, of course they would choose a company or a trusted local partner. Well, for such matter, in any country, the easiest way to detect it is to see the extent to which a company has applied the principles of good corporate governance alias GCG.

So, blessed are Indonesian companies that have consistently apply corporate governance principles in its business. Predictable, it is they who will be sought by foreign investors who want to entrust the management of their funds in Indonesia. In a larger scale, in the future, if more and more companies in Indonesia which internalize the principles of good corporate governance in their business practices, investor confidence was increasing and will increase again.

It is no exaggeration to say, GCG pave the lubricant into a kind of national economic growth. This is where, once again, the board of directors and commissioners in the country companies have a key role to menginternasiasi and practice the principles of good corporate governance and sustainable consistently. (*)

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**Award from PMI (Indonesian Red Cross) to SWA
contribution in helping Flood Victims Jakarta - January 2013**



With The Chairman of Indonesian Red Cross Mr. Jusuf Kalla

