

GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS

Company Name	PT. XL Axiata, Tbk	Date	12 May 2010
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	2135 persons
Contact name	Febriati Nadira	Sector	Telecommunication
Contact Position	Head of Corporate Communication		
Contact telephone no.	+62 817 636 77 88		

Brief description of nature of business

XL Axiata is one of the major cellular providers in Indonesia. XL Axiata is majority owned by Axiata Group Berhad through Indocel Holding Sdn Bhd (66.7%) and Emirates Telecommunications Corporation (Etisalat) through Etisalat International Indonesia Ltd (13.3%), and public (20%), and is part of Axiata Group with Aktel (Bangladesh), HELLO (Cambodia), Idea (India), MTCE (Iran), Celcom (Malaysia), Multinet (Pakistan), M1 (Singapore), Samart (Thailand) and Dialog (Sri Lanka), to advancing Asia.

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



Febriati Nadira

Position

Febriati Nadira
Head of
Corporate Communications
PT. Excelcomindo Pratama,
Tbk

XL

Corporate Social Responsibility 2009

XL is one of the largest telecommunication companies in Indonesia which always provide the best telecommunication products and services. Through Corporate Social Responsibility Program, XL support government program in socializing the ICT (Information Communication and technology) education to community.

XL CSR objectives

1. Developing a good image of XL Corporate as a "Caring ICT Company"
2. Supporting Indonesian Government in developing ICT Education
3. Helps Indonesian community especially under privilege communities to get an ICT Education and developing our next generation to have good understanding of ICT.

XL CSR Activities

Komputer untuk Sekolah

Komputer untuk sekolah is a 5 years program integrated with computer and hardware donation complete by computer course and one year free internet access for teacher and schools. It's started on 2008 and targeted to 300 schools in Indonesia. This Program is a collaboration program with 6 XL partner such as: Alita, Huawei, Sun Microsystem, British Council, Nurani Dunia Foundation and Indonesia Global Compact Network.

Internet Sehat

Internet Sehat is awareness program in educating people in using internet wisely and properly.

Internet sehat has already introduced to students and worker in several big cities in Indonesia. XL is aware of cyber crime happened in Indonesia recently and hopes Internet sehat could be one of education program in avoiding the negative impact of Internet such as: Pornography. Vandalism, etc and utilizing the positive side.

XL has also preparing an Internet sehat booklet which disseminate to education institution, family and professional worker.

XL – Yayasan Khazanah Scholarship

XL has collaboration with Yayasan Khazanah in helping Indonesian students to continue their bachelor degree in some leading universities in Malaysia. XL has also collaborated with Dharma Wanita Pusat Indonesia for supporting poor students to continue their study.

Taman Pintar (Science Park)

XL has supported Taman Pintar which located in Yogyakarta – East Java since 2006. XL has donated free internet access and a Zona telecommunication which provided a fun and easy learning of telecommunications for students.

Developing Library/Mobile Library

XL has created a mobile library for several areas which has a difficulty in accessing education infrastructure especially books.

Indonesia Berprestasi Award

IBA is an accolade presented by XL to the Indonesian citizens who have made a significant contribution to the environment and community in their respective fields. The IBA program commenced in 2007, and the selection of winners undergoes a series of assessments by an independent panel of observers. The process has allowed the Company to discover and appreciate individuals who have truly made inspiring changes for a stronger nation.

Disaster relief

XL helps Indonesian government in doing disaster relief in several areas such as: Aceh, Yogyakarta, Jakarta, West Sumatra, West Java, Karawang, etc by:

Emergency responses

- Providing Logistics
- Telepon Umum Gratis (Free Telecommunication)
- Temporary tent shelter for earthquake victims

Long term development

- Helping school/Library rebuild
- SMS Donation

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

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

The Company's CSR Contribution in 2008 and the Future

Throughout 2009, our spending for CSR activities was Rp 9, 6 billion. The largest proportion of which went to educational activities. Consistent with our commitment to

implement sustainable CSR programs, for the next step we plan to continue to expand our reach based on our present focus.

CSR BENEFICIARY

No	Program	CSR beneficiary
1	Komputer untuk Sekolah	300 schools in 5 years, has already conducted in 62 schools and 25,000 students since 2008
2	Internet Sehat	2000 schools in Indonesia in 2008 and 50 communities
3	XL – Yayasan Khazanah Scholarship XL – Dharma Wanita Pusat	4 Scholars 75 Scholars
4	Taman Pintar (Science Park)	Since 2007 there are over 5 million people has visits Taman Pintar Yogyakarta
5	Developing Library/Mobile Library	Over 150 libraries and 10 mobile libraries
6	Indonesia Berprestasi Award	1200 participants since 2007 and has Awarded to 14 outstanding Indonesian people which has a active community
7	Disaster relief	N/A

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 April 2012. 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 3.8 of scale 5)
- 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)
- 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
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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
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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 30 April 2010):

Age	<25	25-30	30-35	35-40	40-45	45-50	50-54	Retire in 2010
Executive	8	246	468	373	171	37	15	1
Non-Executive	77	302	242	130	32	19	10	4
Total	85	548	710	503	203	56	25	5

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

Implementation:

- No sex discrimination (as per 30 April 2010)

Executive		Non-Executive		Total
Male	Female	Male	Female	
1018	301	558	258	2135

- No religion discrimination in all job positions (as per 30 April 2010)

Religion	Executive	Non-Executive
Buddhist	11	6
Christian & Catholic	336	181
Hindu	17	19
Moslem	955	610

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

PRINCIPLE 7 BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

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 through 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

Sample of implementation:

1. Save the environment
 - a. Trees and plants – (big and small) - outside and inside the office
 - b. Clean Desk Policy & 5S Program for employee
 - c. Paper usage efficiency (paperless)
 - d.
2. Save the Energy - Low power consumption in
 - a. Usage of electricity and elevator at XL office building and Reducing Freon utilization for AC and electricity;
 - i. on at 6 AM,
 - ii. off during break time at 12.00 – 13.00 PM and
 - iii. will be off at 6.00 PM
 - b. Green BTS (XL Tower)
3. Waste management
 - a. Computer
 - b. POP material
 - c. Dead Batteries
4. Support Go Green by asking XL customer to do e-billing.

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

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.