

UNITED GLOBAL COMPACT

COMMUNICATION ON PROGRESS

2015/2016 Report

mediagroup.co.id



We are pleased to present our 2015/2016 annual report on progress as a signatory of UN Global Compact.

The year of 2015 and 2016 has been a period of continuing our commitments in the midst of increasingly difficult world economic challenges, turmoil, terrorism, the refugee crisis and civil unrest.

We need making progress on the Sustainable Development Goals (SDGs) more important than ever. It is clear that there needs to be greater unity and commitment between government, business, civil society and citizen groups to cooperate in finding sustainable solutions for the future of the planet.

To address global issue, requires collaboration and commitment, as well as innovation, creativity, professionalism and dedication from our boards and employees. There are no single corporation can last out without these elements.

As our business units are a local business located in more than 30 provinces, islands and remote areas, the issues that challenge us are both the sustainable operations and the impact to the communities.

We play a role in responding to education sector and global health issue, advancing the principles addressing anti-corruption and human rights issues through our reporting on corporate responsibility at our media television and newspapers.

Our Media units are a national leader in media, news, documentaries and entertainment with businesses in television and print media. We rely heavily on our team for news and features by second and minutes everyday.

Our catering and hospitality business are responsible to the communities by go local in all aspect of resources as well as helping to improve the wellbeing of the people in the communities where we operate and where we call "home". Through our schools in Aceh Province, we provide best education for the underprivileged children. In 2016 we take part in peace talk and negotiation with the Moro Islamic Liberation Front (IMLF) and Moro National Liberation Front (MNLF) to free 10 Indonesian hostages and offered to send 30 children of MNLF/Abu Sayyaf and MILF to study in Sukma Bangsa School. By doing so, hopefully, the chain of violence in the areas of the Moro people will end. Now 28 of 30 children are in Sukma Bangsa School.

Our ability to do all this would not be possible without more than 3300 employees across Indonesia. Its their talent, creativity and dedication that drives our business and accomplishments and gives us confidence in our future.

We are fully supports our actions in working towards sustainability goals in particular those contained in the UN Global Compact and endorse the future priorities and specific targets we set out in our report.

SURYA PALOH

Chairman

The history begins with the establishment of Indocater – industrial site catering company back in 1978. Since then the business has been growing significantly and continue expanding to other industries including hospitality, printed media and television, natural resources based industry, such as oil/gas and energy, agro business and others.









Media hospitality



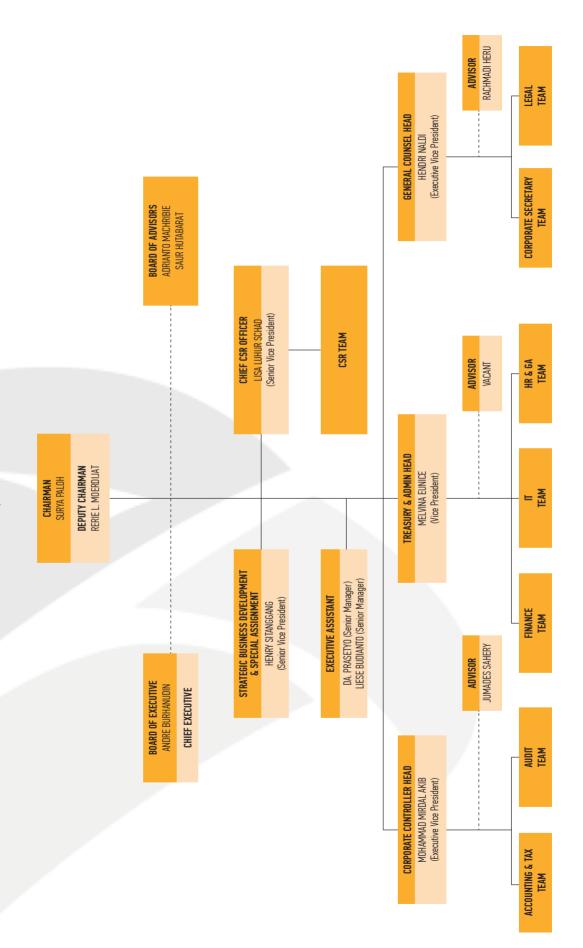




INDOENERGI PLATINIUM



10

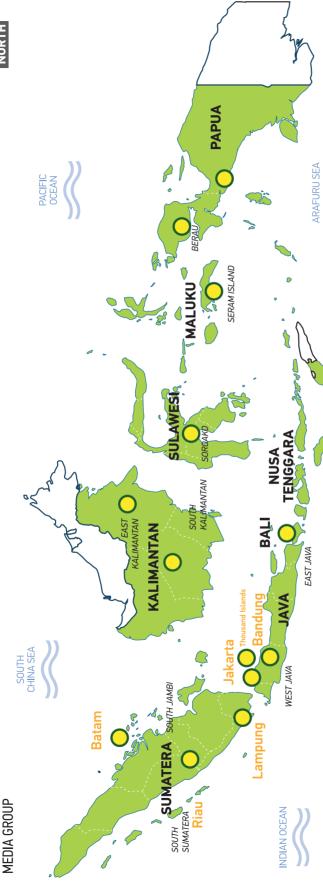


Communication On Progress United Global Compact 2015-2016 Report

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MEDIA GROUP NETWORK





INDONESIA

- The Media Hotel Media Complex
- Jakarta International School Thamrin Hospital
- Siloam International Hospital Global School
- Pantai Indah Kapuk Hospital
- Media Permata Hijau Hospital Puri Cinere Hospital
 - Ipeka

Thousand Islands:

· CNOOC

PT Moric Indonesia West Java-Bekasi:

PT Apexindo Pratama Duta

CNOOC SES Ltd.

East Java: Exxon CFF

- BO Cibitung (JSNO Catering) · Mattel Indonesia
- · Sinarmas World Academy Melia Cibubur Hospital Cibubur:
- Azra Hospital Karawang: Bogor:
- PT Bekaert Indonesia PT Atsumitec
 - Bandung:
 - · Papandayan Hotel PT Pumarin

Schlumberger Deltabiru

· Total E&P Indonesia Schlumberger 0FS.I

PT Inamco

Arutmin

Thiess Contractors Indonesia PT Leighton Contractors Central Kalimantan: South Kalimantan: Pearl Oil Mubadala Kaltim Prima Coal Site OPHIR KGPF Indonesia PT Medco E&P Sembakung PT Timas Suplindo - Gresik Pertamina Sulu Energy PT United Tractor Tbk. East Kalimantan:

Exxon FS0

BOB PT Burni Siak Pusako · Chevron Libo Petapahan Lampung Post PT Apexindo Pratama Duta Tbk. Thiess Contractors Indonesia Chevron Indonesia Kaltim Co.

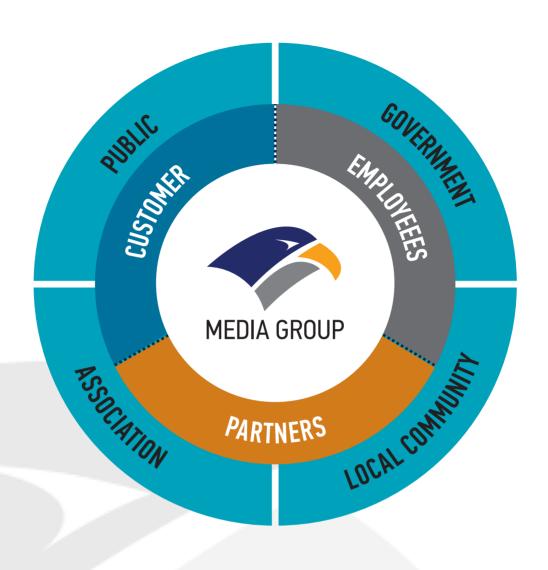
- Chevron Maintenance Dumai Bangko Rumbai Minas
 - Chevron Sport & Recreation Batam:
- McDermott Indonesia South Sumatera:
- Elnusa Tri Star Ramba Ltd. Bukit Asam (Persero) Tbk. PT Tambang Batu Bara

Bali Intercontinental Hotel

· Conoco Phillips (Grissik Ltd. & South Jambi:

-ampung:

- South Jambi Ltd.) Seram Island:
- Kalrez Petroleum (Seram) Ltd. South Sulawesi - Soroako:
 - PT International Nickel Tbk
- Citic Seram, Total Indonesia E&P Papua - Tembaga Pura: Maluku:
- Mine Serve Serui Logar PT Freeport Indonesia BP Berau Ltd.
 - West Papua Sorong: · Brotojoyo



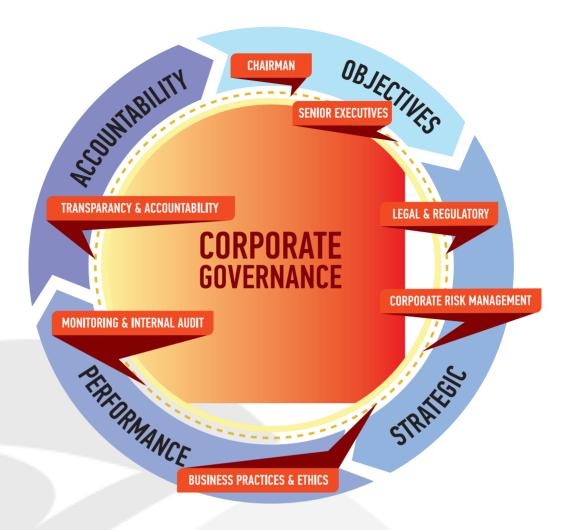
STAKEHOLDER ENGAGEMENT

Media Group's most important stakeholders are our customers/clients, employees, and partners. These three key stakeholders groups have the most influence on our business and are the most critical to the continuing success of our company.

Ours is a talent business units and ensuring that we are able to recruit and retain top talent is essential to the work we do.

We work day and night with our employees to ensure that our programs are most efficiently and effective in order to achieve the goals.

In addition to these key groups, we took into account other stakeholder groups such as local community, NGO's, Government and our industry peers, which all provide important insight into the sustainability issues that are important to Media Group, our customers and our industry.



Media Group is committed to having a strong corporate governance practices that essentially involves balancing the interests, rights and responsibilities among The Senior Executives, shareholders, management, board of advisors, board of directors, suppliers, customers, government and communities.

Our corporate governance practices encompass every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

The Senior Executives

The Senior Executives has 5 members, draw from careers in business and finance.

Board of Advisors

The Board of Advisor has 2 members, draw from careers in business and journalism

Head Structure

The Senior Executives has three standing head: the Corporate Controller Head, the Treasury and Administration Head and the General Counsel Head. Each head is composed entirely if independent Executive Vice President and Vice President.

Committee Structure

Three standing committees: the Audit and Finance Committee, Human Development Committee, the Nominating and Governance Committee.

Committee Charters, Policies and Reports

The Senior Executives has adopted charters and policies for each of its three standing committees, which describe the committee's composition, responsibilities and operations, as well as the resources that are available to the committee to assist it in carrying out its role. Pursuant to these Charters, the Audit and Finance Committee has adopted a policy on auditor rotation.

By-Laws

The company's By-Laws are one of the company's foundational governance documents and are supplemented by the charters of the Senior Executive's committees, the Corporate Governance Policy, and other governance-related policies and procedures approved by the Senior Executives and its committees.

Codes of Conduct

The Codes of Conduct adopted by the company include the "Codes of Ethic" and "Codes of professional practice", which applies to all corporate employees of Media Group.



As a signatory of United Nations Global Compact, we realize that the scope of protecting Human Rights extends farther than just providing a workplace free of discrimination, harassment, and unfair labor practices. We respect the rights of our employees by giving them the right to express their views, associate in organization and boost their ability.

We are dedicated to the continuous growth of our employees. We provide opportunity for advancement to employees through training and career development opportunities in various jobs across Media Group business units operations.

Media Group is committed to providing programs and initiatives that help our employees build fulfilling lives and support their families, so they feel safe and secure in their workplace and ultimately encourage them to be productive members of their communities.

Media Group assures that there is no discrimination practice in the company and operations. All benefit is given on merit-based only, regardless the employee's sex, belief and social background. All employees receive equal treatment, annual salary increase and development training to improve skills and career path.

Media Group has fully recognized the right of its employee to have or to join an organization outside of the company and to do a collective bargaining. However, there is a limitation given for a group of employee to enroll in political group to assures that our printed media and television always in balance and uphold the values of journalism. There is no limitation given for employees to enroll in social activity and teaching.



of employees completed medical check-up of employees completed heart-cardio test



of employees completed vision exams of employees get new eyeglass of employees completed early detection test for cervical cancer

Health and safety

1. Media Group providing annual program that promote the prevention of disease and encourage healthy lifestyles choices.

- Indocater business unit operations with high-risk workplace successfully completed its Environmental, Health and Safety Management System (EHS MS) by aligning with ISO 14001 standard.
- 3. Indocater business unit operations with high-risk workplace marked an outstanding achievement of 30 million hours without lost time accidents.
- 4. Our cafeteria provide clean meals and drinks everyday
- 5. Media Group fully supports employees with a clean, healthy and safe working environment.

Work Environment

- Media Group ensured recruiting process and training programs to select the best candidates in a competitive job market. The skill tests administered during the recruitment process and training timelines.
- The last Friday of each month we held employees gathering and enjoying local and traditional foods.
- We host several events throughout the year. We see an important "buka puasa" (breaking the fast) during the holy month of Ramadhan.
 We also host annual Marketing Gathering, Voice of Children Concert for UNICEF, Voice of Refugees Concert for UNHCR.
- We host hospitality religion events as a way to boost morale and foster
 a sense of brotherhood and diversity. We have hosted Friday Prayer at
 our own mosque, weekly Christian masses, Eid Al-Adha Day, Eid AlFitr Day, sports day.

Employee Benefits and Fair Treatment

- Media Group's regulate on working hours, wages, annual bonus, health insurance and leaves in our regulation about working time.
- Regular working hours is eight hours per day, normally from Monday to Friday or 5 to 2 in 7 days for different area of works.
- Lunch time from 12 until 13.30 PM
- Employees will attend Friday prayer or Christian mass from 11.30 AM to 12.30 PM follow with lunch to 14 PM
- Media Group offers bonuses to employees that achieve perfect attendance

Total Workforce 3311

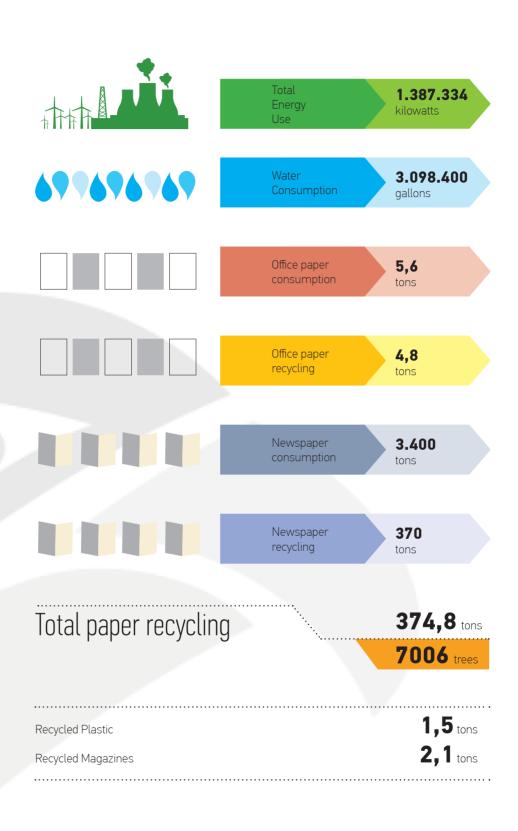


Total number of management positions	86
Percentage of management positions occupied by women	13%
Total number of employees attending trainings in 2015	1670
Total hour trainings & courses in 2015	694
Total number of employees attending trainings in Jan-Oct 2016	1369
Total hour trainings & courses in Jan-Oct 2016	629
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Total Recordable Incident	
2015	0
January – September 2016	0
Labor Management Statistics	
Number of Employee under the age of 18	0
Number if Incidents of Discrimination	0
Human Rights Statistics	
Number of Human Rights grievances filed against Media Group	0



Media Group continues to integrate sustainable business practices into decisions about our operations, technology investments, travel options, trainings and more. We are to be proactive in our environmental efforts. We are developing and implementing environmental friendly processes.

Media Group have taken precautionary measures to decrease environmental footprint by consolidating office space, encouraging the use of public transportation or car pool, communication by internal mail and group chat, digitalizing archives, online document-sharing and implementing recycling policy.



Continued improved of tracking mechanism and system reporting from all operation units.



Media Group maintains a tradition of giving back to our communities. We are building the corporate responsible culture and awareness within our people and gaining commitment from all key stateholder.

Media Group supports Government - Indonesia Health Department's program in reducing numbers of avoidable blindness. Throughout the year we have work with eye doctors performed cataract operations on rural part of Indonesia.

Our unit operations supports an annual charity, funds, in-kind based for local communities, school projects, shelters and environments.

PARTNERSHIP

In 2015, our board and senior executives joined and chair Indonesia Eye National Committee and providing significant pro-bono support to develop the strategy on reducing avoidable blindness.



Research and develop new ways to involve our employees in our communities initiatives.

2015

2.369

books for elementary schools

11.900

soccer ball for football clubs and schools

11.730

pair of shoes

220

pair of prosthetic legs

169

girls and boys received cleft lip surgery

2.253

eyes — cataract surgery

38

eyes — pterygium surgery

NUMBERS

2016 January-October 12,125

3,431

10,312

324

1,093

books for elementary schools

soccer ball for football clubs and schools

pair of shoes

pair of prosthetic legs

eyes — cataract surgery

41 eyes – pterygium surgery

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As a United Nations Global Compact signatory, Media Group has integrated ten principles into our business practices.

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Media Group upholds the strongest commitment to meeting all of our legal, regulatory, and contractual obligations. Beyond ensuring compliance with all government mandated regulations, Media Group adheres to many voluntary codes promoting ethical business practices.

In 2015-2016 reporting period, Media Group and its business units had zero (0) of sanctions, fines, or legal disputes or actions for non-compliances with environmental regulations, product-use regulations, health and safety codes, journalism code of ethics, or anti-competitive behavior.

Within all Media Group business units operations, our core values promoting honesty, integrity, and transparency are actively executed and processes are designed to eliminate the opportunities for corrupt practices. Our Code of Ethics guides all business transactions and stakeholder interactions.

Reinforcing our commitment to anti-corruption and ethical practices across our supply chain, Media Group participates in programs designed to promote anti-corruption and transparency through adherence to practices governing security, customs, and fiscal responsibilities.

REPORT PERIOD (G3.1)

November 2014- November 2016

DATE OF MOST RECENT PREVIOUS REPORT (G3.2)

We last printed our corporate report in November 2014

REPORTING CYCLE (G3.3)

Media Group will report biennial

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THE CONTACT POINT (G3.4)

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