

General

Period covered by Communication on Progress (COP)

From: January 2016 to: December 2016

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

The year 2016 marked 10 years of MarkPlus, Inc. as a member of the Indonesia Global Compact Network. It has given me immense pride to be one of the many other companies and institutions who have been a part of this mission since its launch, back in April 2006. In the past decade, MarkPlus, Inc. has attempted to honor its commitment towards continuously practicing and promoting through our core vision, mission, and corporate values. We constantly promote adoption of good corporate governance for our employees in conducting business, and providing a safe and pleasant work environment.

As a personal believer of the idea that has also been substantiated in my book Marketing 3.0, a corporation should think above profits – for its people and the planet! I am particularly proud of our new platform, the Indonesia Council for Small and Medium Enterprise (ICSME), which is a foundation created to help us materialize its social objective of transforming MarkPlus into a social business enterprise.

At MarkPlus, we aim and hope to sincerely sustain our efforts to support the ten UN Global Compact Principles and make a difference in the lives of not only our employees, but also our clients and community in general. We will also continue to contribute ideas and concepts to other Indonesia Global Compact Network members, and encourage other organizations to support the Principles of UN Compact Network. In adhering to this core set of universal values – which are fundamental in meeting the socio economic needs of the world – we believe we would be able to foster sustainable growth.

Michael Hermawan

CEO

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

Policy, Goals and Assessment

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 within the Company Regulation and Code of Business Ethics have 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.

Implementation

MarkPlus Annual Gathering 2016

MarkPlus Annual Gathering 2016 was held on 10-11 December 2016, bringing together all MarkPlus-ers from across Indonesia. Every year the MAG is organized not just as a team-building exercise, but also to build a more positive and participative corporate culture marked by sincerity, transparency and professionalism.

MAG is also a time for colleagues to reflect on their performances, away from a stringent 'review environment,' to set their goals for the upcoming year as they get motivated from an interactive, personal speech from our CEO and Founder Hermawan Kartajaya. Fun activities such as performances and game-based learning add further color and vibe to the MAG, making it a truly memorable and enjoyable event for all MarkPlus-ers.

This year, the theme was MarkPlus Got Talent, where performances were grouped under Dance, Music, Comedy, Band and Musical Drama. The MAG also features a session where top performers are felicitated as well as the MarkPlus-er Top (held in December 13-14, 2015) carried a theme entitled, "FUNDAMENTAL TRANSFORMATION: Into Productive, Creative & Entrepreneurial Organization", 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 their capability.

The journey of MarkPlus, Inc. has reached 25 years. Accordingly, the management of MarkPlus, Inc., in which represented by the council members, has identified several crucial points as follows:

1. The necessity of MarkPlus, Inc. after its 25 years journey to renew its vision, mission, and values in accordance with the most recent challenges of a very dynamic business landscape which also has been changing tremendously;
2. The necessity to indeed implementing the world-wide renown concept of Marketing 3.0 right at the originating campus in Indonesia, and
3. The necessity of MarkPlus, Inc. to leverage its strength as the biggest provider of marketing integrated solution in ASEAN as the cornerstone to provide more holistic benefits to its stakeholders.

Workplace Celebrations and Socialization

MarkPlus aims to encourage communication and interaction among its citizens as well as with the management. In that endeavor, we periodically organize social gatherings to celebrate important events and festivals. Iftar Gatherings are organized every year to collectively celebrate and honor the spirit of Ramadan and even MarkPlus alumni are invited to maintain communication and relation. During Ramadan month, break-fasting meals are provided every day for our fasting employees.

We also encourage employees to help office boys and security staff on the occasion with alms and supply needs.

MarkPlus 26th Anniversary

In order to further strengthen the relationship between MarkPlus citizens and management, each citizen received a personalized message from MarkPlus Board of Directors (BoD) along with a gift on the occasion of MarkPlus 26th Anniversary.

Monday Morning Message

As an effort to connect with all employees on a one-to-one level, our CEO Mr. Hermawan Kartajaya sends a Monday Morning Message (MMM) weekly to all the employees. The MMM can be about his thoughts on a recent development or an important meeting or a place visited by him, intertwined with his personal view with a message related to the corporate values and culture. Mr. Hermawan expects this MMM platform to act as a corporate media connectivity tool for all the employees to share their thoughts and give feedback towards company policy.

MOM Room

MarkPlus provides a nursing room on its premises for breast-feeding mothers. The aim is to provide a personal, safe, flexible and clean space to mothers to nurse their babies or for pumping purposes. In addition, new mothers are congratulated with a personal present as well as provided a 3-month paid maternity benefit.

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, encouraging 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.

Every year in the MarkPlus Annual Gathering, all new and existing employees are encouraged to sign and revisit the Code of Conduct.

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 an 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. The MarkPlus Library houses thousands of books on a wide range of topics from sales, marketing, brand, service, as well as motivational and self-help books for every MarkPlus-er to avail.

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.

To support the personal growth, especially knowledge growth, we organize internal training on various topics (Product knowledge, marketing knowledge, professional image, grooming, etc.). From time to time, trainings are provided by external sharing facilitators on a wide range of topics to encourage learning and personal knowledge enhancement.

Measurement of Outcomes

1. Daily Alignment Meeting

Each day, we have two alignment meetings, one in the morning before office hour starts and the other in the evening, before office hour ends. The purpose of these meetings is to ensure that all related units understand and report the plan of their work each day and also to coordinate with other business units.

2. Weekly Internal Review Meetings

This is to ensure that all of us are better coordinated and more committed to execution. The meetings are held among all business units, industry verticals, and knowledge teams. Each unit has its own weekly schedule to conduct this internal review.

3. Ethics Committee

A committee of selected people is chosen to represent all business units and conduct a monthly meeting to discuss and evaluate the implementation of MarkPlus Core Values and also MarkPlus Characters.

4. Monthly Operational Report Meeting

A monthly meeting among the top-management level to discuss all operational and business aspects. This meeting also act as evaluation for all actions taken during the 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

Policy, Goals and Assessment

Freedom of Association

Through i-Link, MarkPlus, Inc. facilitates communication programs to allow dialog with employees to understand their aspirations as well as sharing work-related ideas. Employees are able to post news or articles from outside sources as well as their own work and receive feedback in the form 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. An employee joining a political party is considered a personal affair. Employees should not use the company's time and resources in conducting any 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 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 hires employees from diverse backgrounds, including that of race, ethnicity, color, religion, national origin, disability, marital status, age, sexual orientation, or gender.

Promotions

Promotions that are given 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 is in place at the company.

HR Newsletter

Our HR division has created a HR newsletter distributed via e-mail to all of our employees. This newsletter contains various information, starting from a CEO message, general information (grooming guides, company events, company information, etc.). Other than company information, we also announce the information about our employees (baby birth, wedding, and also condolences news).

Measurement of Outcomes

1. Weekly Internal Review Meetings

This is to ensure that all of us are better coordinated and more committed to execution.

2. Ethics Committee

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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 an evaluation for all the actions taken during the month

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

Policy, Goals and Assessment

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 8:00 AM. Air conditions that are on are limited to be set to 22°C, not lower. This policy has been in force since early in 2009. In addition, all air conditioning units and lights are turned off during lunch hours from 12:00 PM-1:00 PM.

MarkPlus Goes Paperless

In the spirit of living up to our continuous support for the global impact, we encourage all of the employees to contribute to environmental sustainability. We have brought in place a movement called “MarkPlus Goes Paperless” which has already been implemented since over 3 years. This is where we can start to make a difference, no matter how small, by using less paper in the office. We provide a few simple tips that can we do to contribute:

1. Use a smaller font size while printing
2. Recheck before printing
3. Print one sample at a time
4. Start copying on both sides of the paper
5. Communicate using technology
6. Make the most of the blank space

MarkPlus KX (Knowledge Exchange)

MarkPlus, Inc. has also revitalized an internal portal (MarkPlus KX) that contains information related to 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 from various business units. Through this system, MarkPlus employees are able to keep track of information from case studies, training modules, research insights, journals, etc.

Measurement of Outcomes

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

Every month the 5S Committee organizes a meeting to evaluate and discuss about the working environment, including disciplinary action for individuals who or business units which fail to live up to the 5S policy.

Anti-Corruption Principle

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

Policy, Goals and Assessment, Policy and Goals

Promoting Good Corporate Governance

The company supports select government institutions, universities and the business community in general by organizing a 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 the 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, 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.

Measurement of Outcomes**1. Ethics Committee**

A committee of selected people is chosen to represent all business units and conducts a monthly meeting to discuss and evaluate the implementation of MarkPlus Core Values and MarkPlus Characters.