



MEDIA GROUP

UNITED GLOBAL COMPACT COMMUNICATION ON PROGRESS 2017





Chairman Statement

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

The year of 2016 marks our ongoing commitment to sustainability as much as we know that is critical to our long-term business growth and improvement, and that is creates value for our stakeholders.

We highlights achievements in zero recordable injury frequency rate, saved 2100 kilowatts of electricity through continuous save energy programs, recycle more than half tons of paper waste and saved 47.000 gallons of clean water consumption companywide.

Achieving these targets requires companywide support from employees, leadership at every level of the organization. We are actively sharing information's and best practices across our units and sites to accelerate performance.

The Environmental, Safety, Health and Social Responsibility (ESHS) Management System and Risk Management System are implemented in our food and catering business. This unit operations with high-risk workplace marked an outstanding achievement of 35,8 millions hours without lost time accidents.

We play a role in responding to education sector and global health issues. 2017 marks our moving forward with placing the plan for higher educations, which will be start in 2018. Our broadcast academy will be a place for youngster to learn from the best practices with distinctive and ethics programs and curriculums.

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

Our ability to do all this would not be possible without more than 3300 employees across Indonesia. Its their talent, creativity, dedication and loyalty 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

OVERVIEW

Media group is not a legal entity. It is a management group that controls, supervises, coordinates and maintains integrations and synergy of all business units and companies.

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.

BUSINESS UNITS

UNITED GLOBAL COMPACT
COMMUNICATION ON PROGRESS
2017

United Global Compact
Communication On Progress
2016-2017 Report

MEDIA
INDONESIA

 LAMPUNG POST

 METRO TV

CATERING BUSINESS



MEDIA HOSPITALITY

UNITED GLOBAL COMPACT
COMMUNICATION ON PROGRESS
2017

United Global Compact
Communication On Progress
2016-2017 Report



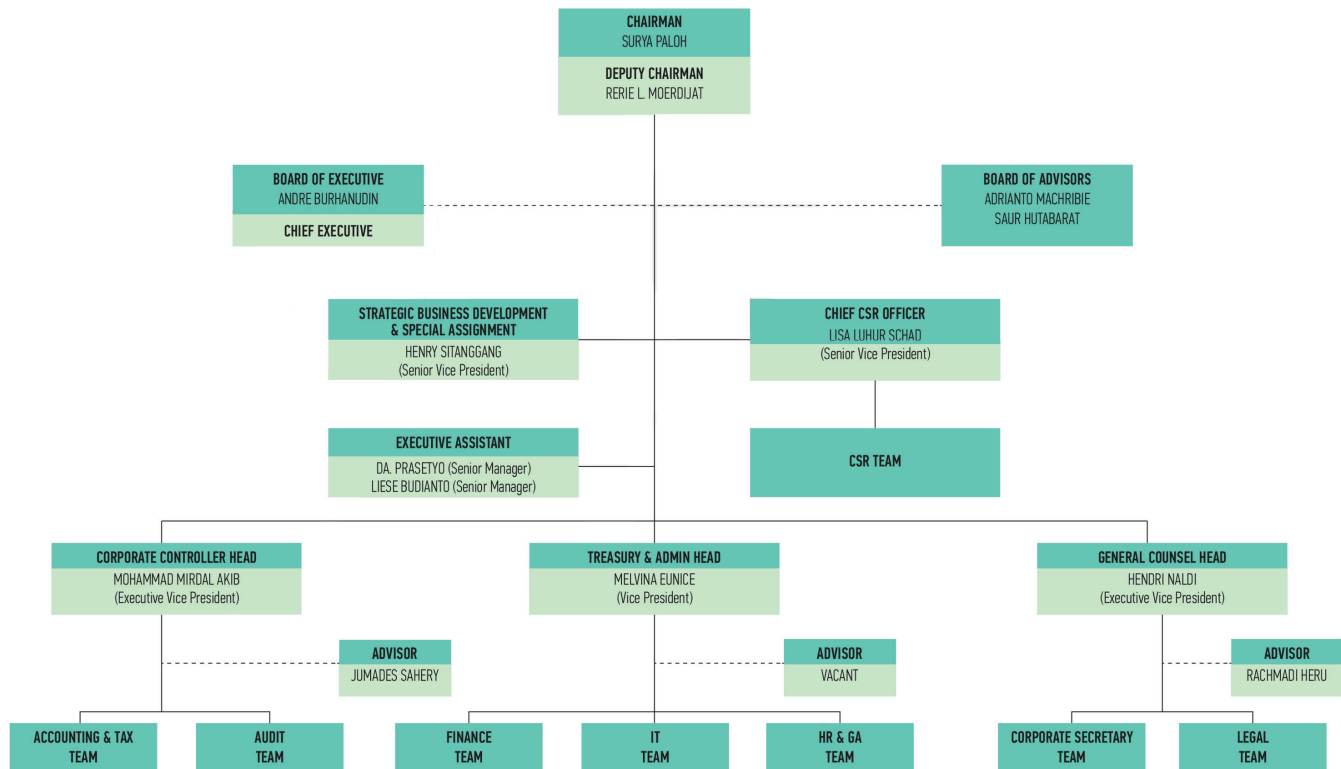
ENERGY AND NATURAL RESOURCES

INDOENERGI PLATINIUM



SURYA ENERGI RAYA

OPERATIONAL STRUCTURE OF THE ORGANIZATION



MEDIA GROUP NETWORK



INDONESIA

Jakarta:

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

Thousand Islands:

- CNOOC

West Java-Bekasi:

- PT Moric Indonesia
- Mattel Indonesia
- BO Cibitung (JSNO Catering)

BSD:

- Sinarmas World Academy

Cibubur:

- Melia Cibubur Hospital

Bogor:

- Azra Hospital
- PT Bekaert Indonesia

Karawang:

- PT Atsumitec
- PT Bekaert Indonesia

Bandung:

- Papandayan Hotel
- PT Pumarin

Java Sea:

- PT Apexindo Pratama Duta
- CNOOC SES Ltd.
- Pertamina Sulu Energy

East Java:

- PT Timas Suplindo - Gresik
- Exxon CFF
- Exxon FSO

East Kalimantan:

- PT Medco E&P Sembakung
- Arutmin
- PT United Tractor Tbk.
- PT Inamco
- Total E&P Indonesia
- Schlumberger Deltabiru
- Schlumberger OFS.I

- PT Apexindo Pratama Duta Tbk.

- Thiess Contractors Indonesia

- Kaltim Prima Coal

- Chevron Indonesia Kaltim Co.

- Pearl Oil Mubadala

Central Kalimantan:

- Site OPHIR KGPF

South Kalimantan:

- PT Leighton Contractors Indonesia
- Thiess Contractors Indonesia

Bali:

- Bali Intercontinental Hotel

Lampung:

- Lampung Post

Riau:

- BOB PT Bumi Siak Pusako
- Chevron Libo Petapahan
- Chevron Maintenance Dumai Bangko
- Chevron Sport & Recreation Rumbai Minas

Batam:

- McDermott Indonesia

South Sumatera:

- Etnusa Tri Star Ramba Ltd.
- PT Tambang Batu Bara Bukit Asam (Persero) Tbk.

South Jambi:

- Conoco Phillips (Grissik Ltd. & South Jambi Ltd.)

Seram Island:

- Kalrez Petroleum (Seram) Ltd.

South Sulawesi - Soroako:

- PT International Nickel Tbk

Maluku:

- Citic Seram, Total Indonesia E&P

Papua - Tembaga Pura:

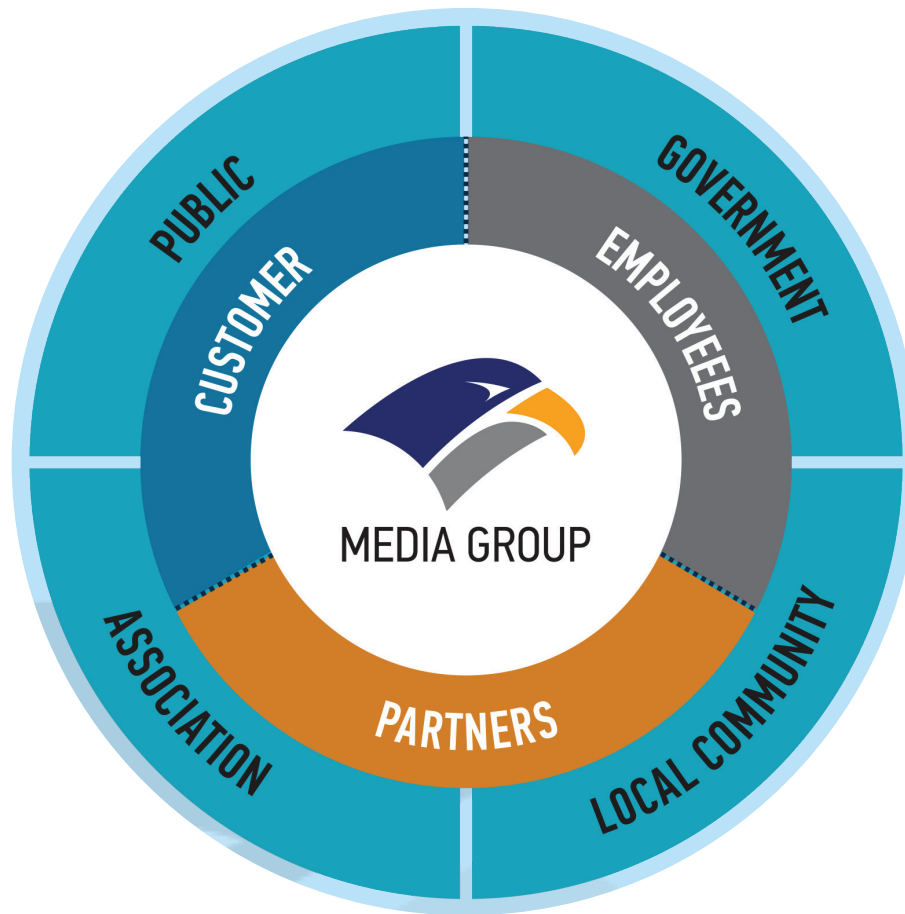
- PT Freeport Indonesia
- BP Berau Ltd.

- Mine Serve Serui - Logar

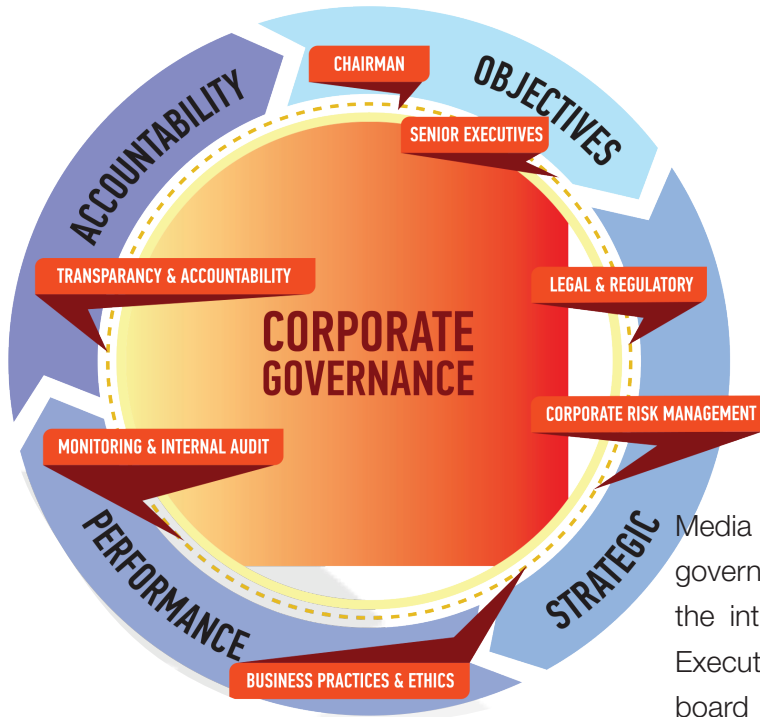
West Papua - Sorong:

- Brotojoyo

STAKEHOLDER



CORPORATE GOVERNANCE



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.

CORPORATE GOVERNANCE

The Senior Executives

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

Board of Advisors

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

CORPORATE GOVERNANCE

Head Structure

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.

HEALTH & SAFETY

1. **Media Group** providing annual program that promote the prevention of disease and encourage healthy lifestyles choices
2. **INDOCATER**, specializes in providing on-site catering, procurement and support services to onshore and offshore remote work sites across Indonesia. With over 30 years of experience providing quality food and hospitality services to large groups of people in all sorts of environments. Our expertise runs from factory plants to oil and gas operations. We always strive to provide the safest work environment no matter what part of the remote area we operate in. We have completed 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 35,8 million hours without lost time accidents.



of employees
completed
medical check-up



female employees
completed early
breast cancer test



employees
completed heart-
cardio test



employees
completed vision
exams



employees
get new
eyeglass

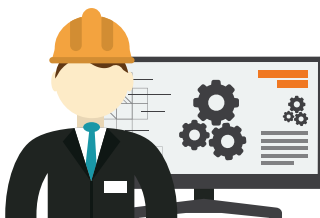




0%

- Recordable incidents that required time of work
- Incidents of discriminations
- Grievances filed about human rights impacts
- Number of Employee under the age of 18.

WORK ENVIRONMENT



1. Media Group ensured developed human resources through internal training as well as central and local and on-campus recruitments. Recruiting process and training programs are to select the best candidates in a competitive job market. The skill tests administered during the recruitment process and training timelines.
2. Media Group organized training courses and execution trainings to improve the overall quality of staff.
3. Metro TV co-organized training courses with Prasetya Mulya Business School, cultivating the skills of the management team and key personnel.
4. We host several events throughout the year including religion events to boost morale and foster a sense of brotherhood and diversity. We hosted Friday Prayer, weekly Christian masses, “buka puasa” (breaking the fasting) and evening prayer during the holy month of Ramadhan, Eid Al-Adha, Eid Al-Fitr Day and sports day.

EMPLOYEE BENEFITS AND FAIR TREATMENT



Media Group regulates compensation and benefits system on working hours, wages, annual bonus, health insurance and leaves in our regulation about working time.

Media Group set benefits and employee options support to quality and affordable medical care for employees and their dependents.

Media Group offers bonuses to employees that achieve perfect attendance and incentives to employees who achieve work targets

9439

TOTAL WORKFORCE

1866

MANAGEMENT
POSITION

occupied by women

20%

MANAGEMENT
POSITION

occupied by women



116


NUMBER OF
management positions

1.129

Employees attending training
in 2017

680

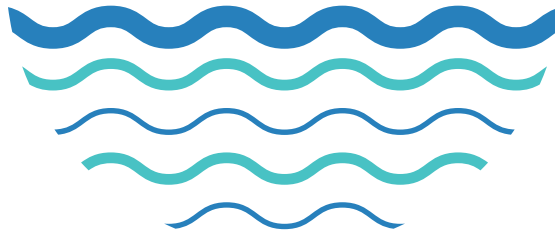
Total hour trainings
& courses in 2017



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.

ENVIRONMENT



WATER

Today we are consuming more than 3 million m³ of freshwater of reclaimed and industrial water in 2017.

What we plan to do in 2018 is continue to look for opportunities to reduce water use, and increase recycling at our facilities and sites

ENERGY



Today we are consuming and use almost 1,36 million kilowatts of energy across our facilities and projects across Indonesia, a 1,8% reduction from 2015-2016 baseline.

What we plan to do in 2018 is continue to identify opportunities to improve energy performance through behavioral change initiatives.

WASTE



We are consuming office paper by 5,4 tons, a 3% reduction from 2015-2016 performance and recycling of 4,5 tons.

We are consuming newspaper (industrial) of 3,4 tons and recycling of 370 tons.

What we plan to do in 2018 is focus on establishing a quantitative waste reduction, diversion or recycling target. And for newspaper waste, we will prioritize opportunities for reuse or resale of excess inventory.

COMMUNITY



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 stakeholder.

COMMUNITY



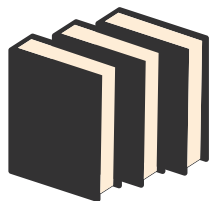
What we invest in our communities

Kick Andy Foundation and initiatives donators has accumulatively donated a total approximately Rp. 4.484 millions for 1266 beneficiaries

Media Group Foundation has accumulatively donated a total approximately Rp. 2446 millions for 3331 beneficiaries

Our Metro TV and Media Indonesia served as national wide news television and newspaper receiving visitors of 4165 civil society, politicians, public instruments, associations and students from across Indonesia for visiting, inspection and study purposes.

COMMUNITY



3000

Books for elementary
schools



853

Hearing aid and
other items for disable



389

Pair of prosthetic
legs

COMMUNITY



159

Hearing aid and
other items for disable



3438

Eyes -
cataract surgery

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UN GLOBAL COMPACT REPORTING INDEX

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

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Compliance, Ethics & Anti-Corruption Statement

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 PROFILE

REPORT PERIOD

January – December 2017

DATE OF MOST RECENT PREVIOUS REPORT

We last printed our corporate report in November 2016

REPORTING CYCLE

Media Group will report biennial

THE CONTACT POINT

Lisa Luhur Schad
Sr. VP, Chief CSR Officer

Disclaimer

The contents of this report are correct to the best of our knowledge, information, and belief. The data contained herein is for informational purposes only. It is not represented to be error-free, and is subject to change.



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