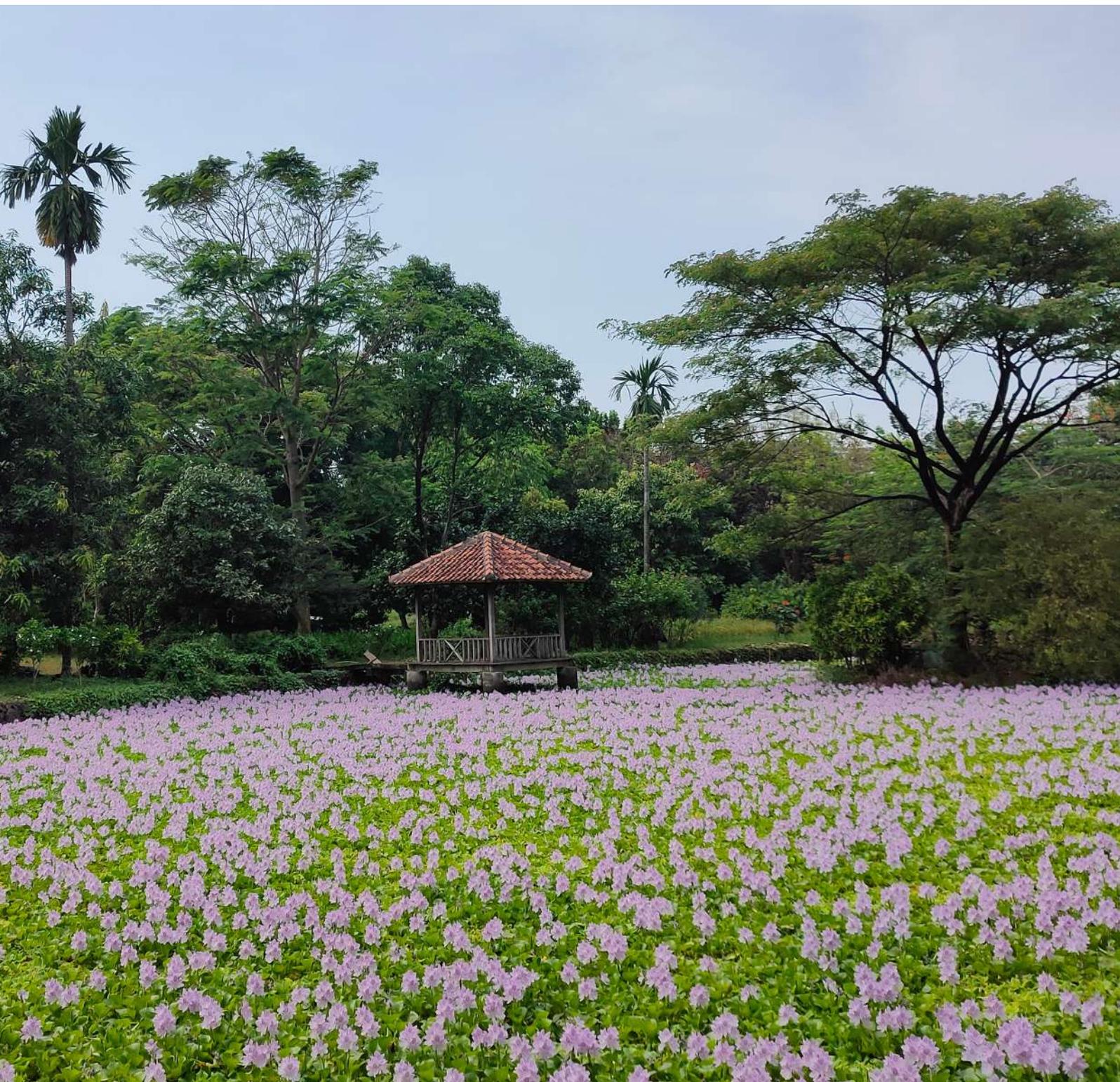


COMMUNICATION ON PROGRESS

**CORPORATE SUSTAINABLE REPORT
YEAR 2021**

PT MARTINA BERTO TBK



STATEMENT OF SUPPORT

The spread of the corona virus has changed many plans and the world's economic situation, including Indonesia. Despite being affected by COVID-19 and having to optimize assets, PT Martina Berto Tbk is grateful that the company can still survive, stay strong, optimistic to rise, and continues to commit in helping the government and the community in dealing with COVID-19.

We express our appreciation and thanks to stakeholders over the full trust and continuous support to us during this pandemic so that we still able to survive, grow and reach target on every milestone, while we are pleased to continuous support the ten principles of the Global Compact in line to the SDGs achievement for the next years and after as we have been engage both local and global network under the flag of UNGC for over the last 19 years covering area of human rights, labor, environment, and anti-corruption.

As 2021 draws to a close, we're still in the thick of the global health crisis caused by COVID-19. And for what feels like such a long time we have experienced so much hardship during this Pandemic. We, as a community face our new beginnings and journeys with anticipation, optimism, enthusiasm and care for each other. I believe it's the right times for us to reflect and be thankful for what is ending. Be grateful for what was learned and what was accomplished in order to get through these difficult times together and prepare for a better start.



Brian David Emil
President Director
PT Martina Berto Tbk

STATEMENT OF SUPPORT

Along the year 2021 was quite challenging moment for almost all private sectors, especially during this pandemic.

However, company has to be survived and run continuously. By strong commitment and dedication, company can still achieve small growth on sales. We believe that the prospect of cosmetic business is still good.

As a beauty company, we have blended business, social, and ecological principle by exploring the ancient wisdom of beauty care throughout the lifecycle. We have transformed and blended the richness of Eastern culture and Indonesian natural resources to be the soul of our brands and services to win the heart of consumers around the globe. While corporate social responsibility (CSR) is merged in the company mission that in-line to the business strategy and being highly committed by corporate management for the sustainable development.

We do our business not just Profit oriented, but we commit in considering People and Planet. The reputation of our company is more internationally recognized as a trend setter producing natural techno beauty products that continuously merged with the richness of our Eastern culture, where we transform the local wisdom that supported by scientific data to meet the urban lifestyle and go global.



Dr. (HC) Martha Tilaar
Founder & Chairwoman
Martha Tilaar Group

COMPANY PROFILE

NAME AND ADDRESS

PT. Martina Berto Tbk (MBTO stock code)
Domicile in Jakarta, Jl. Pulo Kambing II No.1
Jakarta Industrial Estate Pulogadung
East Jakarta 13930.
Phone : +62-21-460 3717
Fax :+62-21-4682 6316

Mail Address: corpsecretary@martinaberto.co.id

Website: www.martinaberto.co.id

Stock Exchange where the Company's Stock is listed: Indonesia Stock Exchange

Capital Market Institution and Professional Share Registrar

PT. Adimitra Jasa Korpora
Rukan Kirana Boutique Office.
Jl. Kirana Avenue III Blok F3 No. 5
Kelapa gading Jakarta Utara 14250
Indonesia.

Public Accountant Office
Tanubrata, Sutanto, Fahmi, Bambang dan Rekan.
Jl. Jend. Sudirman Kav. 79
Prudential Tower Lt. 16-17
Jakarta 12910, Indonesia.

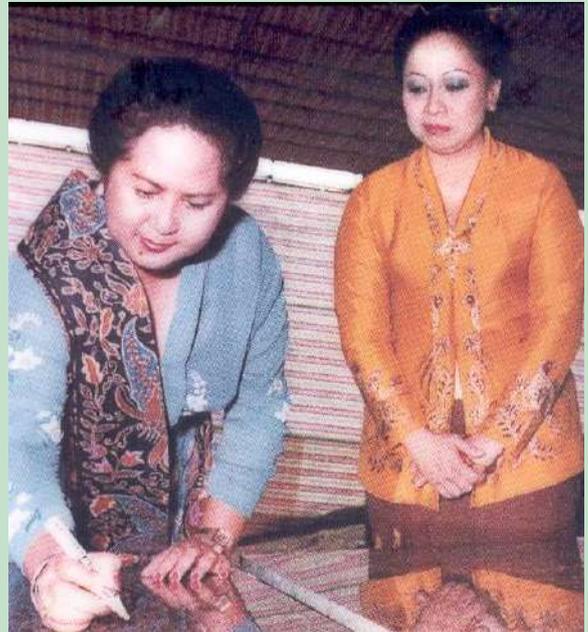
History



A LITTLE BIT ABOUT OUR HUMBLE COMPANY

Dr. (HC) Martha Tilaar started her business with a beauty salon in 1970. She continuously enhanced her knowledge about beauty and body care from American and European beauty centers. It motivated and gave her understanding that the raw materials from Indonesia, if professionally processed, will be able to produce natural cosmetics and traditional medicines that can beautify Indonesian women and those of the world in a holistic manner.

Being successful in the beauty salon business through opening many beauty salons in Jakarta, Mrs. Martha Tilaar established “Puspita Martha” School of Beauty to develop beauty specialists, makeup artists, hair specialists and therapists. The beauty salons and beauty school were operated under the flagship of PT Martha Beauty Gallery.



Being successful in beauty salon and school, Mrs. Martha Tilaar and her partners, the late Mr. Bernard Pranata and Mrs. Theresia Harsini Setiady founded PT Martina Berto 1st Juni 1977. The first brand produced and marketed was “Sari Ayu Martha Tilaar” as natural cosmetics with a holistic approach, with the salons and beauty school as teaching laboratories. This has enhanced Sariayu Martha Tilaar as education-oriented, practical and easy-to-apply products.

Since the market response was very positive, the Company built the first modern factory on Jl. Pulo Ayang, Pulo Gadung Industrial Estate in 1981.

Along the years, this factory was short of production capacity, until the second factory was built at Jl. Pulo kambing II/1, Pulo Gadung Industrial Estate, which focused on dry, semi solid cosmetics and herbal medicines, while the first factory focused on liquid cosmetics.



During the period of 1998-1994 in order to meet the increasing market demand, the Company developed new brands of cosmetics such as Cempaka, Martina, Pesona, Biokos Martha Tilaar, Caring Colours Martha Tilaar and Belia Martha Tilaar.

All these products have helped utilize the factory capacity. Further strategic action done by the Company after year 2000 was to restructure the brand ownership between Martha Tilaar-labeled-brands under license from Dr. (HC) Martha Tilaar and her family, and other brands such as “Cempaka” and “Pesona” remaining the Company’s intellectual property.

During the period of 1993 – 1995, the Company acquired various subsidiaries in cosmetics business, i.e. PT Cedefindo (CDF), PT Kurnia Harapan Raya (KHR) and PT Estrella Laboratories (Estrella).

To achieve efficiency in production, the Company conducted business restructuring process and factory relocation during 1995 – 1996 periods. Further strategic development during 2001-2009 was among others remapping of brands in different market segments which will be discussed in a separate chapter.

In year 2011, the Company launched Initial Public Offering at Indonesia Stock Exchange by released 1/3 (one third) of shares issued and paid as capital to the public. In 2013, the Company established packaging facilities to fulfill need of Pareto product packaging material. In 2016, the Company acquired Rudy Hadisuwarno Cosmetics trademark for cosmetics, beauty and personal care categories.

MILESTONES

2005	2010	2011	2012	2013	2016
Merged with PT. CBI and transferred Mirabella & Cempaka production to Pulo Kambing Factory.	Launched Martha Tilaar Shop (MTS) overseas to grab international market share.	Initial Public Offering of MBTO shares in IDX	Groundbreaking construction of new herbal/traditional medicine in <u>Kampoeng Djamu Organik (KaDO), Cikarang.</u>	Established the packaging production facility in <u>Pulo Ayang Factory</u>	Acquired Rudy <u>Hadisuwarno</u> trade mark for cosmetics, Beauty and personal care categories.

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COMPANY STRATEGIES ON SUSTAINABLE BUSINESS

Since the beginning of this company, management committed to run business inclusively by involving all stakeholders in the company program and activities related to sustainable business. By implementing clean and green process, company will continue to expand its wings by releasing international quality products. In order to be able to enter global market and take the position beside multi-national companies, all of the companies under the Group have to comply the ten principles of the UN Global Compact.

In implementing the Ten Principles of UNGC, company has developed strategy to translate those principles into practical works and later become company attitude to gain every tied competition in the market. In some cases we do business processes from the beginning through the marketing communication and program activities by involving other parties as our stakeholders such as government and non-government organizations.

Combining the Ten Principles into Business strategies

Our business strategies, as reflected company's vision, "To be one of leading companies in beauty and spa industries with Eastern atmospheres and value through modern technology", are designed by combining UNGC principles. These strategies involve stakeholders along the supply chains. Labor, human rights, and environment issues altogether colorize company and become the model of company's strategy. This is the most valuable point in improving our product competitiveness.

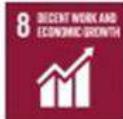
Bringing along the ten principles in implementing sustainable business

From the very first start, company has been running the business by involving all stake holders along from the production chain to product distribution. CSR activities are embedded in business processes from upstream to downstream by empowering all people involved in the production processes. From farmers to the supplier of raw materials to end users of our products, mainly women, have to be touched and involved in our program. While principle 10, Anti-corruption, has played more important role and it is big challenges in building good performance in competing global market.

Above all, the implementation of GC principles through CSR activities has made the efforts to create high impact to communities and to achieve our targets more effectively. We unite the values of our business and operations to meet the expectations of stakeholders, which include customers, employees, regulators, investors, suppliers, communities, and environments.

We combine our social, economic, and environmental responsibilities to the stakeholders by actions and in our corporate policies. We openly communicate our strategies, targets, performance and management to the stakeholders in a continuous commitment to company's sustainability development. Finally, we try to continuously improve our activities related to sustainable business to fulfill company's short-term and long-term goals.

SUSTAINABLE DEVELOPMENT GOALS



The Ten Principles of The United Nation Global Compact

Human Rights

P1: Businesses should support and respect the protection of internationally proclaimed human rights

P2: Make sure that they are not complicit in human rights abuse

P3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Labour

P4: The elimination of all forms of forced and compulsory labour

P5: The effective abolition of child labour

P6: The elimination of discrimination in respect of employment and occupation

Anti-Corruption

P10: Businesses should work against corruption in all forms, including extortion and bribery

Empowering Women

Beauty Green

Beauty Education

Beauty Culture

P9: Encourage the development and diffusion of environmentally friendly technologies

Environment

P8: Undertake initiative to promote greater environmental responsibility

P7: Business should support a precautionary approach to environmental challenges



COMMUNITY DEVELOPMENT

1. DEVELOPING PARTNERSHIP WITH LOCAL FARMERS

PT Martina Berto, Tbk provided organic planting training on medicinal, aromatic, and cosmetic plant (MAC plant) and post-harvest handling to groups of farmers in Nagrak-Sukabumi and Ponorogo villages. The farmer group in Sukabumi has 23 farmer members and in Ponorogo there are 18 farmer members in 2021. Cat whiskers produced by farmers in Sukabumi are now even in demand by buyers from abroad. Not long ago, they managed to ship a large number of cat whiskers to Korea. the Gantt chart.

2. WOMEN EMPOWERMENT PROGRAM

COLLABORATION PROGRAM WITH APP-SINARMAS

Women Empowerment program for women farmer groups (KWT, Kelompok Wanita Tani), especially in rural areas around the forest, is a program that we have implemented in collaboration with other companies that is member of the IGCN (Indonesia Global Compact Network), namely APP-Sinarmas. The community targets are in five provinces, namely Riau, Jambi, South Sumatra, East Kalimantan and West Kalimantan, which are APP-Sinarmas concession areas. Besides that, women around the forestry area have also never received a Training program, because the program is mostly aimed at men, namely small farmers.

By carrying out a coaching program aimed at women, it is hoped that women as members of the family can contribute more to their family's economy, as well as play a more active role in the family both economically and in knowledge and the role of maintaining family health independently. No less than 14 activities, which cover nearly 100 groups of women farmers (KWT), have received various trainings on micro-entrepreneurship at home and knowledge about independent health care at the family level by utilizing various plant materials around their homes.

This training is quite interesting and gets enough attention from the community and village officials, with the hope that by implementing knowledge from the training it will improve the welfare of families in rural areas. Furthermore, it is hoped that even though they are far from access to health providers, people living far away in rural areas will be able to independently maintain (preventive) the health of their family members by increasing (promotive) endurance through the use of MAC plant material that grows and are available in their vicinity.

Women Empowerment Program in Villages Surrounding the Forest

This program currently has reached more than 1,000 women who have received training and have also started making innovative products from processed herbal materials in their vicinity, for food and health drinks. With the support of the local government and local village officials in term of providing facilities and infrastructures, this group of women farmers is encouraged to be more creative in helping the family economy through the use of various natural materials available in the vicinity. From this activity, this will also provides stimulation to the community and also other businesses to contribute to empowering local communities in their working areas.

In addition, a Beauty Class program for women was also held in several villages in the same area. About 8 trainings have been attended by around 750 women. This training is also expected to provide provisions for rural women in caring for health and beauty independently at the family level. It can be seen in table 1 that the total number of people who have been given training is 740 people in 80 villages in 6 provinces, namely Jambi, Riau, South Sumatra, East Kalimantan and West Kalimantan. This number will continue to grow until the end of the program in 2020. Meanwhile for beauty care training there are already 750 women.

Time	Location	Number of participant
29 – 30 January 2019	Dataran kempas, Jambi	77
19 – 20 March 2019	Desa Simpang Heran, Sumsel	50
23 – 25 April 2019	Kp. Perawang Barat, Siak, Riau	73
25 – 26 June 2019	Desa Benua Baru, Kutai Timur, Kaltim	52
9 – 10 July 2019	Desa Mengkiang, Sanggau, KalBar	52
24 – 25 July 2019	Desa Petapahan, Kampar, Riau	58
6-7 August 2019	Desa Mendis, Sumsel	71
23 – 25 September 2019	Desa Simpang tiga makmur, Seumsel	39
9 – 10 October 2019	Desa Mandarsah, Jambi	58
22 – 23 October 2019	Desa Tarik, Sidoarjo, Jatim	50
5 – 6 November 2019	Desa Manunggal Jaya, Kaltim	52
2-5 December 2019	Kampung Belutu, Siak, Riau	48
17 – 20 December 2019	Desa Riding, Oki, Sumsel	60
	Total	740



1. COMMUNITY DEVELOPMENT IN BILEBANTE LOMBOK FOR WELLNESS TOURISM VILLAGE

PT Martina Berto Tbk became one of the companies that contributed to the "Innovation and Investment for Inclusive Sustainable Economic Development" (ISED) project. This project was initiated by the Indonesian and German governments, through the Ministry of National Development Planning of the Republic of Indonesia / BAPPENAS and the German Federal Ministry for Economic Cooperation and Development with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit). The ISED project aims to strengthen the capacity of the private and public sectors to promote inclusive and sustainable jobs and closely linked to development priorities set by the Indonesian government.

PT Martina Berto Tbk, through Kampoeng Djamoë Organik (KaDO) is committed to joining ISED in promoting inclusive and sustainable employment through the development of a wellness tourism village in Bilebante, Central Lombok Regency, NTB (West Nusatenggara). In the future, this village is expected to develop regional potential and maximize its capacity, so that the community can benefit from it.

This program takes an area in the Central Lombok region, in Bilebante, which previously since 2015 began to raise the potential of the village to become a green tourism village (DWH, desa wisata hijau) which is driven by young people, the community and also village officials. With the village's potential in agriculture as well as its natural wealth, vast expanses of rice fields that can be planted all year round, various kinds of fruit products, as well as various processed foods from local crops.

The choice of Bilebante village has several considerations, including the Lombok region which is the priority of the central government for the development of its Economic and Tourism Zone, which is famous for the MANDALIKA area in the Kuta Lombok area. In addition, this empowerment program is intended to provide support to the community after the earthquake in 2018 which had a major impact on the local economy.

Through community empowerment programs in creating Wellness Tourism Village, we are members of various parties, both government and private and the community. Initiated by BAPPENAS, supported by the Ministry of Villages and the Ministry of UMKM Cooperatives from the government, and involving the private sector, Martha Tilaar Group, Santika hotel, Panorama Travel, and Allianz, this program has been successfully realized with financial support from GIZ Indonesia. Until after one year of the program, Bilebante village began to be known as one of the natural and healthy wellness tourism destinations, by offering various natural tourism packages and health services that we have built there.

The training activities we provide for this program are about knowledge in making healthy food and drinks by utilizing MAC plant materials around the site, training on MAC plant cultivation and post-harvest handling and manufacturing of health products, setting up Herbal Garden contains more than 130 types of MAC plants are nutritious for health care, beauty and aromatics properties.

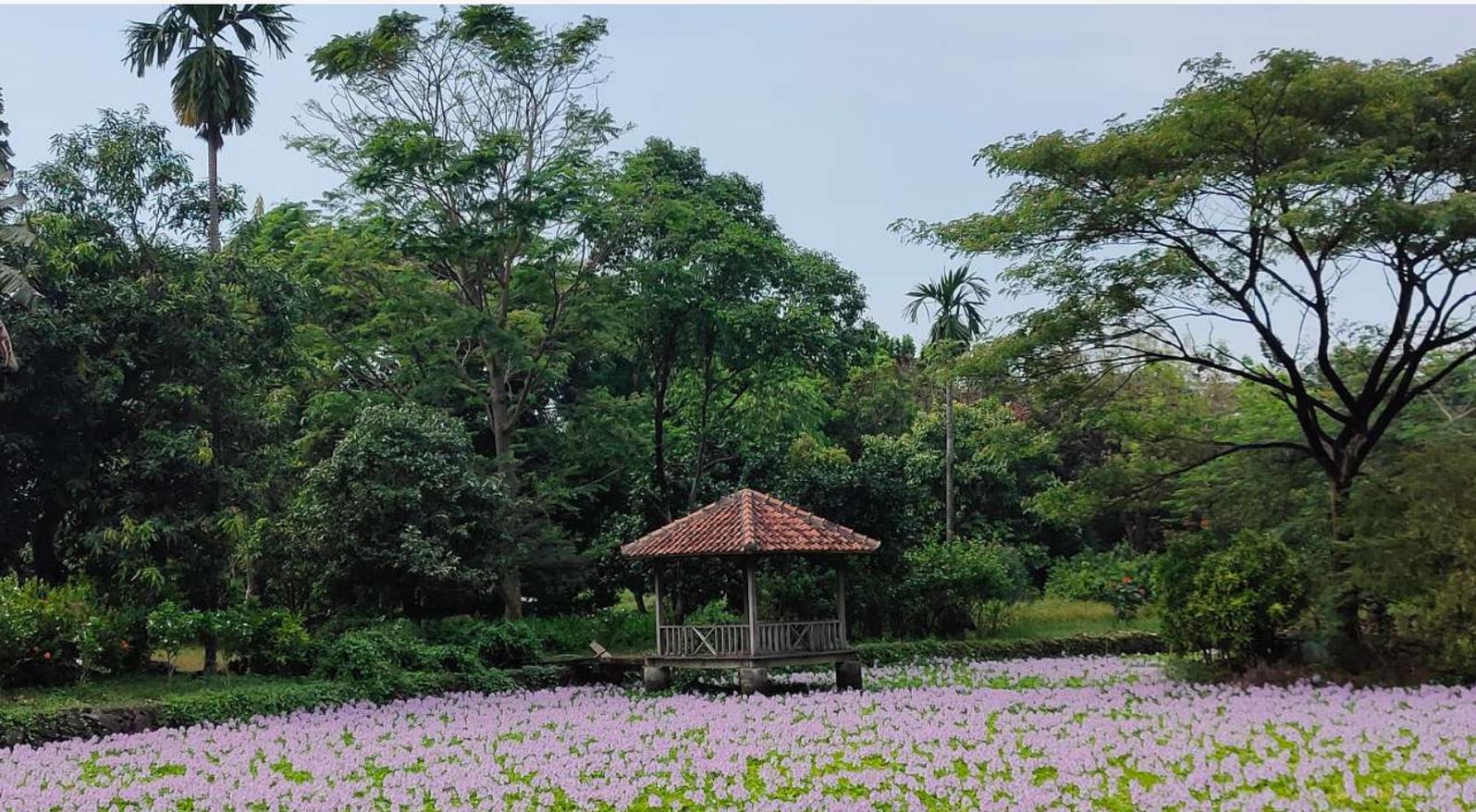
Kampoeng Djamoë Organik provides knowledge about making healthy food and drinks by utilizing MAC plants (medicinal, aromatic, cosmetic) ingredients around the site; Skill training on MAC plant cultivation and post-harvest handling; and also manufacturing of health products.

Moreover, we have also guided community to set up Herbal Garden containing more than 130 MAC plant species with the properties for health and beauty care, and also for aromatics. The Herbal Garden that we have built is a point of interest that is quite unique and has attracted many visitors to learn and gain knowledge about independent health care by utilizing medicinal, aromatic, and cosmetic plants that grow around. Visitors will be served with health drinks, herbs, and then continued with taking health education.

This training program will complement various pre-existing activities, namely cycling around the rice fields, local art performances at the performance arena (fishing market), as well as the sale of various village specialties and drinks in the form of a local culinary bazaar. With the program we support, it will give more various activities to improve the image and services of this village to be a Wellness Tourism village. The Bilebante Herbal Garden we have built is a point of interest that is quite unique and is of great interest to visitors to learn and gain knowledge about self health care by utilizing medicinal, cosmetic, and aromatic plant materials that grow around us. By serving health drinks, Jamu, to visitors, then continued with health education, and massage treatment will provide complete health recovery to visitors after doing a little exercise cycling around the rice fields

In the future, this program is expected to improve the standard of living of the Bilebante village community through health and fitness tourism services. With the appointment of Lombok as an economic area as well as a tourist target, it is hoped that the Bilebante people will be ready to receive tourist visits, both local and foreign. By offering a wide variety of products and services, it is also hoped that the economy of this village community will improve so that the prosperous community's family will come true.

KAMPOENG DJAMOE ORGANIC



**WE HAVE PARTNERED WITH
GOVERNMENT AND
NON-GOVERNMENT
ORGANIZATIONS ON
CSR PROJECT.**

Kampoeng Djamoë Organik (KaDO) is a botanical garden that contains various types of medicinal, aromatic, and cosmetic plants (MAC plants). KaDO was established as an initiative of Dr. (HC) Martha Tilaar dedicated to environment due to the current environmental condition is getting more worrying.

Since 1997 the planting area in Cikarang city – West Java, which covers about 10ha area, began to be built from the beginning of marginal land. Initially, the land was empty land, bare area with the pure condition as planting area. The soil texture and structure are also quite difficult to cultivate, requiring heavy processing of the soil to make it fertile for plants can grow on this land.

This garden has been functioned as a center for environmental education and as an area for the preservation of MAC plants. Currently, the number of collections is around 700 species of medicinal, aromatic, and cosmetic plants. This garden is managed by agricultural experts and supported by the Martha Tilaar Innovation Center (MTIC), KaDO as a center for environmental education, is one of the Botanical Gardens in Indonesia which can help foster good environmental awareness for the community and educate farmer community to be able to cultivate well and be environmentally friendly through organic farming system. This also to support the achievement of the Sustainability Development Goals (SDGs) more quickly and effectively. In addition, KaDO has provided training to more than 120 farmer groups from various provinces in Indonesia, from planting, harvesting, to drying crops.

KaDO is actively collaborating with several schools to provide experience for students to get to know the environment more closely and detail, planting trees and get to know the ecosystem, as well as an ecotourism object where visitors can take a short recreation by traveling around organic gardens, planting trees, yoga, healthy gymnastics, herbal juice demonstrations, herbal medicine making demonstrations, a demonstration of making compost and biopori wells, natural painting for children, and having lunch with an organic healthy foods and drinks at Kedai Sehat Alami, where a place to eat and drink in the middle of the garden. Not only providing healthy food, but also herbal and various herbal teas.

REALIZING SOURCE OF SUPERIOR HUMAN

Employees, as one of the elements of business capital, play an important role in determining the survival of the company. Therefore, the company continues to renew its initiatives to ensure increased productivity of employee to really contribute to the progress and growth of the company. Realizing this matter, PT. Martina Berto Tbk has implemented the following Human Resources policies:

1. **Equality for all on working Opportunity**

Through this policy PT Martina Berto Tbk provides equal opportunities for all employees regardless of gender, ethnicity, race, religion, skin color, age, marital status and physical limitations. This applies since the selection, promotion, wage setting and employee transfer processes. In accordance with the provisions of Law No. 13/2003 concerning Manpower article 68, PT Martina Berto, Tbk does not recruit and employ workers under 18 years of age due to not having the emotional maturity to do a job and support natural child growth. The entire management of PT Martina Berto Tbk agrees with this and applies working conditions that refer to welfare & safety regarding to the production manufacturing facilities, implements rules to minimize employee negligence and fosters working synergy in teams and individually.

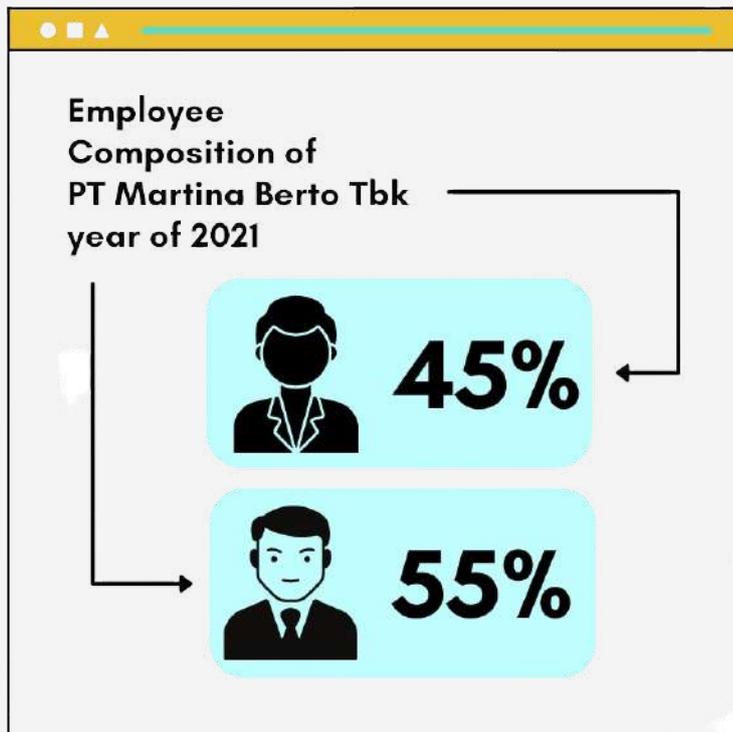
The implementation of the policy starts from the top management level to the managers and supervisors who are responsible for implementing equal opportunities for employees in each department / division. This is reflected in the company's constructive personnel practices and promotes equal employment opportunities for all employees from the selection, promotion to transfer process regardless of gender, ethnicity, race, religion, skin color, age, marital status and physical limitations.

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Number of Employee Based on Age & Gender

Age	2017	2018	2019	2021
>50	127	119	117	71
40 - 49	253	252	233	136
30 - 39	217	183	165	56
20 - 29	387	315	275	43
< 20	4	20	9	0
Gender				
Male	418	358	306	168
Female	570	531	493	138
TOTAL	988	889	799	306

Due to the pandemic, the number of female employees this year has decreased, from 60% to 45%, but the number of female employees in top management positions is still around 50%.



In order to prepare for the 4.0 industrial revolution, the majority of employees of PT Martina Berto, Tbk currently comes from the Z millennial generation with an age range between 20-29 years. They work in harmony with generation X & baby boomers that are currently still active to work together so that it becomes a balance of work dynamics as well as a succession transition and workforce regeneration for the continuity of PT Martina Berto Tbk.

The disruption of competition by shifting to online-based sales platforms through access to applications that accelerate transaction rates affects the dynamics of employees who decide to have a career outside PT Martina Berto Tbk, and also common reasons such as retirement, early retirement, seeking new career opportunity, and changing domicile.

This year the total number of employees is 306, a significant decrease due to the pandemic which has caused companies to have to downsize employees as a step to be able to survive in the midst of the COVID-19 pandemic. However, the company realizes that current labor capital is an important asset that evolves over time and commonly adapts to the labor market.

PT Martina Berto Tbk currently has employees with various levels of education and work qualifications following the company and market needs. The undergraduate level (S1) continues to dominate the composition of the education level of employees, and is corrected in terms of numbers as is with Strata 2 (S2) although it is less significant, while the Doctoral level (S3) is still a part of the top management ranks. The description is shown in the following table:

Education	2017	2018	2019	2021
S3	3	3	3	2
S2	24	22	19	11
S1	191	195	172	103
D3	57	59	50	31
D2	4	4	4	3
D1	13	12	12	8
SMA/SMK	658	560	509	143
SMP	34	31	27	5
SD	4	3	3	0

2. Selection & Reposition of Employee

The policy of Employee selection is focused on capitalizing the best talent with qualifications that respond to market needs of this company. Therefore, the recruitment process is transparent in accordance with the provisions of the PKB and is open to anyone which takes place in an inclusive and non-discriminatory manner.

Mutations of employees both internally and externally (retire & resign) also occur dynamically along with market changes that are disrupted by the presence of technology that makes PT Martina Berto Tbk has adapted especially in terms of employment, the results are reflected in the following table. External employee mutations (resigning) have increased in the last 4 years, triggered by the acceleration of technology disruption with competitive compensation offers and wider career opportunities, especially from startups other than personal reasons, also caused by the pandemic condition.

Number of Turnover & New Employee

Month	2017		2018		2019		2020		2021	
	Resign	New	Resign	New	Resign	New	Resign	New	Resign	New
January	4	2	2	8	4	5			8	4
February	3	5	4	4	2	3			87	6
March	4	4	2	7	9	3			32	4
April	5	7	1	2	2	6			5	2
May	8	3	-	7	3	3			4	0
June	7	3	4	1	1	2			4	2
July	4	7	4	4	9	3	8	0	2	5
August	4	4	6	2	6	5	1	0	2	2
September	1	6	4	5	5	4	3	1		
October	3	3	1	4	2	8	3	0		
November	8	7	-	1	1	1	3	2		
December	-	5	6	4	1	3	9	2		
TOTAL	51	56	34	49	45	46	27	5	144	25

3. Remuneration

Remuneration policy of PT Martina Berto Tbk is dynamically adjusting market & competitive responses from time to time. It cannot be denied that external factors have more influence on management decisions regarding remuneration, such as the increase in the Regional Minimum Wage (UMR) and the City Minimum Wage (UMK) to the Provincial Sectoral Minimum Wage (UMSP), which has been a Government provision communicated through the PT Martina Berto Tbk Labor Union.

Market competition in general is also a consideration in determining the remuneration structure of employees and is wisely addressed by management so that it can be properly facilitated.

Remuneration received by employees is accompanied by work facilities which are a contributing factor to welfare and allow employees to be dedicated to their work, which is reflected in the loyalty of the employee's long service life. The following table is a comparison of the facilities received by both permanent and contract employees:

Kind of Benefits	Permanent Employee	Contract Employee
Health Benefit	√	√
Transport Benefit	√	√
Communication Benefit	√	
Working Equipments Benefit	√	√
Scholarship for Children	√	
Award of Working Period	√	

Apart from the employee facilities given above, PT Martina Berto Tbk initiated a Scholarship Program for employees' sons and daughters and an Employee Service Award since 1990 as a token of appreciation for employees. Scholarships are given to employees' sons and daughters with permanent work status with Basic Level (KD) positions, staff and supervisors who are registered at the Company.

Specifically for tenure awards, the company gives a token of appreciation for work loyalty in the form of vouchers / cash or rings / pins / pendants made of 22 carat gold at every anniversary ceremony of the founder of Martha Tilaar Group: Dr. (HC) Martha Tilaar, in 4th September every year. The employees who are entitled to receive the award have previously been marked by the Human Resources Department (HRGA) with a minimum service period of five (5) years without interruption, starting from the time the employee has become a permanent employee of the company.

However, in the last two years, scholarship programs for employees' children and awards for employees have been temporarily postponed because the company focuses on helping employees and communities affected by COVID-19.



4. Training & Development

HR qualification improvement policy at PT Martina Berto Tbk in the form of development & training is the Company's effort in creating the value of human resource capitalization which continues to increase as seen from its ability to contribute to the company in competing fairly in an increasingly competitive market. Various career development efforts & employee training are provided proportionally according to the duties and responsibilities of the employee concerned.

Through this policy, employees are given motivation and a constructive approach to increasing productivity with a real contribution that determines the remuneration they will receive.

This training program for employees includes general and functional training, which is provided to employees at every level. General training aims to provide knowledge and awareness to employees, while the mandatory material provided includes ISO, GMP, SMK3, Halal. Furthermore, the functional training provided aims to improve employee competence as needed.

There are two types of employee training today: functional (adjusting the position) and general (general & soft skills). In the last 4 years, PT Martina Berto Tbk provides equal opportunities for all employees proportionally to get training according to work duties & responsibilities. The training program is designed in such a way especially to meet the needs of companies that are productive, specific, and part of compliance with certain rules and standards as a cosmetic company that has penetrated the international market.

Standard provisions for PT Martina Berto Tbk moves to follow regulations at the national and international levels through HR assets which impact on the company's commercial conditions. This can be seen from the application of Occupational Safety & Health (K3) Standards as minimum provisions, halal certification & standards applied in the use of materials and work processes that are in contact with social responsibility.

Overall, this is not only intended for the company as an entity, but the most important thing is the increased competence and welfare of the employees of PT Martina Berto Tbk, which drives the company's continued growth.

The following training data shows that in the last 4 years there has been a correction in the participation of employees who have participated in training and this has followed the number of employees, especially in production, who have experienced internal and external mutations. General training mostly includes crew followed by staff and supervisors who have the task of implementing management strategies.

General training consists of basic competency skills, soft skills, quality management knowledge in the context of implementation and compliance standards that must be mastered by almost all job levels. Meanwhile, functional training is specifically designed to sharpen the competencies that are mastered with high training intensity as seen from the duration followed by each level of position. The number of participation has increased significantly if it is observed in the last 4 years with a higher intensity duration compared to general training.

The increase in participation is due to management's expectations that employees have higher productivity in line with sharply increasing market competition and additional production capacity. It cannot be denied that the intensity of this capacity increase automatically motivates employees to compete and is motivated to make the best contribution which not only benefits the company but also has the same opportunity to race against time to improve their respective competencies so as to contribute better performance to the company.

TRAINING & DEVELOPMENT PROGRAM										
A. CORE TRAINING										
NO	MODULE	EMPLOYEE	DURATION/ PERSON	AVERAGE	EMPLOYEE	DURATION / PERSON	AVERAGE	EMPLOYEE	DURATION / PERSON	AVERAGE
1	Emergency Response Evaluation	26	104	4						
2	Awareness Training GMP, ISO, HALAL, SMK3	70	350	5	446	2230	5	407	2035	5
3	K3, SMK3, P2K3, APAR, P3K	106	848	8						
4	HIRAC	43	129	3						
5	5 R Culture	63	189	3						
6	GMP (CPKB+ISO 22716), Halal, ISO 9001 & 14001, SMK3, K3, Emergency Response, Firefighter, First Aid, B3, Emergency Evacuation	419	1676	4						
7	CPOTB, ISO, HALAL, SMK3	37	185	5						
8	Product Development Procedure Socialization				38	190	5			
9	First aid work environment				49	196	4			
TOTAL		245	1431	5.84						

COMMUNICATION ON PROGRESS

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B. GENERAL										
NO	MODULE	EMPLOYEE	DURATION/ MAN	AVERAGE	EMPLOYEE	DURATION / MAN	AVERAGE	EMPLOYEE	DURATION / MAN	AVERAGE
1	Fire Fighting & APAR	41	164	4						
2	Person in Charge of Room, SOP for Emergency Response, APAR, First Aid	42	126	3						
3	Health Seminar on HIV, AIDS & Drugs Prevention & Control in the Workplace	54	162	3						
4	KEP Labor Union Training and Education	70	490	7						
4	KEP Labor Union Training and Education	70	490	7						
5	Integrated Management System Internal Audit Based on ISO 19011 : 2011				38	912	24			
6	FINAD Training Workshop				41	656	16			
7	Socialization of BPJS TK & Health				40	160	4			
8	CGMP Internal Auditor Training							7	56	8
9	Firefighter Training (APAR, HYDRANT)							97	485	5
10	DJITU							238	1904	8
11	Business Craft (for Sales & Marketing)							34	136	4

For 51 years we have consistently promoted “Beautifying Indonesia” by developing cosmetic production facilities which include skin care products, body care, hair care, decorative, make up bases, and others; as well as traditional medicinal facilities that produce herbal products such as caplets, tapels, pilis, param, masks and others; to provide holistic beauty and health products that can exude beauty and physical health for every user.

However, the cosmetic industry is one of the most affected by the use of masks and the imposition of work from home, especially for decorative products such as lipsticks, lip creams, lip tints and the like. For this reason, the Company has taken adaptive steps, including by shifting the focus of its products to the Skin Care category and conducting research to gain consumer insight. One result is that the use of masks triggers a lot of acne.

The company immediately transferred its marketing support to acne products and the result was an increase in market demand for Sariayu Intensive Acne Care products by 10, 7%. Another change in behavior is that more and more consumers do care from home due to Work From Home. The company deftly seized this opportunity so that Sariayu Body Scrub also experienced an increase in market demand by 13, 1%. This is why, since last year skincare especially facial foam has become the focus product that barely affected by the pandemic.

In 2020, the total production amounted to 13,281, 537 units with the largest production in the categories of skin care, makeup base and body care. As for the 1st semester of this year, total production is around 3,786, 011 units with the largest production in skin care with total number of 1,862,562 units.



MATERIAL USED BY WEIGHT OR VOLUME

The organization already uses renewable raw materials from vegetable sources such as simplicia (plant materials), castor oil, alcohol, essential oils and plant extracts. Its use is still small if compared to non-renewable raw materials. Continuity of supply, non-standard quality of materials or application of ineffective formulas compared to non-renewable raw materials are the factors that slow the increase in the use of renewable raw materials. However, the organization continues to develop the use of non-petroleum derivatives in its products.

RECYCLED INPUT MATERIAL USED

In accordance with the requirements of product quality and safety standards, the use of recycled raw materials in production is not possible. However, in the production process cycle for auxiliary equipment, for product purification and separation; the material in the recycling stream is used multiple times to produce the desired energy and resource savings. The amount of recycled material used could not be detected as it is an integral part of the production process

Purchase of Materials

YEAR	RAW MATERIAL	CHEMICAL MATERIAL
	IDR	IDR
2017	83,373,110,256	75,035,799,230
2018	47,454,390,168	42,708,951,151
2019	47,476,043,752	42,728,439,377
2020	24,095,753,924	21,686,178,532
2021 (June)	4,782,580,792	4,304,322,713

RECLAIMED PRODUCTS AND THEIR PACKAGING MATERIALS

All cosmetic products marketed by PT Martina Berto Tbk have undergone a Dermatology test so that it can be ascertained that the product is safe to be used for the skin. In addition, the organization uses most of the packaging which can be recycled while maintaining the requirements of product quality and safety standards.

Health and Safety of working Environment (K3 - Kesehatan dan Keselamatan Kerja)

PT Martina Berto Tbk is committed to conducting business activities by upholding the principles of occupational safety and health (K3). All operational activities must meet the criteria for excellence in K3 in order to avoid work accidents, reduce fatality rates and reduce the amount of time lost due to work accidents.

The K3 aspect has become one of the elements in the work procedures regulated in the collective work agreement (PKB) regarding occupational health, safety and protection. Efforts made by the company include making the person in charge of the room related to K3 (consisting of the person in charge, first aid and firefighter) K3 posters, appeals for discipline to use PPE (personal protective equipment), and safe working behavior, as well as occupational health safety training.

Structure of P2K3

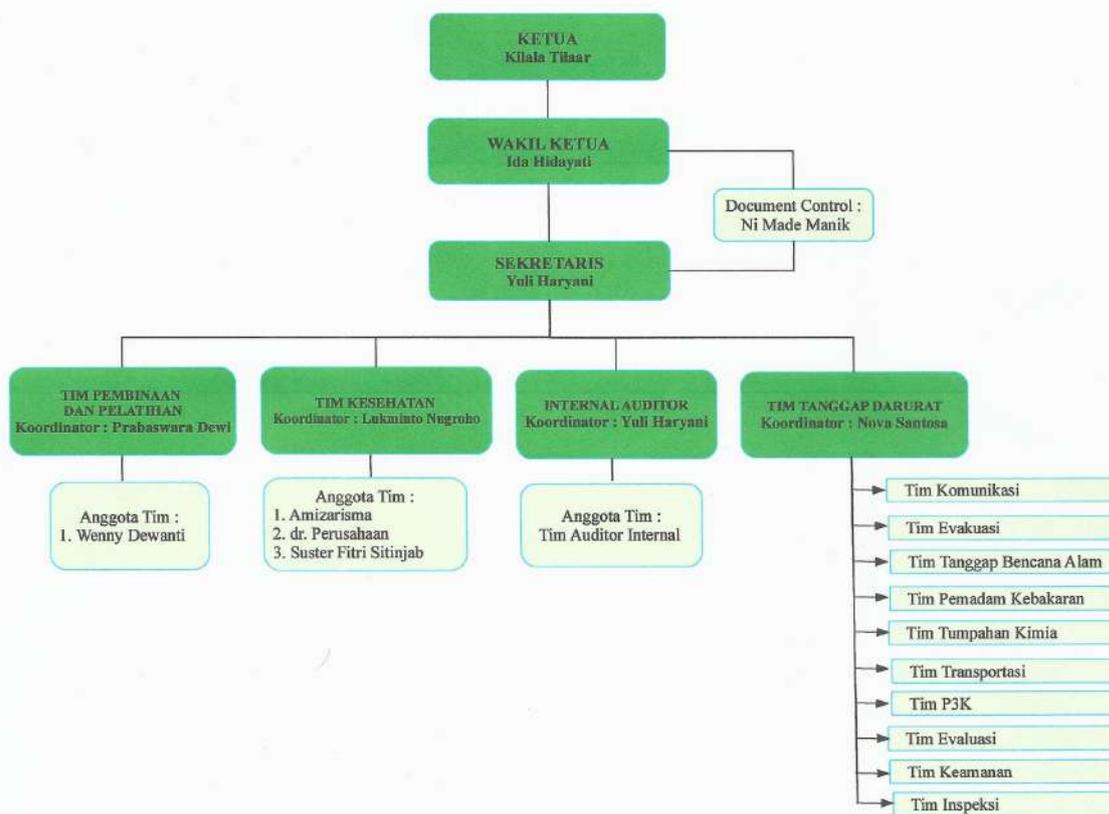
PT Martina Berto Tbk, formed the Occupational Health and Safety Advisory Committee (P2K3), and has been registered with the Manpower and Transmigration Office of the Municipality of East Jakarta.

K3 TRAINING

PT Martina Berto Tbk, periodically sends employees to take part in various OHS training programs, either held by internally or at external training institutions. One of the trainings is to obtain required professional competency certification. Total training related to OHS in 2017 was 580 employees, in 2018 there were 274 employees, in 2019 there were 777 employees. Due to the Covid-19 pandemic, in 2020 and 2021 the training is temporarily postponed.

STRUKTUR ORGANISASI P2K3 PT. MARTINA BERTO, Tbk. TAHUN 2021

Revisi 9 Juni 2021



Dibuat Oleh,


Yuli Haryani
HSE Manager

Disetujui,


Kilala Tilaar
Ketua P2K3

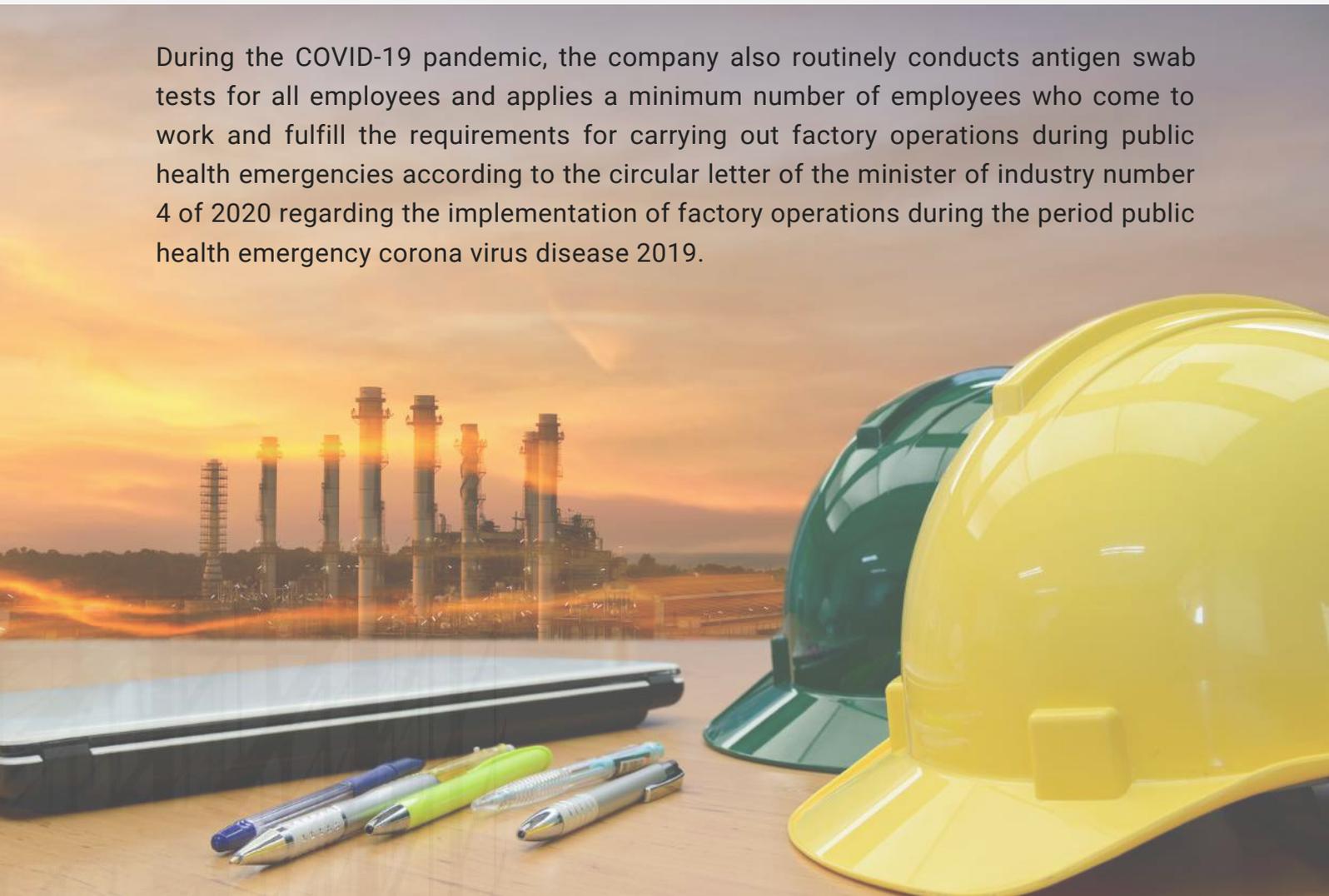
NUMBER OF ACCIDENT

The number of work accidents at PT Martina Berto, Tbk in 2017 the number of accidents in the light category was 3 light categories, in 2018 and 2019 there were 4 light categories. During the last 3 years we managed to record zero fatalities, our accident rates ranged from 3-4 with the category of minor accidents. Until June 2021, the total recorded accidents are also 0 with a total record of working hours without accidents 51,072.

HEALTH FACILITY

The company provides adequate health facilities for employees. There is a company clinic that serves employees which led by a K3 doctor. We also care about the health of employees by working closely with hospitals and insurance to provide health education for employees. In the last 20 years we have consistently taken care of the health of our employees, by conducting medical checkups.

During the COVID-19 pandemic, the company also routinely conducts antigen swab tests for all employees and applies a minimum number of employees who come to work and fulfill the requirements for carrying out factory operations during public health emergencies according to the circular letter of the minister of industry number 4 of 2020 regarding the implementation of factory operations during the period public health emergency corona virus disease 2019.



ENVIRONMENT

BUDGET

ACTIVITIES	2018	2019	2020	2021
w/wTP (waste water treatment plan) & STP (Sewage treatment plan) waste inspection	18,000,000	18,000,000	18,000,000	18,000,000
Environmental Examination (physics, chemistry)	40,000,000	40,000,000	40,000,000	40,000,000
B3 waste disposal costs to third parties	25,000,000	25,000,000	25,000,000	25,000,000
Purchase of chemicals	42,708,951,151	42,728,439,377	21,686,178,532	4,304,322,713
K3 examination (physics, chemistry, ergonomics)	5,000,000	5,000,000	5,000,000	5,000,000
External Audit of ISO 14001	30,000,000	30,000,000	30,000,000	30,000,000
TOTAL	160,708,951	160,728,439	139,686,178	122,303,322

PT Martina Berto Tbk, is committed to environmental management, every budget is earmarked for environmental protection. Comprehensive environmental management of air, waste water, solid waste and hazardous waste that complies with regulatory standards set by the government.

The Environmental Management Cost Include:

CALCULATION OF EMITION

Electricity

Year	Total Use (KWH)	Conversion Factor	Total CO2 (KG)
2018	1117.49	0.43	481
2019	1160.19	0.43	499
2020	1363.11	0.43	585
2021	867.99	0.43	499

Petrol Solar

Year	Total Use (Liter)	Conversion Factor	Total CO2 (KG)
2018	36.325	2.518	91.466
2019	46.001	2.518	115.831
2020	30.098	2.518	65.613
2021	11.362	2.518	28.609

Energy

Resource	Joule	2018	2019	2020	2021
Energy					
Electricity/PLN	Kwh	1.117.49	1.160.19	1363.11	867.99
Water/PDAM	M3	29.178.96	27.296.04	18.748	7.942
Petrol/Solar	Liter	36.325	46.001	30.098	11.362

Energy Intensity

Increasing efficiency in energy use during the production process, controlled energy use will reduce emissions which can have an impact on global warming. PT Martina Berto Tbk uses electricity, natural gas and petrol/solar as the main energy sources needed during the production process.

ENVIROMENTAL ASPECTS AND IMPACTS

PT Martina a company that cares about the environment reduces environmental aspects and impacts by having several environmental programs, including:

1. Saving natural resources, by measuring and monitoring water and electricity consumption, saving electricity by using energy-efficient lamps.
2. Creating a company with controlled impact, where the company minimizes the use of air conditioners made of ozone-depleting substances, and replaced with environmentally friendly air conditioners. Another controlled impact is setting up infiltration wells (bio-pore).
3. Creating Company that is clean, beautiful and comfortable, by creating a clean emission program in the company's area.

BIODIVERSITY (R&D)

PT Martina Berto Tbk committed to always using natural raw materials that are not included in protected and endangered plants. For this reason, before natural ingredients are used in product formulas, MTIC (Martha Tilaar Innovation Center) conducts an inspection both in terms of quality, halalness and sustainability of material supply.

CONTROL AND MANAGEMENT OF EMISION WASTE OF POISONOUS & DANGER MATERIAL (B3)

PT Martina Berto, Tbk seeks to control the impact of the company's operations and manage the waste generated from the company's process.

One of the company's efforts to prevent environmental pollution and preserve natural resources is by treating liquid waste in the Wastewater Treatment Plant (WWTP) so that it meets the required quality standards. Liquid waste mainly comes from the production process (washing equipment and washing raw materials) as well as domestic waste. During the last 3 years, our liquid waste has still met the quality standard according to the DKI Jakarta Governor Regulation No. 69 of 2013 and Permen LHK No. 68 of 2016 and no liquid waste is released directly into water bodies (rivers) or sewers so that it has the potential to pollute the environment and harm the community.

Production activities that produce hazardous (B3) waste are properly managed for not having bad impact on human health and the environment. Activities on hazardous waste temporary storage at PT. Martina Berto Tbk, has obtained a permit based on the Capital Investment and One Stop Integrated Services Office of DKI Jakarta Province No. 42 / K.5.1 / 31 / -1.774.15 / 2019 which is valid for 3 years. The types of hazardous (B3) waste produced by PT Martina Berto Tbk, and its amounts for the year 2018-2020 are as follows:

Kind of Hazardous Waste (B3)	Number of B3 Waste (KG)			
	2018	2019	2020	2021
Majun linen	90.871	116.445	60	55
Ink rinse of Jet video	21.98	8.51	86.5	52
Light bulb (TL)	45.5	47.81	64.5	27.5
Used Oil	90	110.5	90	14

WASTE OF NON B3

Regarding the reduction of non-B3 solid waste in the last 3 years, there has not been zero non-B3 solid waste, but most of the non-B3 solid waste is solid waste such as plastic packaging, expired products, and used paper/documents and the solid waste is economical/re-usable. For the disposal of organic and inorganic waste, we are assisted by our partners, namely PT JIEP and PT Darma Karya Mandiri.

Solid waste/garbage recapitulation of PT Martina Berto Tbk for 2020

No	MONTH	PT Darma Karya Mandiri		Total
		Vol. Heap of Waste (m ³)		
		Organic	Inorganic	
1	JANUARY	18	17	35
2	FEBRUARY	16	17	33
3	MARCH	21	24	45
4	APRIL	18	19	37
5	MAY	10	15	25
6	JUNE	17	24	41
7	JULY	20.5	19.5	40
8	AUGUST	24	22	46
9	SEPTEMBER	24	25	49
10	OCTOBER	26	21	47
11	NOVEMBER	17	20	37
12	DECEMBER	19	25	44
	TOTAL	230.5	248.5	479
	<i>Average per month</i>	<i>19.2</i>	<i>20.7</i>	<i>39.9</i>

Public Complaints

PT Martina Berto Tbk, a company that cares about the preservation of natural resources, cares about environmental management and complies with government regulations, so in the last 3 years there have never been any complaints from the surrounding community regarding the environment.

Solid waste/garbage recapitulation of PT Martina Berto Tbk for 2021

Month	PT JIEP			PT DARMA KARYA MANDIRI			Sub Total Organic (m3)	Sub Total Inorganic (m3)	TOTAL WASTE (m3)
	Volume of Waste (Kg)		Total (m3)	Volume of Waste (Kg)		Total (m3)			
	Organic	Inorganic		Organic	Inorganic				
JANUARY	-	-	-	9.00	12.00	21.00	9.00	12.00	21.00
FEBRUARY	11.50	9.50	21.00	6.05	8.00	14.05	17.55	17.50	35.05
MARCH	84.90	86.20	171.10	16.00	22.00	38.00	100.90	108.20	209.10
APRIL	16.50	13.20	29.70	14.50	20.00	34.50	31.00	33.20	64.20
MAY	19.00	16.00	35.00	12.50	10.00	22.50	31.50	26.00	57.50
JUNE	27.60	28.10	55.70	4.50	4.00	8.50	32.10	32.10	64.20
JULY	9.10	9.40	18.50	11.20	13.10	24.30	20.30	22.50	42.80
AUGUST	11.60	13.00	24.60	-	18.00	18.00	11.60	31.00	42.60
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
TOTAL	180.20	175.40	355.60	73.75	107.10	180.85	253.95	282.50	536.45
<i>Average/Month</i>	15.02	14.62	29.63	6.15	8.93	15.07	21.16	23.54	44.70

SUSTAINABLE INNOVATION

In the era of globalization where there are rapid changes, intuition, speed, and the ability to identify trends in cosmetics and natural products have a very important role. To answer this challenge, PT Martina Berto Tbk committed to always innovating in creating traditional cosmetic and medicinal products that can meet consumer needs by establishing a research and development division, namely the Martha Tilaar Innovation Center (MTIC).

MTIC is a center for research, development, creation and innovation of natural raw materials, products and services of the Martha Tilaar Group, which was founded in 1999. Adhering to the 3C principles (Connect, Collaborate, and Compete) and based on research, science and technology, this division combining cultural wisdom and knowledge of ancestors as well as sources of Indonesian biodiversity to create innovative products to meet the demands of a very diverse and competitive market.

MTIC conducts research ranging from exploration and development of natural raw materials from Indonesia, standardization of raw materials, development of cosmetic formulas and traditional medicines, research on the safety and efficacy of raw materials and products, as well as notification and product registration in accordance with applicable regulations.

In carrying out these activities, MTIC is led by a Director and supported by dozens of researchers from various fields of science, including pharmacy, chemistry, biology, biotechnology, chemical engineering and others. To support MTIC activities, PT Martina Berto Tbk. committed to allocating a budget for research and development of 3% of the total budget.



1. Partnership for Innovation

Partner	Times	Types of Research
IPB	2019 - present	Research on the development of formulas from exploration of coastal biological resources for cosmetics and personal care
BPPT	2013 - present	Domestication, identification, multiplication and flowering studies as well as activity test for the <i>Coelogyne marthae</i> S.E.C Sierra orchid.
UNPAD	2015 - present	Testing of <i>sun protecting factor (SPF) in vivo</i>
Ministry of Marine and Fishery	2018 - present	Research on the use of marine active ingredients for cosmetic products and traditional medicine
IMERI UI	2020 - present	Implementation of GEEG (Quantitative Electroencephalogram) based service activities to determine the benefits of aromatherapy
Clariant	2018 – present	Distribution & marketing collaboration for 12 extract products from MTIC's innovation with the brand <i>Plantasens® Berto®</i>

2. Patent for Innovation

To protect the results of its research, the results of MTIC's innovation have registered their intellectual property rights in the form of patents with the Ministry of Law and Human Rights of the Republic of Indonesia (Kemenkumham RI). Until 2019, 26 patents of PT Martina Berto Tbk have been granted.

- **Registered patents**

In 2019 MTIC together with the Center for Bio-pharmacy Studies IPB registered a joint research patent examining the benefits of extracts of the stem and skin of the betel nut (*Xylocarpus granatum*), a type of mangrove plant, as a beauty ingredient for whitening, anti-aging, and anti-acne.

- **Major patents in superior products**

Sariayu Putih Langsung Series, which is one of the backbone products of PT Martina Berto Tbk developed using native Indonesian plant extracts from the patented innovation of MTIC. The plant extracts used include Langsung fruit extract (*Lansium domesticum*) (IDP000040231 & IDP000040230) and hibiscus flower extract (*Hibiscus rosa-sinensis*) (IDP000043051) as a skin lightening agent and basil extract (*Ocimum sanctum L.*) (IDP000050668) as an anti-irritant.

- **The Granted Patent**

Since 2017, MTIC has committed to following up on patents that have been registered but have not been granted. As of 2017, 11 out of 29 patents have not been granted. As a result of this follow-up, 7 patents were granted in 2018 and 1 patent was granted in 2019. The following is a list of patents granted in 2017 – 2021:

No	Title of Patent	Year Granted
1	Karehau Leaf Formulation (<i>Callicarpa Albida</i>) As Skin Lightening Herbal	2019
2	Pomegranate skin extract (<i>Punica granatum</i> L.) as a natural antioxidant	2018
3	Pomegranate peel extract (<i>Punica granatum</i> L.) as a natural moisturizer	2018
4	Extract of Waron (<i>Abelmoschus moschatus</i> M.) as a Natural Moisturizer	2018
5	Leaf extract of Jure (<i>Nerium indicum</i> M.) as a natural sunscreen ingredient	2018
6	Lotus Extract (<i>Nelumbium nelumbo</i> D.) as a Natural Moisturizer	2018
7	Combination of extracts of meniran (<i>Phyllanthus niruri</i> L.), sugar cane (<i>Saccharum officinalis</i> L.) and langsung (<i>Lansium domesticum</i> C.) as a skin lightener	2018
8	Basil Extract complex, Making and Using it.	2018
9	Combination of Nyirih (<i>Xylocarpus granatum</i>) Stem and Peel Extract as Cosmetic Ingredients for Whitening, Anti-Aging, and Anti-Acne (Collaboration with IPB) -	Still ongoing

3. Green Innovation

One of the raw materials used in scrub products is micro beads. Micro beads are known to have a negative impact on the environment, especially marine ecosystems. Therefore, MTIC is reformulating to replace micro beads in cosmetic products.

Micro beads are fine grains made of small plastic particles (usually polyethylene) less than 5 mm in diameter. Reformulation was carried out in stages by replacing micro beads with scrub materials that were more environmentally friendly (Scrubs derived from minerals). To date, all 12 products, using micro beads, have been reformulated.

4. Product Safety

MTIC is committed to producing quality products for its consumers. Product formulas are developed using quality and standardized ingredients and are safe for humans and the environment. To ensure the safety of the products it creates, MTIC conducts product safety testing both in vitro and in vivo. Every year, 100% of the product formulas developed by MTIC are tested to ensure their safety.

5. Orchid *Coelogyne marthae* S.E.C Sierra

Coelogyne marthae S.E.C Sierra is a new type of orchid that lives epiphytic and grows endemic to Indonesia, especially in the western part of Kalimantan. The name *Coelogyne marthae* S.E.C Sierra is a tribute to Dr. (H.C.) Mrtha Tilaar from The National Herbarium of the Netherlands for her efforts to establish the Martha Tilaar Professorial Chair at Leiden University in 2000.

In collaboration with the Agency for the Assessment and Application of Technology (BPPT), since 2013, PT Martina Berto held a research on the potential of *Coelogyne marthae* S.E.C Sierra, Tbk. since 2013. This research collaboration includes the following stages:



- **Exploration**

Exploration was carried out to find and obtain accessions to the *Coelogyne marthae* S.E.C Sierra plant in several areas in Kalimantan, including Kapuas Hulu, West Kutai, Sambas, Landak, Mempawah, and Bengkayang districts.

- **Domestication**

The stages of adopting the *Coelogyne marthae* S.E.C Sierra orchid as a result of exploration from natural habitat to the environment outside its original area were carried out in 2 ways, namely:

- i. Maintenance of germ plasm ex situ by domestication in a greenhouse. The exploratory plants were planted in a medium containing chopped ferns and carried out routine maintenance.
- ii. Conservation of germ plasm in vitro by self-pollinating by placing pollen in the stigma hole of orchids. After the fruit is ripe, seeding is carried out in the laboratory by planting the seeds in basic media and then incubated in a controlled room.

- **Identification**

Identification of accessions from exploration results was carried out through qualitative and quantitative characterization of flower morphology and analysis of plant genetic variations using the Random Amplification Polymorphic DNA (RAPD) method.

- **Optimization of extraction and analysis of active compounds**

Extraction optimization is done by using a variety of extraction conditions to obtain the extract with the best active compound content or effect.

- **Safety and Efficacy Evaluation**

Research on the safety and efficacy of *Coelogyne marthae* S.E.C Sierra extract both in vitro and in vivo.

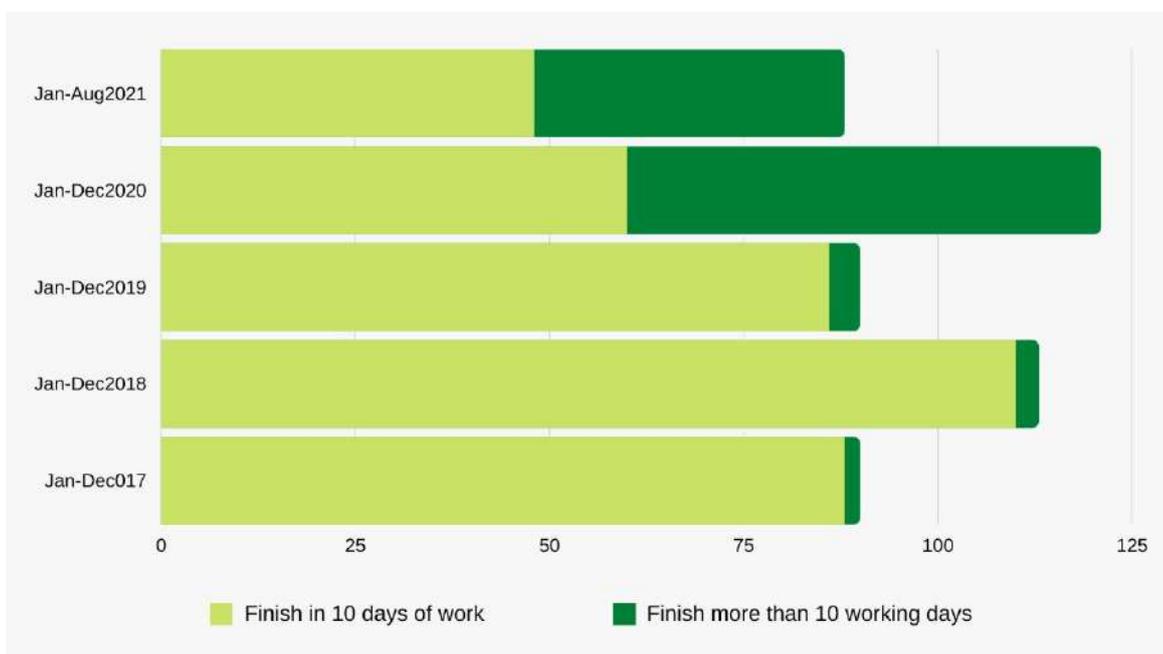
CUSTOMER SATISFACTION

Customers have a very important place for PT Martina Berto Tbk Therefore, we manage relationships with customers through the member program (customer loyalty) and handling customer complaints. The loyalty program includes a member program for end-users as well as specifically for professional makeup artists. Until now, PT Martina Berto Tbk already has more than 55,000 members who we regularly send useful information related to beauty and lifestyle.

Regarding the handling of customer complaints, we always handle them carefully and seriously. Our Customer Care Team is required to respond to any reports submitted directly or through our retail partners within 24 hours. Our Customer Care Service can also be accessed via

- Email customer_care@martinaberto.co.id
- Martha Tilaar Beauty Hotline 08001627842 (toll free)
- Our brand/Group social media (Instagram, Facebook, and Twitter)

The feedback that comes into the relevant Customer Care is then forwarded to the Quality Assurance team. The results of tracking complaints must be returned to the customer within a maximum of 10 working days.



Brand Complaint per Category for 2020

Brand	Major	Critical	Minor Indy	Technical Minor	Personal	Description
<u>Sariayu</u>	1		7	1	1	10
<u>Biokos</u>	5	16	3		1	25
Mirabella			2	1		3
RHC	2	16	1			19
CBB			1			1
PAC					1	1
DSS						0
<u>Belia</u>			1			1
<u>Solusi</u>	1					1
Total	9	32	15	2	3	61

Brand complaint per Category for 2021

<u>Biokos</u>	1	2	2		1	3			9
Minor Individual						1			1
Medical Minor						2			2
Personal	1	1							2
Critical (urgent)		1	2						3
Human Error					1				1
RHC			2	1				1	4
On Process								1	1
Major (serious)			2	1					3
Mirabella		1				1		2	4
Minor Individual						1			1
Critical (urgent)								2	2
Major (serious)		1							1
<u>Berto ImunKu</u>	5								5
Major (serious)	5								5
<u>Sariayu</u>			1	4	8	5	1	5	24
Minor Individual					3		1		4
Personal			1	2		1			4
Major (serious)					5	3		5	13
Human Error				2					2

The products that received the most complaints until the middle of this year is Sariayu products, especially Sariayu Acne Care, as can be seen in the table above. This is due to packaging problems so the product must be returned. Feedback from customers has helped us to take corrective actions that include improvements to product formulas, packaging, and processes.

Apart from serving customer complaints, PT Martina Berto Tbk also regularly monitors information related to customer perceptions about whether the company has met customer requirements. This information is obtained using a customer satisfaction survey method to obtain the Customer Satisfaction Index (CSI). Since last year, due to the pandemic, we didn't conduct CSI for our beauty product since we focus on health products such as herbal drink product namely Berto ImunKu. The consumer satisfaction index survey for the product is still ongoing.

PT Martina Berto Tbk will continue to strive to improve customer service in accordance with the principles of continuous improvement, namely:

- Responds to 100% reports submitted directly or through our retail partners within 48 hours
- Resolves 99% of customer complaints in less than 10 working days

ANTI-CORRUPTION POLICY

PT Martina Berto Tbk support Indonesia Government in eradicating corruption and any other form including bribery. Therefore, PT Martina Berto Tbk establishes an Anti-Corruption Policy that applies within the company by involving all employees, business partners and related government agencies.

The purpose of implementing the anti-corruption policy in the company:

- To cope with and prevent material and immaterial losses that could disrupt the company's business continuity.
- To realize the company's commitment to increasing compliance and discipline with laws, regulations and ethics, and most importantly supporting government programs in preventing acts of corruption in Indonesia.
- To increase the awareness of each individual to run an ethical business in every aspect of work, both internally and in relation to external parties as well as relations and government related to and related to the company.

Each employee of Martina Berto, whether an individual or a group, who deliberately violates the laws, regulations and Company policies by enriching himself or another person or group, thus harming the company's finances, are:

- Misuse their authority and opportunity against existing facilities, because of their position or job function.
- Giving, receiving and / or promising something to a colleague, work partner, or authorized officer with the intention of making someone do or not do something in order to give advantage to his position but not in accordance with the duties of his / her job function, and contrary to the applicable regulations.
- Embezzled a number of money or other securities that were kept because of their position or job function, or allowed the money or securities to be taken or embezzled by other parties, or helped and assisted in doing the act.

- Give and / or receive gifts or promises to / from someone or other parties, both internal and external because of the power or authority attached to their position or job function.
- Violating provisions of laws or other regulations which expressly state that the action taken is a violation of the provisions of the law or regulation is categorized as an act of corruption.
- Conducting attempts or actions to partner in a malicious conspiracy to undermine the company and fall into the category of acts of corruption
- Providing assistance, opportunities, means, or information to other parties, both internal and external, to enable acts of corruption to occur.

Company Commitment

Every individual and / or included in the Division / Work Unit of PT. Martina Berto, Tbk, will continue to maintain a shared commitment in maintaining clean and honest behavior in accordance with the company's DJITU culture (Discipline, Honest, Innovative, Diligent, and Resilient), to compete and seek cooperation or business opportunities in a transparent, fair, and legal / official and make an agreement that can be mutually agreed in a fair and open manner, without any element of pressure exerted by either party.

PT Martina Berto Tbk will always uphold the corporate culture of DJITU in conducting business and / or collaborating with other parties honestly, legally, ethically, and professionally in line with the code of ethics and vision, mission and corporate culture. The implementation of this policy will always be coloring every activity and work activity, both within the company environment and in dealing with other parties and related governments.

Application of Sanctions for Violation of Anti Corruption

The company will impose sanctions as a consequence of violating the Company's policies and commitments in the implementation of Anti-Corruption, both individually involved and in groups as well as group leaders. The sanctions imposed on violators will be determined by the committee or the Board of Directors by involving the internal audit team, according to the severity of the violation, which can be:

- Sanctions of fines and returning back of the result of corruption, the amount of which is determined by the Committee / Board of Directors, and also issued a Warning Letter (SP) Level-2.
- The sanction of dismissal is either with respect or disrespect if the offense is determined to be serious and very costly.
- The criminal sanction of the person concerned by submitting it to the domain of law applicable in the territory of the Republic of Indonesia, and at the same time applying sanctions to dismissal with disrespect.

Support for the Successful Implementation of Anti Corruption Policies

For realizing the Anti-Corruption policy in this corporate environment, the socialization of policies and integrated implementation of all fields must be the task of the stakeholders associated with this company. Including reporting policies that are aware of indications of violations.

- All employees and internal members of the company as well as external parties are expected to play a role in providing assistance in realizing efforts to prevent and eradicate corruption through the Whistle blowing System that has been established by management, directly to the HR division if we find a case that causes financial loss.
- The company will give appreciation periodically after evaluating both employees and external parties who have been merit in assisting efforts to prevent, eradicate, or disclose acts of corruption in accordance with the policies set by management.
- The company will continue to monitor and evaluate the implementation of Anti-Corruption policies in consultation with the relevant authorities (KPK), in order to improve and update any policies that have been made, adjusted to the latest information.

COVERING

The United Nations Global Compact (UNGC) is a strategic policy initiative for businesses committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

As a founder & member of UNGC, we have demonstrated our commitment to the UNGC by sharing best practice and providing leadership in activities that support the UN Sustainable Development Goals.

Our own Corporate Business Principles incorporate the UNGC Ten Principles, and we reflect the basic concepts of fairness, honesty and respect for people and the environment in our business actions. We also disclose our progress on the implementation of the Ten Principles and the activities we are carrying out in support of the 2030 development agenda.

We realize that it's not always easy to walk the talk of such commitments: Setting goals, making commitments and reporting on progress, and being held accountable by an entire community of like-minded professionals. But, we believe that it is the key to moving sustainability initiatives forward and making changes that could affect the entire world for the better, for all of us. We are aware that at some point we still have many shortcomings, but we always try and are committed to doing our best.

Jakarta, September 2021

Palupi C. Kusumaningrum
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Manager for Sustainability