

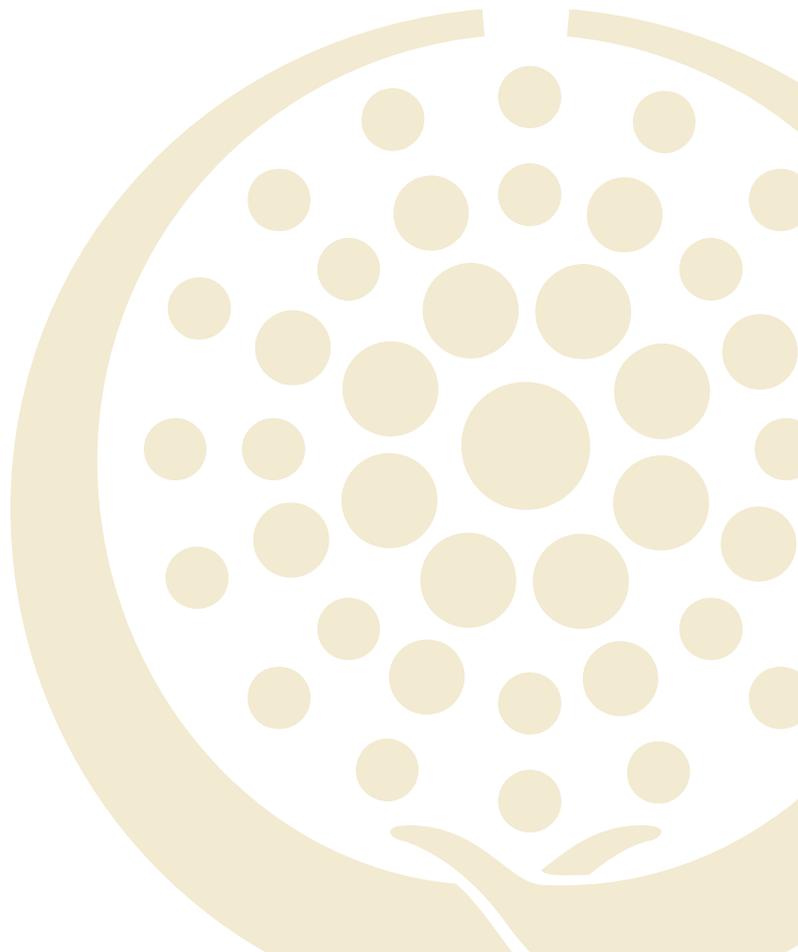


**EKA TJIPTA
FOUNDATION**

**COMMUNICATION OF ENGAGEMENT
(COE)**

EKA TJIPTA FOUNDATION

Period covered: 2011 – 2016



I. Eka Tjipta Foundation at a Glance



The Eka Tjipta Foundation, ETF, is a non-profit organization that was founded on March 17, 2006. Our purpose is to make a positive contribution to the sustainable development of Indonesia through education.

ETF helps all business units under Sinar Mas to effectively support the provision of quality education to children living in and around our plantations (Sekolah Eka Tjipta). Located in remote areas of Indonesia, Sekolah Eka Tjipta are schools that are intended not only for children of employees, but also of local residents from surrounding villages. These children are welcomed in our schools and we provide them with quality education, for free.

We believe that good deeds create good seeds. Through education, we aim to improve the quality of life and well-being of the people living in remote areas, where our plantations are located. We hope that children will be able to pursue their dreams and eventually make changes in their lives, families, communities, and last but not least in the country of Indonesia.

At ETF, we also help bright and underprivileged students with access to higher education. With higher education, children will have a better chance to make their dreams come true. We help them realizing their dreams by sending them to reputable national universities in the country. In line with this initiative, we also help the construction of numerous national universities' campus buildings.

Since 2009, in collaboration with *Badan Mediasi Indonesia (BaMI)* – the Indonesian Institute of Mediation – we also support Mediation Training, an alternative dispute resolution that is economical and less time-consuming.

In addition, we organize journalistic writing courses for activists of civil society organizations, students, academics and researchers, to help them improve their writing skills. We hope that this course helps to make a positive contribution to society through their writings.

II. Implementation of the Ten Principles

The Universal Declaration of Human Rights Article 26 mentions that everyone has the right to education and that it shall be free, at least in the elementary and fundamental stages. We agree that education is an important element that shapes the future of our children, therefore shaping the future of our nation.

1. Sekolah Kebun Eka Tjipta (Eka Tjipta School)

Since 2006, ETF works with Sinar Mas' business units to ensure the provision of quality education for children living around plantation areas.

Located in rural areas, far away from cities, *Sekolah Eka Tjipta* or Eka Tjipta Schools welcome not only children of the employees, but also of local residents from surrounding villages.



Today, we already support 46 schools with hundreds of educators teaching more than 6,000 students in the remote places of Indonesia. These schools are equipped with adequate infrastructure, from clean and neat classrooms, computer labs, to libraries and sports facilities. As transport is a key factor in rural areas, ETF also supports the transfer of children to and from the schools.

As a commitment to providing quality of education, we work together with the Ministry of Education and selected two education experts to ensure that our schools meet the national educational standards. They continuously evaluate the quality of the schools. We also assign one school coordinator for each school to help management to ensure that operations of the schools are well-managed. We are proud to tell that all of the schools are now granted accreditation category A (very good) by the national school accreditation body. In fact, we have good quality and dedicated teachers who are willing to teach children in rural areas where ETF supported schools operate.

a. Mentoring and Evaluation

It is imperative that each of our schools has the ability to deliver quality education to students. On a regular basis, we carry out monitoring, assessments and evaluations in order to ensure the quality of our schools. Teachers and principals are assisted, mentored and assessed throughout the process of the implementation of the government regulated curriculum.



b. Character Building

We value humanity and noble characters as much as we value academic skills. In the learning process, we incorporate the curriculum with character building by teaching students the value of good manners, personal hygiene and positive thinking. We believe that young age is the best period to stimulate positive character development.

As a true testament to the values that have been learned, students are guided to apply them in everyday life. Some of the activities at schools include keeping the schools clean, sorting waste and making them into toys and other creative handicrafts.



c. A healthy competition

Another way to build the characters of the students and teachers is through competitions. We hope to create a sense of healthy and fair competition (between students and between teachers) in order to create a dynamic culture.

i. Academic Festival

Taking place every two years, this is an educational festival intended to spur the talents and interests of students. Here, they learn to take part and compete in one or more fields such as science, writing, story-telling by public speaking and dance performance. We believe that practice enhances performance and develop a sense of responsibility.



ii. Rewarding Day

Our teachers must have educational, professional and social competence. To help them perform, we conduct training activities, in-house training and workshops. We reward their dedication and outstanding performance through this program.



iii. Mini Olympics

Mini Olympics are also held every two years inviting all schools to compete in the field of sports.



Through ETF's support, students of our plantation schools were able to prove that being far away from the city doesn't limit their opportunity to have access to quality education. Countless accomplishments have been achieved and they continue to make us proud. In the last three years, our students have made a lot of achievements in science, sports and also at academic level in competitions at district, provincial and even national level. Every year, many of our students have graduated with good grades.

2. Scholarships

With higher education, children will have a better chance to transform their dreams into reality and determine their future. We provide scholarships for children to pursue higher education. Our cooperation with a long list of reputable universities in Indonesia makes this happen.



- a. Tjipta Sarjana Bangun Desa (TSBD)
This scholarship program is intended to provide access to higher education for the underprivileged students. Up until now, 2,515 students have been sent to many reputable universities in the country.
- b. Tjipta Pemuda Bangun Bangsa (TPPB)
The beneficiaries of this scholarship program are students who wish to continue their studies overseas. After completing their studies, they are given the opportunity to work in one of Sinar Mas' business units with jobs corresponding to their field of studies.
- c. ETF Fellowship
This program is intended for those who want to pursue a master's or doctoral degree. So far, 90 students received the benefits of this scholarship. .

3. Mediation Training

In collaboration with *Badan Mediasi Indonesia (BaMI)* – the Indonesian Institute of Mediation – we have held Mediation Training to introduce an alternative dispute resolution that is economical and less time-consuming. Any dispute arising from business transactions, labour relations or any other related issues have become more complex and yet requiring effectiveness and efficiency in its handling. BaMI exists to provide ways and means for dispute settlement on an acceptable and win-win solution for the disputing parties. The key is settlement agreed upon by and satisfactory to both parties. The training was initiated in 2009 and has been held regularly ever since. Until now, there have been 23 training events with around 1,000 participants.



4. Journalistic Writing Course

In collaboration with Yayasan Pantau – a foundation that aims to promote improved quality of journalism in Indonesia through training of journalists, media consulting, research, publishing and group discussions – we organize journalistic writing courses for activists of civil society organizations, students, academics and researchers. We bring in experts to discuss about good quality journalistic writing and help them develop their own writing styles. We hope they will make positive contributions to the society through their writings. Started in 2009, the program has had 11 events with more than 200 people participating in each event.



Collaborating with Sinar Mas' business units, we have also been actively involved in other programs such as the construction of numerous national universities' campus buildings and rehabilitation of schools that were affected by natural disasters.

III. Activities and the Principles

A. Implementation in ETF's Programs

UNGC Principles	SDGs Goals	Descriptions of Activities	Outcome
Human Rights			
<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;</p> <p>Principle 2: Make sure that they are not complicit in human rights abuses.</p>	Goal 4	We provide quality education for children living in plantation areas of Sinar Mas' business units through "Sekolah Eka Tjipta". The schools are not only intended for children of the employees, but also local of residents from surrounding villages, for free.	Today, we have 46 schools with more than 6,000 students learning across Indonesia.
	Goal 3 Goal 4	Our schools have classrooms designed with specifications and size referring to the National Education Standards. In collaboration with related business units, we provide full support for the construction and maintenance of the buildings.	We have school buildings that support the learning process.
	Goal 10	We provide new teachers and students with uniform.	All of our teachers in all of our schools are wearing uniforms.
	Goal 1	We provide our teachers with access to health care services.	Our teachers have access to health care services.
	Goal 4 Goal 8	To ensure the availability of skilled teachers, we recruit those having a Bachelor's degree at a minimum.	Our teachers have required competence and skills to educate students.
	Goal 4	In 2007, in collaboration with Surya Institute, we train students in a number of junior high schools (public and private) to understand science without formulas. The idea was to popularize science and change the general perception that the science is complex and difficult.	Students learned that learning science can be fun too.
	Goal 4	In collaboration with Yayasan Pantau, we organize journalistic writing courses for activists of civil society organizations, students, academics and researchers. We hope they will make positive contributions to the society through their writings.	Started in 2009, the program has had 11 events with more than 200 people participating in each.

	Goal 4	We provide scholarships to higher education for the underprivileged students through Tjipta Sarjana Bangun Desa (TSBD) program.	Up until 2016, 2.515 students have been sent to many reputable national universities in the country.
	Goal 4	We provide scholarships for bright students who wish to continue their studies overseas through our Tjipta Pemuda Bangun Bangsa (TPBB) program.	After completing their studies, they are given the opportunity to work in one of Sinar Mas' business units with jobs corresponding to their field of studies.
	Goal 4	Through our Fellowship Program, we provide scholarships for students who want to pursue a master's or doctoral degree.	So far, 90 students received the benefits of this scholarship.
	Goal 4 Goal 9	We participated in the establishment and development of Yayasan Prasetya Mulya.	In December, 2009, Yayasan Prasetya Mulya made Eka Tjipta Widjaja its Honorary Lifetime Leader.
	Goal 4 Goal 9	Collaborating with Sinar Mas' business units, we also help the construction of numerous national universities' campus buildings including: <ol style="list-style-type: none"> 1. University of Gadjah Mada's Faculty of Forestry (in collaboration with APP) in 2011. 2. Universitas Paramadina's new campus buildings (in collaboration with PT. Sinar Mas Agro Resources and Technology Tbk. – PT SMART Tbk.) in 2011. 3. University of Gadjah Mada's Faculty of Biology (in collaboration with Sinar Mas) in June 2015. 	Buildings established.
	Goal 4	In 2011, we supported the program of the first lady, Ani Yudhoyono, by donating notebooks to outstanding teachers who serve in remote areas.	100 notebooks donated for these teachers.
	Goal 1 Goal 2 Goal 6	In January 2013, in collaboration with the Indonesian Red Cross, we distributed food, clean water	Trauma healing support helped children to recover better.

		for the victims of flood in Kebon Melati, Central Jakarta. We also donated hundreds of school kits and psychological treatment for the children.	
Labour			
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Goal 1	In addition to receiving basic salary, our teachers are also entitled to various allowances every month.	Our teachers are well-remunerated.
	Goal 1	We provide equal remuneration policy for our teachers regardless their gender.	We maintain this policy and do not discriminate teachers based on gender.
	Goal 10	To develop competencies of our teachers, we regularly provide trainings to increase their capacities.	Our teachers have developed their competencies despite being away from the city.
Principle 4: the elimination of all forms of forced and compulsory labour;	Goal 1	Teachers are entitled to various kinds of leave according to government policy.	Teachers are allowed to use their rights to take leave .
Principle 5: the effective abolition of child labour; and	Goal 8	We do not use child labour.	We do not employ children in our plantations or factories and ensure strict compliance with this policy.
Principle 6: the elimination of discrimination in respect of employment and occupation	Goal 1 Goal 8	We award our teachers with outstanding performances regardless of their tribe, religion or gender.	- Teachers' hard work and efforts are greatly appreciated. - ETF promotes religious tolerance.
Environment			
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Goal 12	We train our students to sort waste properly.	Our students are aware about types of waste and learn to sort and dispose it properly.
	Goal 11	We developed a project on creating a sustainable and independent village named "Desa Mandiri Energy". The location selected for the project was Way Isem, a non-electrified village and a home to about 300 households in North Lampung Province. The village was provided assistance and guidance on crop	People were trained on how to produce castor oil and sell it through cooperatives. The residue can be directly used for biogas stoves and as fertilizer for crops.

		development, use of modern machinery and establishment of cooperatives.	
	Goal 11	We provide free school bus services for all students.	Parents are encouraged to send their children to school.
Principle 8: undertake initiatives to promote greater environmental responsibility;	Goal 1 Goal 8	We provide housing facilities for our teachers.	Our teachers do not need to worry about housing facilities and can focus more on teaching children.
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Goal 12	We teach our students to recycle household waste.	Students gain the skill to recycle waste from their homes and turn it into handcrafts, accessories, etc.
Anti-Corruption			
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Goal 16	We strongly support, assist and supervise the implementation of transparent and good governance of our schools.	Our schools have effective, accountable and transparent governance.
	Goal 16	We comply with government policies and apply its education curriculum.	Our schools always use the government regulated curriculum.
	Goal 16	All expenses related to school administration, teachers' travels and etc. are with receipt.	We make and keep transparent and accountable expenses reports.

B. Implementation in ETF's Daily Operation

UNGC Principles	SDGs Goals	Descriptions of Activities	Outcome
Human Rights			
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; Principle 2: Make sure that they are not complicit in human rights abuses.	Goal 8	We provide a large pantry space where employees can have their meal.	The pantry provides a place for employees to have lunch together.
	Goal 1	We encourage our employees to get involved in voluntary activities. Collaborating with Tzu Chi Foundation, they are encouraged to drop coins into coin banks and donate them when full.	Our employees have begun dropping coins into the banks and are becoming aware of the importance of sharing with others in need.
Labour			
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Goal 1 Goal 8	We send our employees to various trainings to enhance their competence and skills.	Many of our employees who have been sent to trainings have demonstrated increased competence and skills.

Principle 4: the elimination of all forms of forced and compulsory labour;	Goal 8	We support appropriate working hours principle. Our office hours start from 08.00 a.m. until 17.00 p.m.	Our employees are not forced to work outside working hours.
Principle 5: the effective abolition of child labour; and	Goal 8	We do not employ children in our office.	We demonstrate and promote the abolition of child labour.
Principle 6: the elimination of discrimination in respect of employment and occupation	Goal 1 Goal 5	We provide equal opportunity for all employees and do not discriminate women and men.	This policy has been and will always be maintained. In fact, the organization has been under the leadership of women for several years now.
	Goal 10	We design standard operating procedures (SOP) that apply to all employees to guide them step-by-step on how to execute meetings, travels, filing documents and many other things.	We minimize knowledge gaps between employees through SOPs.
	Goal 8	We hire people regardless of their tribes, religions and backgrounds.	Our diverse employees create multicultural working environment. We promote diversity, cooperation and tolerance.
Environment			
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Goal 13	We create an after-working hours setting where the air conditioning turns off at 6 o'clock every day.	We have managed to save more energy through this policy.
Principle 8: undertake initiatives to promote greater environmental responsibility;	Goal 13	We encourage our employees to use the electricity wisely by switching it off before leaving the office.	We managed to create energy-saving awareness among employees and will maintain the policy.
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Goal 12	We encourage our employees to use the printers wisely by using color printing only when it is required.	Employees are getting familiar with the policy and practice it every day.
	Goal 13	We encourage our employees to use water wisely by placing stickers in the toilets.	Employees get reminded to save water every day.
Anti-Corruption			
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Goal 16	We strictly apply transparent procurement practice by asking employees to provide some price comparisons from suppliers for big expenses.	We have managed to keep the procurement process fair and transparent through this policy.
	Goal 16	We place a coffee maker in the	Our employees are trained to be

		office and name it “kantin kejujuran” or roughly translated as honesty canteen. For each cup of coffee, everyone should put at least Rp.3,000 in a box provided next to the coffee maker.	honest and responsible.
	Goal 17	We reactivate our membership with the United Nations Global Compact and reaffirm our support to advancing its principles and taking part in the initiative to achieve Sustainable Development Goals (SDGs).	Our membership is reactivated and we communicate our efforts in support of the principles and pledge to take part in the achievement of the SDGs.