



COMMUNICATION on ENGAGEMENT (COE)

EKA TJIPTA FOUNDATION

Period : 2016 – 2018



United Nations
Global Compact

Part 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 and community economic empowerment.

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 for 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. Through community economic empowerment, we are building a partnership to increase the income of farmers and empower the local people especially in poor villages.

At ETF, we also help bright and underprivileged students with access to higher education through our scholarship program. 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.



Part 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.

Educational initiatives are a key element of our community programmes as we believe that this is a powerful enabler, helping to break the cycle of poverty in rural areas. We agree that education is an important element

that shapes the future of our children through their development of human personality and strengthening the respects for human rights and fundamental freedom through the education, therefore shaping the future of our nation.

Sekolah Kebun Eka Tjipta (Eka Tjipta School)

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, ETF has already support 50 schools and another 5 schools under acquisition process with over than 500 teachers and 8,000 active students in the remote places of Indonesia. These schools are equipped with adequate infrastructure, from clean and neat classrooms, computer laboratories, libraries and varieties of sports facilities.

All children of the workers living on our estates and children from local communities surrounding our business units receive free education from kindergarten to junior high school in all schools supported by ETF. As transport is a key factor in rural areas, ETF also supports the transfer of children to and from the schools for free.



As a commitment to providing quality of education, we work together with the Ministry of Education and selected two education experts to be our advisors to ensure that our schools meet the national educational standards. They continuously evaluate the quality of the schools. We also assign few school coordinators for each region to help to supervise and ensure the schools are well-managed. Refer to the new

assessment methodology by National School Accreditation Body, we are proud to tell that all of our schools are now granted accreditation of category B (Good) with minimum score of 81 out of 100. In fact, we have good quality and dedicated teachers who are willing to teach children in rural areas which the schools have been supported by ETF.

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 and evaluations of all schools to ensure the quality of the education is still on par. We also provide assistance, training and mentoring to all Principals and Teachers throughout the process of the implementation of the government regulated curriculum.



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, positive thinking, team work, and innovative. We believe that at the very young age is the best time to stimulate positive character development as a long term investment.

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, waste management and recycle them into toys and other creative artworks.

Competitive Spirit

Besides building the character of the students, we are also teaching them on how to build a healthy competitive spirit in order to prepare them for the real world.

Academic Festival

ETF schools hold the academic festival annually and the aim of this festival is intend to spur the talents and interests of students. In this festival, they learn to take part and compete in one or more academic fields' such as science, writing, story-telling by public speaking and dance performance. We believe that this will enhances performance and develop sense of responsibility.



Mini Olympics

Mini Olympics are also held every two years and inviting all ETF schools to compete in all fields of sports.

Through ETF's support, students in our plantation schools were able to prove that being far away from the city doesn't limit their opportunities to have access to quality education. Countless accomplishments have been achieved and they continue to make us proud. In the last two years, our students have made many improvements in their achievements in academics and sports from the district, provincial and even national level. Every year, many of our graduates have continued their education to higher institutions and they are able to cope to meet with academics requirements national standards.

Institute Technology & Science Bandung (ITSB)

To support our mission in education, ETF collaborate with Sinar Mas Business Unit opened its very first higher institutions in 2007. The vision of this institution is to create an “Eco-Industry Oriented University” and create graduates who are competent in their field and are able to meet the needs of society in the era of industrialization, globalization, regional autonomy and national development.



The campus building is built based on “eco-friendly” standard as the design follows the Green Campus concept and has been certified by Indonesia Green Building Council. The campus building also won an award given by the Minister of Energy and Mineral Resources as the lowest energy consumption building in National Energy Efficient Award 2013.

Since then, the institutions have 11 majors offered in this institution and most of them have been working with Sinar Mas since they graduated.

In the past three years, ITSU has been able to compete in national and international levels. Here are a few of its achievements:

2018

- Silver Medal in World Invention and Technology Expo (WINTEX) 2018 held in ITB, Bandung. Project name: Designing System Accessibility for Priority User on The Train
- Participate in Product Design Exhibition for 4th consecutive years by displaying their product design creativities in Indonesia International Furniture Expo.

2017

- Participate in Product Design Exhibition for 3rd consecutive years by displaying their product design creativities in Indonesia International Furniture Expo. The selected products were stationary created from bamboo materials inspired from a traffic cone shape.

2016

- Runner up winner for Shoes Design in national level with the concept of “Shoe Design from Indonesia for the World” which was held by the Indonesian Ministry of Industry.

2015

- 2nd Runner Up for Smart Competition Oil and Gas Intellectual Parade OGIP held in Universitas Pembangunan Nasional (UPN) Yogyakarta
- 1st Runner Up for Smart Competition Oil Expo held in Universitas Trisakti Jakarta
- Received Silver medal from Taiwan Changhua International Youth Invention Exhibition for poster contest in Taiwan.

Politeknik Simas Berau Coal

In 2018, ETF collaborate with Sinar Mas Business Unit opened its second higher education institution in Berau, East Kalimantan to support the education in the local Berau community. This newly opened institution offers three different diploma majors which is aligned with the local business needs. The aim of this school is to train the students to have hands-on experiences which can be applied to the industries in Berau.

Beside providing the classroom and hands-on experiences, the school is aim to provide character building for all students to equip them with the soft skills they need for joining the workforce. We are proud to have 72 students joining the 1st batch of Politeknik Simas Berau.



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 help to makes this dream come true.

Since ETF has been established in 2006, the total amount we have given for scholarship is over USD\$ 4.2 million in scholarships for higher education at Indonesian and International universities and institutes.



Part II

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 good 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, also for the local residents from surrounding villages, for free.	Today, we have 50 schools with more than 8,000 active students across Indonesia.
	Goal 3 Goal 4	Our schools have the facilities designed with specifications following the National Education Standards. In collaboration with related business units, we provide full support for the construction and maintenance of the buildings.	The facilities include classrooms, libraries, laboratories, sport fields and teachers' lounges to support the learning process.
	Goal 10	We provide new teachers and students with uniforms.	All of our teachers and students in all of our schools are wearing standardize uniforms.
	Goal 1 Goal 3	We provide our teachers with access to health care services.	Our teachers have access to health care services.
	Goal 4 Goal 8	To maintain the education quality, we recruit teachers with bachelor degree in Education at a minimum.	Our teachers have the competence and skills to educate the students in our elementary, junior high and higher institutions.
	Goal 1 Goal 4	We provide scholarships to higher education for underprivileged students through ETF Scholarship Program.	In between 2017 - 2018, we have provided 270 underprivileged students with scholarship to continue their education in reputable national universities in the country.
	Goal 4 Goal 9	Collaborating with Sinar Mas business unit, we also help the building of numerous national universities campus including : <ol style="list-style-type: none"> Institute Teknologi Bandung (ITB) - Science & Techno Park Building Diponegoro University Semarang (UNDIP) - Vocational Education Building Universitas Indonesia - Funding all the Laboratorium Equipments and Research Center Equipments for Math and Science Building. Gajah Mada University (UGM) Jogjakarta - Funding the operational vehicles for "Mahakarta Students Association in UGM". Institute Teknologi Sepuluh Nopember - Infrastructure for Industry Engineering Faculty 	<p>Construction is in Progress</p> <p>Construction is in Progress</p> <p>Purchased Completed</p> <p>Purchased Completed</p> <p>Buildings Established.</p>
	Goal 4	In 2017 - 2018, we collaborated with Sinar Mas Business Units to gather all books and computers to be donated to Sekolah Eka Tjipta in Central Kalimantan.	30 Desktops and 10 boxes of reading materials for students donated to Sekolah Eka Tjipta in Central Kalimantan.
	Goal 1 Goal 3	In effort to help our brothers and sisters in Lombok, NTB on August 2018, we collaborated with our Business Units and NGO to send blankets as parts of our relief efforts.	500 blankets sent through our business units in Lombok and 500 blankets sent through NGO called "ZISWAF".

Labour			
Principle 3 : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Goal 1 Goal 5	In addition to receiving basic salary, our teachers are also entitled to various allowances every month.	Our teachers are well-remunerated.
	Goal 1 Goal 5 Goal 10	We provide equal remuneration policy for our teachers regardless their gender, sexual preference, race and ethnicities.	We maintain this policy and do not discriminate teachers based on their gender, sexual preference, race and ethnicities.
	Goal 10	To develop competencies of our teachers, we regularly provide trainings to increase their capacities.	<ul style="list-style-type: none"> • Our teachers have been provided competencies training twice a year. • They have developed their competencies despite being away from the city.
	Goal 4 Goal 10	To develop soft skills of our teachers, include management and communication skills.	Our teachers have been provided soft skills training once a year.
Principle 4 : the elimination of all forms of forced and compulsory labour;	Goal 1 Goal 8	Teachers are entitled to various kinds of annual leave following the 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 any underage or child labour.	In our policy, we do not allow for underage recruitment in our plantations or factories and we uphold this strict compliance policy.
Principle 6 : the elimination of discrimination in respect of employment and occupation	Goal 1 Goal 5 Goal 8	We award our teachers with outstanding performances regardless of their tribe, religion, gender, and sexual preferences.	<ul style="list-style-type: none"> • Teachers' hard work and efforts are greatly appreciated. • ETF promotes religious tolerance.
	Goal 5 Goal 8 Goal 10	We treat our staffs and teachers with "Zero Tolerance" discrimination policy from recruitment through all the benefits awarded to them.	In our policy, we do not tolerate any form of discrimination at workplace.
Environment			
Principle 7 : Businesses should support a precautionary approach to environmental challenges;	Goal 12	We educate our students and scholarship recipients in waste recycle and management.	Our students are aware about types of waste and learn to sort and dispose it properly.
	Goal 11	We provide free transportation for all ETF elementary and middle schools.	Parents are encouraged to send their children by using our "eco-friendly" transportation.
Principle 8 : undertake initiatives to promote greater environmental responsibility; and	Goal 6 Goal 12	In all ETF schools and Politeknik, we are establishing an environmental program called "Adiwiyata Program" to educate and promote eco-friendly and environmental responsibilities.	All schools under ETF management is implementing "Adiwiyata Program" in order to support environmental responsibilities program.
	Goal 1 Goal 8 Goal 11	We provide housing facilities for all our teachers.	Our teachers do not need to worry about housing facilities and enable them to focus more on teaching the children.
Principle 9 : encourage the development and diffusion of environmentally friendly technologies.	Goal 12	We educate our staffs, teachers, and students to recycle all waste, include household waste.	<ul style="list-style-type: none"> • We encourage all our staffs in the office to use recycle paper in their daily reporting. • 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 and offices.	Our schools and offices 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 office and school administration, operational expenses, and etc. are supported with receipts.	We make and keep transparent and accountable operating expenses reports.



B. Implementation in ETF's Daily Operation

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 8	We provide a large pantry space where employees can have their meal.	The pantry provides a place for employees to socialize and have lunch together as one strong multicultural team.
	Goal 1	<p>We encourage our employees to get involved in voluntary activities.</p> <ul style="list-style-type: none"> • Collaboration with Tzu Chi Foundation, they are encouraged to drop coins into coin bamboo banks and donate them when it is full. • Collaboration with Sinar Mas Business Units to support on blood donation drive. 	Our employees have begun dropping coins into the bamboo banks and participate in blood drive donations twice a year; 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 and teachers to various trainings and conferences to enhance their competence and skills.	Many of our employees and teachers have been sent to trainings and conferences have demonstrated increased competences 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 starts 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 use any underage or child labour in our office and management.	We uphold, 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 2 strong women for at least 3 years since ETF has been established.
	Goal 1 Goal 5 Goal 8	We provide equal benefits for women and men.	Our policy provided equal benefits for women and men in terms of child care, sick leave, annual leave, etc.
	Goal 8 Goal 10	We hire people regardless of their races, gender, religions, sexual preferences, and backgrounds.	Our diverse employees create multicultural working environment. We promote diversity, cooperation and tolerance.
	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 training and education.

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 and electricity turns off at 7 o'clock.	We have managed to save more energy and electricity bills through this policy.
Principle 8 : undertake initiatives to promote greater environmental responsibility; and	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 colour printing only when it is required.	Employees are getting familiar with the policy and practice it on daily basis.
	Goal 12	We encourage our employees to use recycle paper for all internal reporting instead of using new papers.	Employees are following this policy on daily basis starting at the End of 2016.
	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 processes by providing comparison prices for all operations expenses.	We have managed to keep the procurement processes fair and transparent through this policy.
	Goal 16	We have strictly "Zero-Tolerance" of bribery in any kinds in our daily operations.	We have a strict monitoring and audit team to control all the employees' activities and we do immediate termination to all employees found intended and/or accepting bribery.
	Goal 16	We place a coffee maker in the office and name it "Kantin Kejujuran" or roughly translated as honest canteen. For each cup of coffee, everyone should put at least Rp. 3,000 in a payment box provided next to the coffee maker.	Our employees are trained to be 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.

Eka Tjipta Foundation supports Goal 1, 3, 4, 5, 6, 8, 9, 10, 11, 12, 16, and 17 of the Sustainable Development Goals (SDGs) to ensure inclusive and equitable quality education and promote lifelong learning opportunities, poverty reduction by economic empowerment and environment protections.





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