

PT SURYA UTAMA NUANSA

COMMUNICATION ON PROGRESS

A Member of the
United Nations
Global Compact

16 February 2020

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Jakarta, Indonesia

To our stakeholders:

I am pleased to confirm that PT Surya Utama Nuansa ("SUN") reaffirms its support of the Ten Principles of the United Nations Global Compact Network in the areas of Human Rights, Labour, Environment, and Anti-Corruption.

As a leading Renewable Energy Service Company (RESCO) in Indonesia, focusing on solar energy, SUN continues to champion the importance of affordable, reliable, sustainable and eco-friendly energy for all.

We are proud to be a part of the United Nations Global Compact and make maximum effort to implement the Global Goals in our local business, willing to constantly commit to the global strategy of the UNGC.

With this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communications.

Sincerely yours,



Philip Lee

Chief Operating Officer, PT Surya Utama Nuansa (SUN Renewable Energy)

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

PT Surya Utama Nuansa ("SUN") actively supports and respects the Universal Declaration of Human Rights. We are convinced that our values, the way we treat our employees and counterparts, and the way we act in the line of business will have a positive influence on other stakeholders and counterparts when it comes to human rights. SUN has policies for Anti-Harassment and Equal Employment Opportunity and is committed to ensuring that all employees are treated fairly and with respect. SUN will not tolerate victimization, bullying or harassment in the workplace.

SUN has embraced a Value-Added approach toward employees, policies, safety, and family. These include:

- Employee Appreciation Awards
- Holiday parties and special events for employees at various times throughout the year
- Work hours that help support a more family-friendly balance to life and work activities
- Training provided for employees to sharpen their skills and opportunities for advancement within the facility
- Company Benefits including healthcare and social security benefits
- Celebratory or condolence gifts to employees

Employee Appreciation Awards

Every employee who according to the company's assessment achieves one of the following will receive an award from the company:

- Conduct commendable actions in preventing the Company from the crisis
- Discovering or creating something of significant value for the company
- Displaying high aptitude for work that sets a good example for colleagues
- Provide valuable contributions in advancing the reputability of the Company, the award referred to above can be given in the form of a plaque or monetary gift

Work Hours

Employees primarily work on Monday – Thursday 8:30 am – 5:45 pm, Friday 8:30 am – 5:15 pm which accommodates after work or before work appointments and ability to take care of family or personal needs, while office and support personnel are able to request flexible schedules to accommodate the same needs.

Company Benefits

Company benefits include health and dental insurance, life and disability insurance. Paid personal time and vacation time are also provided.

A. Health Care

1. The company covers employees' and their immediate families' health care in accordance with company policies, including inpatient and outpatient costs
2. The company covers dental health maintenance and spectacles

B. Social Security Program Coverage (Jamsostek)

1. The company covers employees' and their immediate families' health care in accordance with company policies, including inpatient and outpatient costs
2. The Employee's Social Security referred to improve and guarantee the welfare of employees covering: Work Injury Insurance, Loss of Life Insurance, and Old Age Insurance

The company will contribute a wedding gift to newly-married employees, and will also contribute a token of condolence to employees upon the passing of their spouse, child, and parents. Compassionate, celebratory, maternity, paternity, and childcare leave is also granted to employees based on Company Regulations of PT Surya Utama Nuansa: Chapter 3 – Work Hours and Leave Period.

Hiring, Training & Developing

SUN is always looking to promote from within as skills allow. We are launching an apprenticeship program and are planning some additional programs to help train and educate our workforce. SUN is committed to upholding our Equal Employment Opportunity Policy stated here:

Equal Employment Opportunity Policy

SUN complies and strictly adheres to the Equal Employment Opportunity Policy without regard to race, creed, color, religion, sex, age, national origin, disabilities, sexual orientation, or marital status. The company believes in and practices equal opportunity employment. Human Resources serves as the Equal Opportunity Coordinator and SUN management has overall responsibility for ensuring compliance with this policy.

All employees are responsible for supporting the concept of equal opportunity and assisting the company in meeting its objectives. Employees may discuss equal employment opportunity related questions with their immediate supervisor or the Human Resources Department. Each employee is encouraged to participate in training and development programs to improve their competencies. The training is divided into 2 types, namely Internal Training and External Training.

While we have limited knowledge of the practices and ethical behavior of the companies with whom we do business, SUN will not knowingly do business with customers and suppliers who will willfully violate Human Rights.

Anti-Discrimination / Harassment Policy

PT SUN will neither condone nor tolerate harassment of any type. This includes harassment due to race, color, religion, sex, sexual orientation, national origin, disability, age, or any other protected characteristic under state or provincial law.

LABOR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

PT SUN does not discriminate against employees because of their views on unions and union activity. While SUN is not a union facility, we continue to treat employees fairly, offering benefits comparable to those companies who are union. SUN does adhere to and comply with the right to collective bargaining and have posted legally required information regarding that right in plain view for employees to read, including the following:

All employees are prohibited from obstructing or forcing employees to form or not form, become administrators or not become administrators, become members or not become members and/or run or not run trade union activities by:

- terminating employment, temporarily suspend or demote;
- not paying or reducing workers' wages;
- intimidation in any form;
- campaigning against the formation of trade unions

Principle 4: The elimination of all forms of forced and compulsory labor,

Other than overtime required for customer needs, SUN does not have forced or compulsory labor and does not condone the mistreatment of people in this regard. Overtime is typically on a voluntary basis and is paid in accordance with the laws of the country.

SUN does not knowingly do business with customers or vendors who promote forced or compulsory labor activity.

Overtime Policy

A healthy balance between work and home life is important to everyone. The goal of the company is to accomplish the requirements necessary to meet our customers' delivery expectations.

Principle 5: The effective abolition of child labor; and

SUN upholds the abolition of child labor and only employs those who are at least 18 years or older. SUN occasionally allows employment of students as interns during their term break with proper work permits. These students are paid above minimum wage. We adhere to all regulations set forth by the state for minors regarding breaks, meal periods, and safe working conditions.

Principle 6: The elimination of discrimination in respect of employment and occupation.

Most of this is covered in the Human Rights portion as it fits both areas:

- Equal Opportunity Employer
- Anti-Discrimination / Harassment Policy
- Fair wages above provincial-mandated minimum wage
- Encouragement of employee development and promoting from within (Equal Opportunity)
 - Currently have a program which allows employees to get additional training necessary for their career path or current position
- Development of an employee mentorship program
 - Helping new employees adjust to the new work environment and promote engagement
 - Aid with on-the-job training

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

As a renewable energy company, the task of promoting the development and diffusion of environmentally friendly technologies is central to our mission.

At SUN, we have helped to provide public facilities like schools, mosques, and clinics in rural Indonesia with sustainable off-grid solar energy, and are currently developing a system to benefit an additional 5,000 households by 2020.

These initiatives enable communities to access new opportunities to escape the impacts of poverty, generating income, improving healthcare and education, while protecting the environment.

One of SUN's latest initiative is a volunteer training program, called "Pejuang Surya" for young generations who share the same vision and interests in the field of renewable energy, especially solar power – which inspired Indonesia's Ministry of Energy and Mineral Resources and together we contribute the same. Through this voluntary program, with the help of our Company's skilled engineers – SUN gives a platform where the volunteers can channel their theory and practical knowledge providing solar home lighting in rural Indonesia with sustainable off-grid solar energy.

Advocacy & Public Policy Engagement

SUN continually lobbies the Indonesian Government to shape a friendly regulatory environment that encourages the smooth adoption of renewable energy across all sectors. We participate in public-policy interactions and conferences where we engage regulators about the future of sustainable energy.

Central to our communications strategy is increasing public awareness of issues related to energy access, energy efficiency and renewable energy. Throughout the campaigns, we have noticed a heightened awareness of these issues among consumers, including a willingness to adopt renewable energy and more efficient energy consumption behaviors.

Additionally, SUN has in place emergency procedures to prevent and address accidents affecting the environment and human health. SUN has procedures related to incident handling and emergencies that apply in all company's work areas. One of the procedures is handling near-miss work stoppages to prevent accidents to ensure safe work environment.

Management Representative forms an Emergency Response Team (ERT) to help measure possible emergencies and how they should be addressed, which ERT will direct and lead the evacuation process in Muster Point during an emergency.

ANTI-CORRUPTION

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

SUN actively discourages any corrupt behavior within our scope of influence. This includes assessing the risk of corruption when doing business, and ensuring that internal procedures support SUN's anti-corruption commitment. SUN is committed to doing business in a professional, legal, and appropriate manner.

Our reputation for integrity and excellence is upheld through careful observance of the highest standards of conduct and personal integrity. This involves enforcing internal policies relating to our ethical conduct throughout interactions with colleagues, customers and vendors.

MEASUREMENTS OF OUTCOMES

- No employees were dismissed due to diversity factors (please refer to our Equal Employment Opportunity Policy).
- Achieved a rate of 50% female recruits in the past 6 months, up from the previous 6 months' rate of 30%.
- No employees quit their job due to diversity factors nor bad work conditions.
- Rate of occupational diseases, injuries, and absenteeism remains minimal.
- Company's procedures related to incident handling and emergencies that apply in all company's work areas result no negative impact on environment noticed.
- No corruption intentions were noticed in the company.