



PT SURYA UTAMA NUANSA (SUN ENERGY)

COMMUNICATION ON PROGRESS

A Member of the
United Nations
Global Compact

21 April 2021



21 April 2021

Jakarta, Indonesia

To our stakeholders:

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

The Covid-19 pandemic radically impacted the world and disrupted the way businesses operate. In such a challenging environment, we have anchored ourselves to our purpose and our values.

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

SUN Energy will continue to increase the availability of affordable, clean, and sustainable energy for underprivileged Indonesian families, providing future generations with the opportunity to reach their full potential.

We have established a framework to assess the ongoing developments and their potential impacts, to address our business operations and our people's needs, adapt our technologies and approaches to help organizations navigate through the difficulty. Against this framework, our priorities are clear: to protect our team members, innovate for our customers, and rise to the challenge of supporting our communities.

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 commit to the global strategy of the UNGC constantly.

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 communication.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Philip Lee".

Philip Lee
Chief Operating Officer, PT Surya Utama Nuansa (SUN 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.

Covid-19: Ensuring safety and well-being of employees

As many companies are discovering, particularly during this challenging time, our team members are SUN Energy's greatest asset. Our employees' health and safety are our top priority, and we have a comprehensive plan to ensure they are supported during these challenging times. In addressing the Covid-19 pandemic, people who can work from home are doing so, and we have implemented procedures to limit offline interaction.

Here are some policies issued by our Human Resources Department that all employees should follow:

1. Employees are not allowed to visit each other between offices unless there is an urgent need and must wear a mask.
2. Employees are asked to use Zoom or WhatsApp to coordinate, collaborate, and communicate with other parties, avoiding face-to-face meetings.
3. Management disinfects offices regularly.
4. No visitors are allowed at offices until further notice.
5. Employees are asked to avoid crowded places, mass transportation, terminals, malls, cinemas, and other areas that can potentially spread Covid-19.
6. Employees are asked to avoid traveling abroad and within the country as well as traveling out of town.
7. Employees are encouraged to remain healthy by wearing a mask, washing their hands frequently, exercising, and having adequate rest.

To ensure employees' health, SUN Energy also provided a travel allowance to allow employees to use private hire transport instead of public transportation.

SUN Energy supports and respects the Universal Declaration of Human Rights

SUN Energy 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 positively influence other stakeholders and partners when it comes to human rights. SUN Energy has policies for Anti-Harassment and Equal Employment Opportunity and is committed to ensuring that all employees are treated fairly and with respect. SUN Energy will not tolerate victimization, bullying, or harassment in the workplace.



SUN Energy 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 help support a more family-friendly balance between 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 for 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 a high aptitude for work that sets a good example for colleagues
- Provide valuable contributions in advancing the reputability of the company, and 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. At the same time, office and support personnel can request flexible schedules to accommodate relevant 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 following company policies, including inpatient and outpatient costs.
2. The company covers dental health maintenance and spectacles



B. Social Security Program Coverage (BPJS)

The Indonesian government's mandatory program, through the Social Security Administration Body, grants social, health, and working protection for employees:

1. The company covers employees' and their immediate families' health care following company policies, including inpatient and outpatient costs.
2. The company improves and guarantees employees' welfare 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 Energy is always looking to promote from within as skills allow. We have launched an apprenticeship program and are planning some additional programs to help train and educate our workforce. SUN Energy is committed to upholding our Equal Employment Opportunity Policy stated here:

Equal Employment Opportunity Policy

SUN Energy 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 Energy 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 two 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 Energy will not knowingly do business with customers and suppliers who willfully violate Human Rights.



Anti-Discrimination / Harassment Policy

SUN Energy 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.

Accident Prevention

SUN Energy has put in place procedures to prevent and address accidents affecting the environment and human health. SUN Energy also has policies 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 a safe work environment.

Our Management Representative will form an Emergency Response Team (ERT) to help measure possible emergencies and how they should be addressed. The ERT will direct and lead any necessary evacuation process during a crisis.

LABOUR

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

SUN Energy does not discriminate against employees because of their views on unions and union activity. While SUN Energy is not a union facility, we continue to treat employees fairly, offering benefits comparable to unionized companies. SUN Energy does adhere to and comply with the right to collective bargaining and has 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 labour,

Other than overtime required for fulfilling customers' needs, SUN Energy does not have forced or compulsory labor and does not condone people's mistreatment in this regard. Overtime is typically voluntary and is paid in accordance with the laws of the country.

SUN Energy 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 labour; and

SUN Energy upholds the abolition of child labor and only employs people who are aged at least 18 years or older. SUN Energy occasionally allows the 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.

Please refer to the **Human Rights** section above for details on the following:

- Equal Opportunity Employer
- Anti-Discrimination / Harassment Policy
- Fair wages above provincial-mandated minimum wage

In addition, SUN Energy is committed to:

1. Encouragement of employee development and promoting from within (Equal Opportunity)
 - Our Continuous Improvement program allows employees to receive additional training necessary for their career progression or current position.

2. 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;

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

At SUN Energy, we have helped provide clean energy access by way of sustainable off-grid solar energy for public facilities like schools, mosques, and clinics in rural Indonesia.

SUN Energy is proud to have contributed to the successful supply of electricity to 2,885 houses in 6 provinces across Kalimantan (East, Central, West), Jambi, South Sumatra, and Riau. The off-grid Solar Home System (SHS) technology benefited 12,000 people, sustainably improving their quality of life, and was inaugurated in July 2020. SUN Energy completed the engineering design on a pro bono basis, and provided complimentary training workshops and supervision for the villagers to install the equipment, thereby upskilling the community and increasing their sense of ownership.

Among a host of other activities, the provision of electricity in homes has helped fishermen catch fish at night and allowed children to study without having to worry about insufficient light.

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

Advocacy & Public Policy Engagement

As a solar developer, SUN Energy's key focus is on addressing carbon emissions reduction and environmental issues. This requires collaboration with various stakeholders such as the government, businesses, and Non-Governmental Organizations (NGOs).

SUN Energy 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.

Covid-19 posed challenges but also presented new opportunities for SUN Energy. In 2020, we moved our public engagement activities online, which enabled us to reach an expanded audience numbering more than 15,000. SUN Energy organized five webinars covering issues related to policy advocacy and raising awareness about renewable energy and sustainability.

In November 2020, SUN Energy initiated a discussion about the future of sustainable industries with the theme "Building Sustainable Industries for Future Generations". To facilitate a well-rounded conversation, we invited various luminaries from the business and government sectors:

- Setyono Djuandi Darmono, Founder and Chairman of Jababeka Group
- I Putu Gusti Suryawirawan, Special Advisor on Industry and Regional Development - Coordinating Ministry of Economy Affairs
- Andhika Prastawa, Chairman of Indonesia Solar Energy Association (AESI)
- Rudy Subrata, General Manager, Jababeka Industrial Estate
- Mohammad Aslam, Plant Manager PT Fonterra Manufacturing Indonesia

From the discussion, we established a commitment to support all industries that are trying to transition to renewable energy.

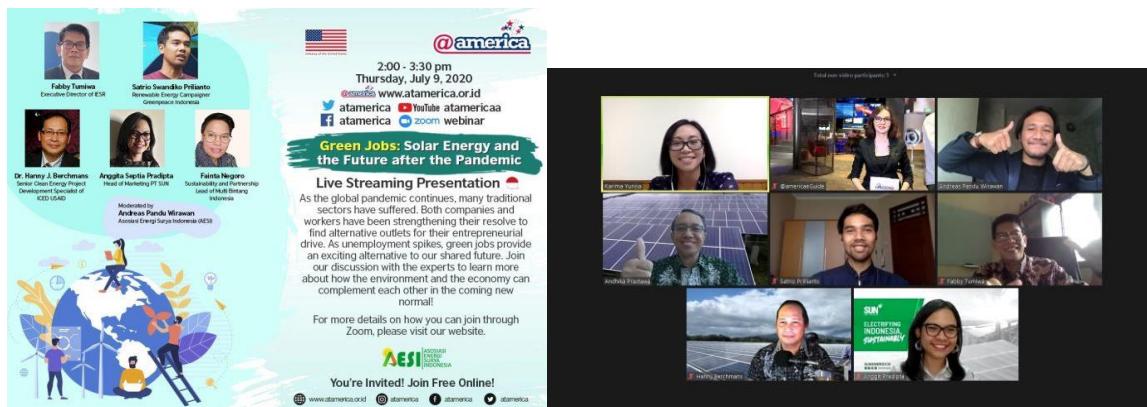
The graphic features the AESI logo at the top left and the SUN ENERGY logo at the top right. Below the logos, the title 'THE FUTURE OF INDUSTRIAL PARK: BUILDING SUSTAINABLE INDUSTRIES FOR FUTURE GENERATIONS' is displayed in green text. A grid below the title shows six speakers: Setyono Djuandi Darmono (Opening Speech), I Gusti Suryawirawan (Keynote Speech), Andhika Prastawa (Panelist), Rudy Subrata (Panelist), Donny Safrudin (Panelist), and Mohammad Aslam (Panelist). At the bottom, it specifies the date (17 November 2020, Tuesday), time (10:00 AM until 12:00 PM), and platform (ZOOM LIVE). A registration link (tinyurl.com/SUNWebinarVOL2) is provided, along with an 'E-CERTIFICATE Provided' badge. Contact information and a 'SUNENERGY.ID' logo are at the bottom.



Principle 8: Undertake initiatives to promote greater environmental responsibility;

SUN Energy is an active member of the Indonesia Solar Energy Association (AESI), formally to develop policy advocacy, and informally to raise awareness about the benefits of clean energy for climate change mitigation.

In July 2020, SUN Energy was involved as the speaker of a webinar held by AESI in collaboration with @america, the U.S. Embassy's American Center, to discuss "Green Jobs: Solar Energy and the Future After the Pandemic" to share how the environment and the economy can complement each other in the new normal.



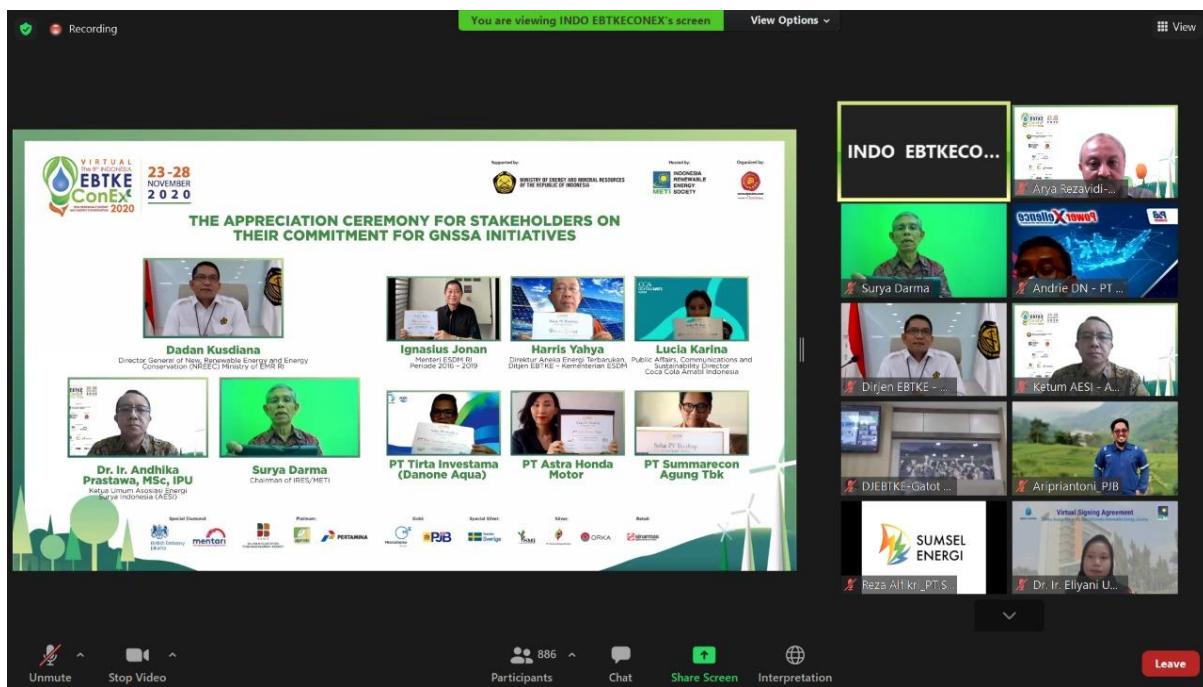
SUN Energy also engaged with the Indonesia Business Council for Sustainable Development (IBCSD) to conduct a webinar that 200 sustainable business players in Indonesia attended to discuss "*Unlocking Renewable Energy Demand from Commercial & Industrial Buyers for Green Energy*". The event was opened by the Director of New and Renewable Energy Mix from the Ministry of Energy and Mineral Resources. SUN Energy is heartened by the participation of the government and sustainable business networks. We believe that more organizations will start to shift from fossil energy to renewable and support the government's 2025 renewable energy mix target.





SUN Energy supports the government's push to achieve its targeted renewable energy mix through the National Movement of One Million Solar Rooftops (GNSSA). Throughout 2020, we have conducted various activities online to educate students, clients, and the public about how they can take charge of their environmental responsibility through adopting solar technologies.

One of SUN's clients, PT Astra Honda Motor (AHM), was recognized as "Indonesia Solar Champion 2020", an award that was given by the Ministry of Energy and Mineral Resources and GNSSA at the prestigious renewable energy event "The 9th Indo EBTKE ConEx 2020". PT AHM was given the award for installing 1 MW Solar Rooftop in one of their factory facilities, which brought attention to the development of the solar industry in Indonesia. The solar installation was developed as the cooperation between PT AHM with SUN Energy as the developer. SUN Energy is proud to have been the developer of this project, and to have supported our client's achievement in contributing toward the government's low carbon emissions target.

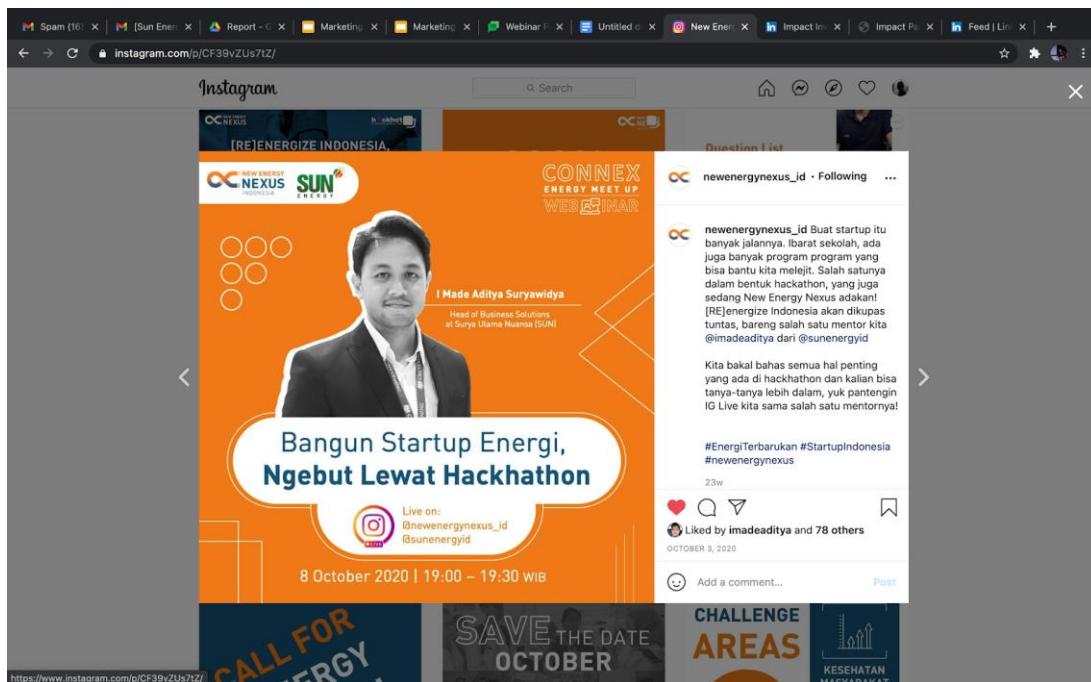




Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

As a renewable energy company, promoting the development and diffusion of environmentally friendly technologies is central to our mission. The future of Renewable Energy development from the aspect of technology as well as the market will also determine the future of SUN Energy. Therefore we are open to collaboration for knowledge sharing and capacity building with any organizations such as universities, Non-Government Organizations (NGOs), or associations.

In 2020, SUN Energy continued developing and nurturing the renewable energy ecosystem through mentoring and supporting green entrepreneurs connected with the NGO, New Energy Nexus. Through our collaboration program with NGOs such as New Energy Nexus and the Society of Renewable Energy (SRE), SUN Energy shared technical expertise from the job field with participants, who were mostly university students. We hope that the experiences and best practices shared helped the participants to prepare for a future in the renewable energy industry.





In collaboration with PT Wijaya Karya (WIKA), SUN has built a 1 MWp capacity solar-powered laboratory in the Institute of Technology Sumatera (ITERA), Lampung. It is the largest solar energy system installed in an Indonesian university. The facility will be the center of research and development of clean technology, especially solar energy.



ANTI-CORRUPTION

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

SUN Energy 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 Energy's anti-corruption commitment. SUN Energy is committed to doing business in a professional, legal, and appropriate manner.

Our reputation for integrity and excellence is upheld by careful observance of the highest conduct and personal integrity standards. 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).
- 50% of female recruits were for management positions
- No employees quit their job due to diversity factors nor bad work conditions.
- No occupational diseases, injuries, and absenteeism.
- The company's procedures are related to incident handling, and emergencies that apply in all company's work areas resulted in no negative impact on the environment.
- No corruption intentions were noticed in the company.