



**COMMUNICATION on ENGAGEMENT (COE)**  
**EKA TJIPTA FOUNDATION**  
**2019-2021**

July 07, 2021

To our stakeholders:

I am pleased to confirm that Eka Tjipta Foundation reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

  
 **EKA TJIPTA  
FOUNDATION**  
Hong Tjhin  
Chief Executive



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## **Part I Eka Tjipta Foundation at a Glance**

Sinar Mas presence and contribution to building the country cannot be separated from the hope of its founder Eka Tjipta Widjaja to be able to improve the quality of life and welfare of the community. He is optimistic that this dream can be realized through quality and character education as well as improving the welfare of the people evenly. For this reason, the Eka Tjipta Foundation was established as a forum for collaboration and interaction between companies and the community in realizing Eka Tjipta Widjaja's dream.

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.





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## **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 programs 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.

### **Revitalized Vocational School**

This vocational revitalization program aims to assist the development of vocational high schools in the form of modernization and digitalization of study program so that graduates have competencies that are in line with industry needs.

Since 2020, Eka Tjipta Foundation has started implementing a vocational education revitalization program. As a pilot project, ETF revitalized 2 vocational high schools, namely SMK Strada Jakarta and SMK Kanisius Ungaran. At this program, ETF provides 2 kinds

of assistance namely hard programs and soft programs. Hard program is the provision of assistance for the renovation of the interior and exterior of schools buildings and also provide the necessary equipment according to industry standards to support learning.



Soft programs are assistance provided in curriculum design that is carried out jointly between schools and industry, training for the teachers, apprenticeships for teachers and student and helping teachers obtain competency certification.





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In the future ETF, will continue to focus on increasing the number of vocational schools that will be revitalized so that vocational school graduates can be ready to work due to they have skills that are in line with industry needs.

### **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 55 schools with over than 700 teachers and 10,000 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 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 A (Very Good) with minimum score of 81 out of 100.



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### **Mentoring & 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 longterm 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





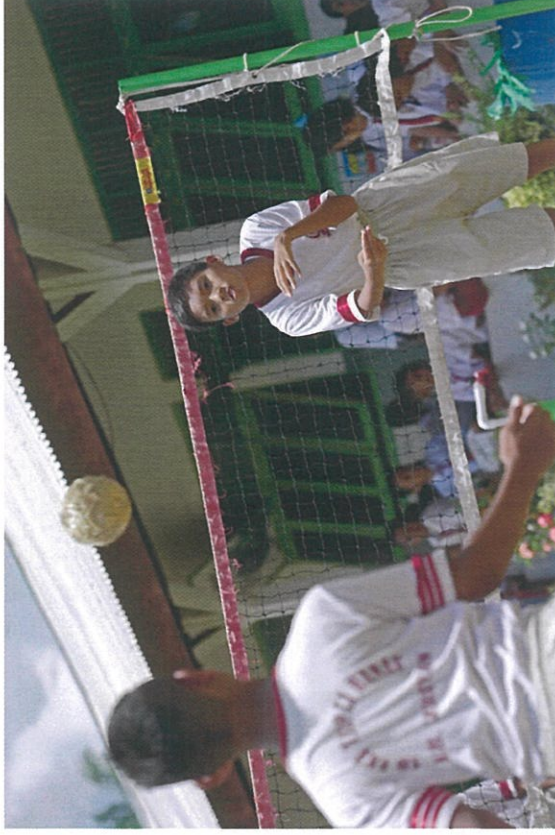
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recycle them into toys and other creative artworks.

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 standard.



**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



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## **Scholarships**

### **Vocational Scholarship**

As our commitment in advancing vocational education in Indonesia, in addition to providing assistance to vocational schools, ETF also provides scholarships to outstanding students from Eka Tjipta's school to continue their education at SMK.

ETF provides a solution in the midst of economic limitations and the availability of schools that have national standards in the area by providing scholarships to continue vocational education at the ETF fostered vocational schools. In addition to education costs, the ETF also provides a place to live for the children so that the children can concentrate on studying without thinking about the necessities of life because it has been provided by the ETF

Currently, there are 20 outstanding students from the Eka Tjipta school who have received scholarships from the ETF. 10 Students continue their education at Kanisius Vocational School in Ungaran with a DKV major with a concentration on Digital Marketing & Communication while 10 students continue their education at SMK Ananda Bekasi and SMK Telecommunications Tunas Harapan Semarang



### **Higher Education Scholarship**

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



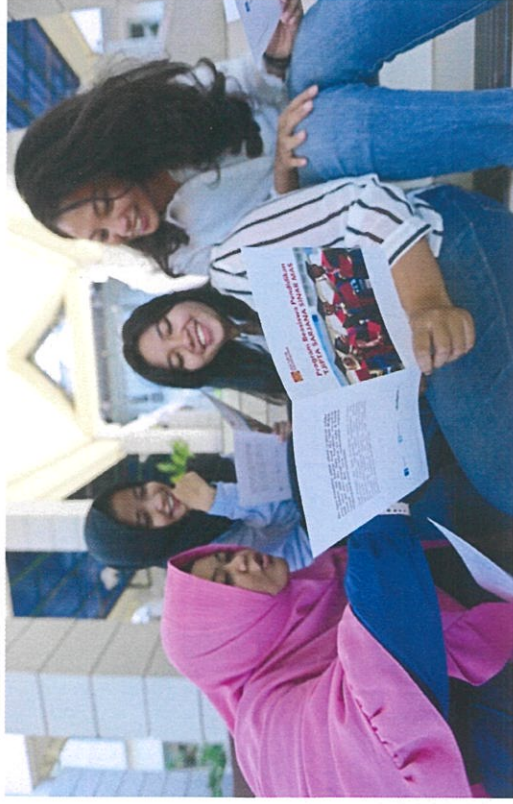


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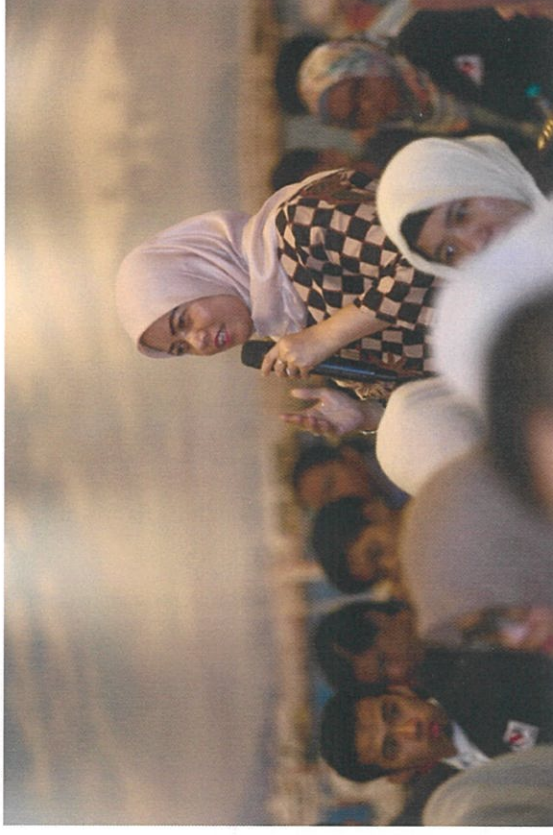
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ETF provides scholarships to students at the Secondary Education, S1, S2, and S3 levels as well as for vocational education programs, both in local and overseas universities. In addition to providing education funding assistance, scholarship recipients are also given research funding and living expenses every semester. Moreover, scholarship recipients who excel will be prioritized to receive job opportunities in Sinar Mas business units. To date ETF has awarded scholarship to 3,000 recipients.

### **Fellow Relation**

In order to establish communication and friendship among scholarship recipients, ETF routinely organizes fellow relation activities. Typical activities range from seminars where various speakers are invited, to visiting Sinar Mas business units, or soft skill training to provide knowledge and broaden insights for scholarship recipients.







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## **SME's Program**

Community Empowerment is an effort to change people behavior patterns to increase their capability and independence through four aspects, namely social protection, capacity building, increased accessibility, and utilization of local potential.

ETF is increasing capacity by providing assistance to SMEs (UMKM) under Sinar Mas unit in improving the quality and quantity of products produced, enhancing local potential through providing training and increasing accessibility through access to capital and sales by cooperating with respective stakeholders.

To date, ETF has assisted 30 SME groups through training and mentoring so that their products can be sold in the modern market. The results is 97 superior local SME product to be traded on the modern market.





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## **Solar House Electricity Program (LRTS)**

ETF together with Sinar Mas business units participated in supporting the ministry of Energy and Mineral Resources free electricity program. More than 1,200 families in 34 villages throughout Indonesia who do not have electricity will be assisted through the Solar Home Electricity (LRTS) program.

The LRTS program has been ongoing since October 2019, and has been completed in many villages, including Tumbang Kajuei Village, Gunung Mas Regency, Central Kalimantan.



## **Social and Humanitarian Work**

ETF partners with the Indonesian Buddhist Tzu Chi Foundation, the Sinar Mas Muslim Foundation, and various other organization to helps those in need. ETF assists victim of natural disasters by providing for their basic needs; and construction of permanent religious facilities, schools at the disaster site.

To date, ETF has provided assistance to 19 house of worship consisting of 12 mosque and 7 churches and 15 schools ranging from kindergarten, elementary, junior and high schools that were affected by the disaster.







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## Activities and the Principles

### A. Implementation in ETF's Programs

UNGC Principles	SDGs Goals	Descriptions of Activities	Outcome
<b>Human Rights</b> <b>Principle 1</b> : Businesses should support and respect the protection of internationally proclaimed human rights;  <b>Principle 2</b> : Make sure that they are not complicit in human rights abuses.	Goal 4	<p>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.</p> <p>We support vocational education to provides graduate that have competency in line with industry needs</p>	<p>Today, we have 55 schools with more than 8,000 active students across Indonesia.</p> <p>We assist 2 schools in 2020. We provide renovation of the interior and exterior of schools buildings and also provide the necessary equipment according to industry standards to support learning.</p>
	Goal 8	ETF providing assistance to SMEs (UMKM) under Sinar Mas unit	<ul style="list-style-type: none"> <li>ETF has assisted 30 SME groups</li> <li>97 superior local SME product to be traded on the modern market</li> </ul>
	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.



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<p><b>Labour</b></p> <p><b>Principle 3</b> : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p>	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 – 2020, we have provided 270 underprivileged students with scholarship to continue their education in reputable national universities in the country.
	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 of 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"> <li>• Our teachers have been provided competencies training twice a year.</li> <li>• They have developed their competencies despite being away from the city.</li> </ul>
	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.
	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.
	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.
	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"> <li>• Teachers' hard work and efforts are greatly appreciated.</li> <li>• ETF promotes religious tolerance.</li> </ul>





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	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.
<b>Environmental</b> <b>Principle 7 :</b> 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.
<b>Principle 8 :</b> undertake initiatives to promote greater environmental responsibility; and	Goal 6 Goal 12	In all ETF schools, 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.
<b>Principle 9 :</b> 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"> <li>• We encourage all our staffs in the office to use recycle paper in their daily reporting.</li> <li>• Students gain the skill to recycle waste from their homes and turn it into handcrafts, accessories, etc.</li> </ul>
	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.
<b>Anti Corruption</b> <b>Principle 10 :</b> Businesses should work against corruption in all its forms, including extortion and bribery	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.



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## B. Implementation in ETF's Daily Operation

UNGC Principles	SDGs Goals	Descriptions of Activities	Outcome
<b>Human Rights</b> <b>Principle 1</b> : Businesses should support and respect the protection of internationally proclaimed human rights;	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.
<b>Principle 2</b> : Make sure that they are not complicit in human rights abuses.	Goal 1	<p>We encourage our employees to get involved in voluntary activities.</p> <ul style="list-style-type: none"> <li>• Collaboration with Tzu Chi Foundation, they are encouraged to drop coins into coin bamboo banks and donate them when it is full.</li> <li>• Collaboration with Sinar Mas Business Units to support on blood donation drive.</li> </ul>	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.
<b>Human Rights</b> <b>Principle 3</b> : 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.
<b>Principle 4</b> : the elimination of	Goal 8	We support appropriate working hours principle. Our	Our employees are not forced to work outside





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all forms of forced and compulsory labour; <b>Principle 5</b> : the effective abolition of child labour; and		office hours starts from 08.00 a.m. until 17.00 p.m.	working hours.
<b>Principle 6</b> : the elimination of discrimination in respect of employment and occupation	Goal 8  Goal 1 Goal 5	We do not use any underage or child labour in our office and management.  We provide equal opportunity for all employees and do not discriminate women and men.	We uphold, demonstrate and promote the abolition of child labour.  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 <b>Principle 7</b> : 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.
<b>Principle 8</b> : 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.
<b>Principle 9</b> : encourage the development and diffusion of	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.



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environmentally friendly technologies.	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.
<b>Anti-Corruption</b> <b>Principle 10</b> : 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.