

PT SURYA UTAMA NUANSA (SUN ENERGY)

COMMUNICATION ON PROGRESS

A Member of the
United Nations
Global Compact

22 April 2022



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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 (UNGC) 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", written over a circular stamp or seal.

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. Employees are asked to avoid crowded places, mass transportation, terminals, malls, cinemas, and other areas that can potentially spread Covid-19.
5. Employees are asked to avoid traveling abroad and within the country as well as traveling out of town.
6. 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 electrifying Muara Seberang Village, Tanjung Jabung Barat, Jambi. SUN Energy provided solar energy for 7 public facilities; public health center, schools, village head office, and mosques that benefited more than 1,000 people, sustainably improving their quality of life, and was inaugurated in 2021. This program is a pilot program to be implemented in other rural areas in Indonesia. SUN Energy aims to support the electrification ratio in rural areas by developing "1 MWp for 1 village" program. The provision of electricity in rural areas 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, generate income, and improve healthcare and education while protecting the environment.



In April 2020, to celebrate Earth Day, SUN Energy collaborated with Batur UNESCO Global Geopark to install solar-powered Brackish Water Reverse Osmosis (BWRO) at Batur Lake. The usage of reverse osmosis technology marks a significant first step for sustainable environmental conservation, especially in view of Lake Batur as a natural heritage site and as one of the main reservoirs providing water for the majority of people on the island of Bali.

As a way of contributing to the local community in Kintamani, SUN Energy's CSR program enables access to clean and drinkable water from Batur Sacred Lake to 48 temples located across the villages in Kintamani, Bali. In the future, they will be able to get water refills for free. In addition, SUN Energy has also provided technical training to 53 members of the Batur UNESCO Global Geopark Youth Forum about the BWRO and the role that youths can have in sustainable development, especially in solar power. This program is intended to instill in the next generation of leaders the importance of protecting the environment for a sustainable future.

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.

SUN Energy is honored to be part of The Business 20 or B20 Stakeholder Consultation Forum, it is a G20 outreach group representing the international business community and private sector as the drivers of strong, sustainable, and balanced economic growth. The forum aims to determine policy recommendations, and SUN Energy was the only solar project developer participating to present the task force regarding Energy, Climate, and Sustainability. SUN Energy highlighted the company's strategies to accelerate energy transition including SUN Energy Roadmap to support the national energy mix target, SUN's strategic priorities and expected support from the government to accelerate the energy transition, especially for the solar energy industry.



Covid-19 posed challenges but also presented new opportunities for SUN Energy. Since 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.

As a solar developer company, SUN Energy participated in the implementation of SDGs No. 7 in Indonesia which is in line with the idea of a Resilient Industrial State in the period 2015-2035 with the provision of clean and renewable energy. In June 2021, SUN Energy initiated a discussion about the future of sustainable industries with the theme "Affordable and Clean Energy". To facilitate a well-rounded conversation, we invited various luminaries from the business and government sectors:

- Dr. Agus Gumiwang Kartasasmita, M.Si – Minister of Industry of the Republic of Indonesia
- Chrisnawan Anditya, ST., MT – Director of Various New Energy and Renewable Energy of Ministry of Energy and Mineral Resources
- Heru Adi Siswanto – Operations Director of PT Firmenich Aromatics Indonesia
- Andri Karyanto – General Manager Manufacturing of PT Bumimulia Indah Lestari
- Ryan Putra Pratama Manafe – Commissioner of SUN Energy



Principle 8: Undertake initiatives to promote greater environmental responsibility;

To advocate the utilization of renewable energy to support daily activities, SUN Energy inaugurated rooftop solar energy generators at 2 vocational high schools Surakarta; SMKN 2 Surakarta and SMKN 6 Surakarta. Indonesian Minister of Education, Culture and Research Nadiem Makarim, City Mayor of Surakarta Gibran Rakabuming and Director General of Vocational Education Wikan Sakarinto inaugurated a total of 11.7 kWp plants on September 2021. Besides reducing world carbon emissions, this program also aimed to introduce and give knowledge to students about renewable energy implementation.



SUN Energy has been named 'The Best Start-Up Company for Renewable Energy Development' by METI IRES (Indonesian Renewable Energy Society). The awards powered by METI are intended for 30 business entities including financial institutions, start-ups, universities, and local governments. Individuals who have ongoing commitments to renewable energy and energy conservation also get awards. We are honored to have received the award on November 27, 2021 during the EBTKE Conference and Exhibition.



In 2021, SUN Energy launched an Energy Literacy program for Indonesian students. During the year, more than 30,000 students joined our Energy Literacy programs. We also partnered with Kampoeng Kidz to hold an interactive and educative program through fun and play education for elementary school children.



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.

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.