



COMMUNICATION on ENGAGEMENT (COE)

EKA TJIPTA FOUNDATION

2021-2023

Part I Eka Tjipta Foundation at a Glance

Sinar Mas presence and contribution in developing 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 was optimistic that this dream could be realized through quality and character education as well as improving the welfare of the society evenly. For this reason, Eka Tjipta Foundation was established as a forum for collaboration and interaction between companies and the community in realizing Eka Tjipta Widjaja's dream.

Our Vision

Improve the quality of life, welfare, and independence of the community so that they can contribute positively to the development of the nation and state of Indonesia, in a sustainable manner.

Our Mission

- Establish strategic partnerships with various parties in empowering and realizing community welfare,
- Creating highly intellectual, virtuous, and competitive learners
- Develop the capacity of an educated and skilled workforce according to the needs of the business and industrial world.

Eka Tjipta Foundation is concerned with education, the environment, and economic empowerment.

Eka Tjipta Foundation works in the field of education from early childhood education (PAUD) to higher education. The continuous practice includes help in the construction of school buildings and campuses, as well as supporting facilities and infrastructure, as well as the distribution of scholarships. From year of 2007 to 2023, there were more than 3,700 students from higher education and more than 21,000 students from primary and secondary education who received scholarships from Eka Tjipta Foundation.

One of the Eka Tjipta Foundation's endeavors to advance education in Indonesia is by revitalization vocational education. In 2019, this project seeks to increase the link and match between vocational education and the worlds of industry, business, and work. Curriculum synchronizing the curriculum, developing soft skills with project-based learning, presenting industrial teachers, industrial work practices, competency certification, opening up opportunities for teachers to study in the industry, providing learning facilities and infrastructure that are equivalent to industry standards, and a commitment in absorbing graduates.

By 2023, there will be 19 vocational schools that have been revitalized, both independently and in collaboration with the Consortium of Entrepreneurs concerned with Vocational Education



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of the Republic of Indonesia. This program has benefited over 1000 student and over 100 vocational teachers.

On the other hand, the ability and the quality of life of the community is improved through a commitment to supporting community economic empowerment. In order to achieve sustainable growth and integration into the industrial supply chain, this is done by involving small businesses around Sinar Mas business operation area through inclusive close-loop projects.

By utilizing the potential that already exists in SME actors, efforts are also made to boost the revenue of SME's through coaching and mentoring using digital platform optimization.

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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 respect for human rights and fundamental freedom through 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 programs so that graduates have competencies that are in line with industry needs.

This effort to advance vocational education is manifested through the Vocational Education Revitalization Program, which aims to assist the development of vocational high

schools through modernization and digitalization of infrastructure and education curriculum so that graduates have competencies that are by the latest industry needs.

The Ministry of Education and Culture (Kemendikbud) is expanding its link & match effort to address graduates' lack of industrial preparation. Curriculum synchronization, soft skill development through project-based learning, industry teachers, industrial work practices, competency certification, learning teachers in industry, and applied research supporting teaching factories to graduate absorption commitments are all components of the 8+i package.



Picture 1 Students attend training on advanced software engineering materials



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ETF provides two kinds of assistance in this program: hard programs and soft programs. Assistance with renovating school buildings' exteriors and interiors and providing equipment that meets industry standards to enhance learning are called hard programs. Soft programs include curriculum support, collaborative curriculum creation between industry and schools, teacher training, student and teacher apprenticeships, and aid in helping instructors earn competency certification.



Picture 2 One type of hard program assistance in the form of a teaching factory

At least 19 SMKs have been revitalized as of 2023, both on their own and in collaboration with the Republic of Indonesia's Consortium of Vocational Care Employers. After working with Astra International to successfully revitalize three vocational

schools in Surakarta, the Eka Tjipta Foundation expanded to include other businesses. Eventually, this alliance developed into the Consortium "*Pengusaha Peduli Sekolah Vokasi Republik Indonesia*", an organization made up of numerous private business groups in Indonesia that share the same goal of promoting vocational education in the country.

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 residents from surrounding villages.

Today, ETF has already supported 61 schools with over 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 a variety 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.

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Picture 3 Students prepare to enter the school

To oversee the fulfillment of superior national education requirements at Eka Tjipta School, the Eka Tjipta Foundation, in partnership with the Ministry of Education, also enlists education specialists as coaches. Five school coordinators work in tandem with two coaches to make sure that all nearby schools follow the same procedures for preserving and raising educational standards.

Every year, in addition to guiding principals, teachers, and students, there is also an evaluation of the quality of education

and school management. During 2023, 8 workshops were held involving 654 principals and teachers from 61 elementary and junior high schools under Eka Tjipta Foundation.

The Merdeka curriculum was one of the workshop subjects that was discussed with Eka Tjipta School principals and teachers. The objective is to enhance the proficiency of administrators and educators in managing schools, creating lesson plans (RPPs), creating teaching modules for autonomous curricula, and overseeing schools. The Ministry of Education and Culture of the Republic of Indonesia launched the Merdeka Curriculum. With this new approach to education, instructors will have more autonomy in creating and carrying out the curriculum in their classrooms. to assist educators in putting the Merdeka Curriculum into practice.

Referring to the new assessment methodology by the National School Accreditation Body, we are proud to say that 44 of our schools are now granted accreditation of category A (Very Good) with a minimum score of 81 out of 100.

Mentoring & Evaluation

Each of our schools must have the ability to deliver quality education to students. Regularly, we carry out monitoring and evaluations of all schools to ensure the quality of education is still on par. We also provide assistance, training, and

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mentoring to all Principals and Teachers throughout the process of the implementation of the government-regulated curriculum.



Picture 4 Teachers accompany the learning process at school

Character Building

We place equal priority on human decency and moral character as we do on academic aptitude. We integrate character development into the curriculum by teaching children the importance of excellent manners, personal hygiene, positive thinking, teamwork, and innovation. As a long-term investment, we think that encouraging

excellent character development is best done while a child is very young.

Students are urged to practice the values they have learned in their lives as a sincere tribute to those beliefs. For example, manage their rubbish and have a clean school environment



Picture 5 Elementary school students sorting waste in the school environment.



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Scholarship

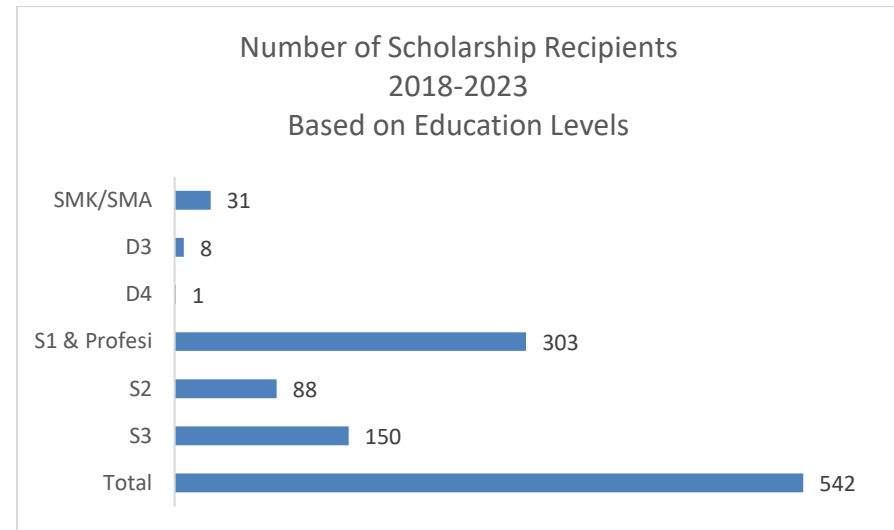
Higher Education Scholarship

Higher education gives people a better chance of turning their ambitions into reality and determining their future. Eka Tjipta Foundation offers scholarships to students pursuing secondary education, D3, D4, S1 & professional, S2, S3, and vocational education programs at both domestic and international universities.

Scholarship recipients receive research funding and living allowances each semester, in addition to financial aid for school. Furthermore, outstanding scholarship awardees are given preferred placements in Sinar Mas business units.

The Eka Tjipta Foundation's devotion to education is evidenced by scholarships awarded to students who succeed but come from low-income homes, as well as professionals advancing in their careers. Eka Tjipta Foundation has awarded scholarships to 3,720 persons at various stages of schooling until 2023.

542 scholarship awardees are now pursuing their studies between 2018 and 2023. According to Graph 1, the highest number of scholarship beneficiaries are S1 and professional (Bachelor) level scholarship recipients, with 303 people, followed by S3 (Doctoral) and S2 (Master) levels.



Graphic 1 Number of scholarship recipients



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Vocational Scholarship

As part of our commitment to promote vocational education in Indonesia, ETF grants scholarships to outstanding students from Eka Tjipta's school to continue their education at SMK.

ETF provides a solution in the face of budgetary constraints and a lack of institutions with national requirements in the area by giving scholarships to pursue vocational education at ETF-sponsored vocational schools. In addition to tuition fees, the ETF provides a home for the children to reside in so that they may focus on their studies without being distracted by the requirements of life.

ETF currently provides scholarships to 40 students from the Eka Tjipta School. 10 of the 40 students who graduated are now working in the Sinar Mas business unit.



Picture 6 Graduation of one of the vocational school scholarship recipients



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Fellow Relation

Eka Tjipta Foundation routinely holds Scholarship Recipients Gatherings including various parties to develop communication and strengthen networking among scholarship recipients. The events take the shape of seminars with diverse speakers, as well as soft skills training to impart knowledge and extend the horizons of the scholarship recipients, with topics relating to current community circumstances.

Eka Tjipta Foundation organized three events in 2023. The first and second gatherings were geared toward scholarship recipients at the S1 and Professional levels, respectively, with the theme "Learning to Manage Stress for Success on Campus," while the third gathering was geared toward scholarship recipients at the S2 and S3 levels. The inaugural gathering, held on May 8, 2023, at the Millennium Hotel Ballroom Jakarta, drew 190 people. The second gathering, on June 27, 2023, was attended by 50 people at STIKES (School of Health Science) Bethesda.



Picture 7 Scholarship recipients gathering



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SME's Program

The Eka Tjipta Foundation hosted the first Tjipta UMKM Fair in 2021. This event seeks to assist and promote Micro, Small, and Medium Enterprises (UMKM) throughout Indonesia, as well as to provide access and opportunity for Sinar Mas Fostered MSMEs to grow while also strengthening the MSME community. Hundreds of products from many economic sectors were showcased at the event. Regardless, this event is just the beginning of a long road to help MSME entrepreneurs expand and compete on a global scale.

Since 2021, Tjipta UMKM Fair has become an annual event that is anticipated by Sinar Mas Assisted MSME players. The event is not just about exhibiting MSME products, but also about celebrating the innovation and creativity that has helped drive the sector to become more competitive.



Picture 8 Sinar Mas Board Member Mr. Franky O. Widjaja visiting one of the MSME stands

To date, ETF has assisted 2.786 SME groups through training and mentoring so that their products can be sold in the modern market. The Tjipta UMKM Awards event is intended to foster the enthusiasm of the fostered MSME players in Sinar Mas so that they can produce good products or achievements. No less important, this activity also aims to raise the class of MSMEs assisted by Sinar Mas while increasing the potential of MSMEs so that more MSMEs can enter the Inclusive Closed Loop Partnership.



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Activities and the Principles

A. Implementation in ETF's Programs

UNGC Principles	SDGs Goals	Descriptions of Activities	Outcome
<p>Human Rights</p> <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	<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 the children of the employees but also for the residents surrounding villages, for free.</p> <p>We support vocational education to provide graduates that have competency in line with industry needs</p>	<p>Today, we have 61 schools with more than 10,000 active students across Indonesia.</p> <ul style="list-style-type: none"> • We assist 19 schools by 2023. We provide renovation of the interior and exterior of school buildings and also provide the necessary equipment according to industry standards to support learning process. • We assist in collaborative curriculum creation between industry and schools, teacher training, student and teacher apprenticeships, and aid in helping instructors earn competency certification.



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	Goal 8	ETF assisting SMEs (UMKM) under Sinar Mas unit	ETF has assisted 2.786 SME groups
	Goal 3 Goal 4	Our schools have 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, sports 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 standardized 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's degrees 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 the ETF Scholarship Program.	Between 2021 – 2023, we have provided 48 students with scholarships to continue their education in reputable national universities in the country.
Labour Principle 3: Businesses should uphold the freedom of association and the	Goal 1 Goal 5	In addition to receiving a basic salary, our teachers are also entitled to various allowances every month.	Our teachers are well-renumerated.
	Goal 1 Goal 5	We provide an equal remuneration policy for our teachers regardless of their gender,	We maintain this policy and do not discriminate against teachers based on



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effective recognition of the right to collective bargaining;	Goal 10	sexual preference, race, and ethnicity.	their gender, sexual preference, race and ethnicity.
	Goal 10	To develop the competencies of our teachers, we regularly provide training to increase their capacities.	<ul style="list-style-type: none"> • Our teachers have been provided with competency training twice a year. • They have developed their competencies despite being away from the city.
	Goal 4 Goal 10	To develop the soft skills of our teachers, include management and communication skills.	Our teachers have been provided with soft skills training once a year.
Principle 4: the elimination of all forms of forced and compulsory labor;	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 labor; and	Goal 8	We do not use any underage or child labor.	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 with 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 staff and teachers with a "Zero Tolerance" discrimination policy from recruitment through all the benefits awarded to them.	In our policy, we do not tolerate any form of discrimination in the workplace.
	Goal 12	We educate our students and scholarship recipients in waste recycling and management.	Our students are aware of types of waste and learn to sort and dispose of it properly.
Environmental Principle 7: Businesses should support a precautionary approach to environmental challenges;	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"



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			transportation.
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Goal 6 Goal 12	In all ETF schools, we are establishing an environmental program called the “Adiwiyata Program” to educate and promote eco-friendly and environmental responsibilities.	All schools under ETF management is implementing the “Adiwiyata Program” to support the 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 which enables them to focus more on teaching the children.
Principle 9: encourage the development and diffusion of environmentally friendly technologies	Goal 12	We educate our staff, teachers, and students to recycle all waste, including household waste.	<ul style="list-style-type: none"> • We encourage all our staff in the office to use recycled 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, etc. are supported with receipts.	We make and keep transparent and accountable operating expense reports.



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B. Implementation in ETF's Daily Operation

UNGC Principles	SDGs Goals	Descriptions of Activities	Outcome
Human Rights Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;	Goal 8	We provide access to water & sanitation and not to mention a large pantry space where employees can have their meals.	The pantry provides a place for employees to socialize and have lunch together as one strong multicultural team.
Principle 2: Make sure that they are not complicit in human rights abuses.	Goal 1	We encourage our employees to get involved in voluntary activities. <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 participate in blood drive donations twice a year, and are becoming aware of the importance of sharing with others in need.



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Human Rights 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.
	Goal 8	We support the appropriate working hours principle. Our office hours start from 08.30 a.m. until 5.30 p.m.	Our employees are not forced to work outside working hours.
	Goal 8	We do not use any underage or child labor in our office and management.	We uphold, demonstrate, and promote the abolition of child labor.
	Goal 1 Goal 5	We provide equal opportunity for all employees and do not discriminate against women and men.	This policy has been and will always be maintained. The organization has been under 2 strong women for at least 3 years since ETF was established.
Principle 4: the elimination of all forms of forced and compulsory labor;	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 race, gender, religion, sexual preference, and background.	Our diverse employees create a multicultural working environment. We promote diversity, cooperation, and tolerance.
	Goal 10	We design standard operating procedures (SOP) that apply to all employees to guide	We minimize knowledge gaps between employees through SOPs training and



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		them step-by-step on how to execute meetings, travels, filing documents and many other things.	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 7 o'clock every day and the 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 color printing only when it is required.	Employees are getting familiar with the policy and practicing it daily.
	Goal 12	We encourage our employees to use recycled paper for all internal reporting instead of using new papers.	Employees are following this policy daily 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,	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 of	We have a strict monitoring and audit team to



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including extortion and bribery.		any kind in our daily operations.	control all the employees' activities and we do immediately termination to all employees found intended and/or accepting bribery.
	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.