



# Strengthening Indonesia's Competitiveness:

*Business' Investments in Sustainability,  
CSR and Inclusive Growth*

## CO-HOSTS



THE EMBASSY OF THE REPUBLIC OF INDONESIA  
WASHINGTON, DC



### **AmCham Indonesia**

AmCham Indonesia is a voluntary organization of professionals with commercial activities in Indonesia. Its central mission is to promote US-Indonesia commercial relations and to serve its members as a key resource for information and business networking. First formed in 1971 as a committee, AmCham Indonesia has grown to hundreds of members representing more than 250 companies. For more information, please visit [www.amcham.or.id](http://www.amcham.or.id)

### **Embassy of the Republic of Indonesia, in Washington D.C.**

The Embassy of the Republic of Indonesia in Washington DC is the diplomatic mission of the Republic of Indonesia to United States of America. The Embassy has its core mission to advance and deepen the relations between Indonesia and the US under the comprehensive partnership. The current Indonesian Ambassador to the US is Dr. Dino Patti Djalal, who was appointed in September 2010. Under his leadership, the embassy has initiated several programs to increase the relations as well as mutual understanding between the two nations, among others: organized the Guinness Book of World Record for the largest angklung ensemble, organized the first world Congress of Indonesian Diaspora in 2012, launched American Batik Design Competition, and organized the first "Indonesia Investment Day" at the New York Stock Exchange in Wall Street in September 2012 opened by President Susilo Bambang Yudhoyono. <http://www.embassyofindonesia.org/>

### **U.S. Chamber of Commerce**

The U.S. Chamber of Commerce is the world's largest business federation representing 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations. More than 96% of U.S. Chamber members are small businesses with 100 employees or fewer.

As the voice of business, the Chamber's core purpose is to fight for free enterprise before Congress, the White House, regulatory agencies, the courts, the court of public opinion, and governments around the world. The Chamber's International Division works in collaboration with 116 American Chambers of Commerce operating in 103 countries to expand global engagement. Through its growing network of grassroots business activists, the Chamber makes a tremendous impact educating voters, turning out the business vote, and advancing legislation on Capitol Hill. [www.uschamber.com](http://www.uschamber.com)

# PARTNERS



## MEDIA PARTNERS



Launched in 2008, the Jakarta Globe is Indonesia's leading English language publication. Its print and online editions are read by more than 4 million people across the globe.

The Jakarta Globe is an award-winning newspaper which offers a window into Indonesia's business, political, diplomatic and social communities. Its editorial philosophy is pro-business and pro-markets. It is politically independent and strives to present an impartial, objective and pro-active view of the country.



Bloomberg TV Indonesia is the country's first world class 24-hour business channel. Broadcasting live from its state-of-the-art high definition studio in the heart of downtown Jakarta on multiple platforms, Bloomberg TV Indonesia will provide insightful and in-depth coverage of all the day's top business stories. Find out what's moving the markets and hear Indonesia's decision-makers speak their minds, first on Bloomberg TV Indonesia. The channel is supported by Bloomberg's unparalleled news gathering team of 2,300 news professionals in 146 bureaus across 72 countries worldwide and its award-winning television network that broadcasts to over 330 million households globally.

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## **Asia Pulp & Paper – Sustainability Roadmap – Vision 2020 and Forest Conservation Policy**

As one of the world's largest pulp and paper companies, Asia Pulp & Paper Group (APP) is responsible for providing quality products to meet the growing global demand for tissue, packaging and paper. Every day, our products are used by consumers in various branded forms worldwide.

Founded in the 1970s, APP operates in Indonesia and China with an annual combined pulp, paper, packaging product and converting capacity of over 19 million tons per annum. Today, APP markets its products in over 120 countries across six continents.

Maintaining both the integrity of our supply chain and our Sustainability Roadmap Vision 2020 is crucial to APP's operations.

### **Sustainability roadmap**

In June 2012 we launched our Sustainability Roadmap – Vision 2020, a comprehensive guide for achieving a 'whole business' sustainability operating model. It covers eleven impact areas, each of which has several subsidiary and specific goals:

1. Forest Conservation Policy
2. Emissions
3. Solid Waste
4. Water Management
5. Reforestation
6. Conservation and Biodiversity
7. Fiber sourcing
8. Employee welfare
9. Community empowerment
10. Indigenous peoples
11. Human rights

The most critical target was to completely eliminate all natural forest derived products in our entire supply chain by 2020. Initially, the APP Sustainability Roadmap targeted to implement High Conservation Value Forest (HCVF) principles and end natural forest clearance across the supply chain by 2015. However, we managed to accelerate our timeline by two years, announcing February 5th 2013 our Forest Conservation Policy (FCP) to be in immediate effect.



The overall objective of APP's FCP is underpinned by four commitments:

*High Conservation Value Forests (HCVF) and High Carbon Stock (HCS) Forests*

- *Policy commitment 1:* APP and its suppliers will in future only develop areas that are not forested, as identified through independent HCVF and HCS assessments. The assessments will be undertaken by independent consultants, The Forest Trust (TFT).

*Peatland management*

- *Policy commitment 2:* APP will support the Indonesian Government's low emission development goal and target to reduce greenhouse gas emissions.

*Social and community engagement*

- *Policy commitment 3:* APP will implement the following principles:
  - Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
  - Responsible handling of complaints
  - Responsible resolution of conflicts
  - Open and constructive dialogue with local, national and international stakeholders
  - Empowering community development programs
  - Respecting human rights
  - Recognising and respecting the rights of its workers
  - Compliance with all relevant laws and internationally accepted certification principles and criteria.

*Third party suppliers*

- *Policy commitment 4:* APP sources fibre worldwide and is developing measures to ensure this sourcing supports responsible forest management.

**PROGRESS**

On the 4<sup>th</sup> June 2013, in its latest update to its *Sustainability Roadmap – Vision 2020*, APP announced a fixed deadline by end of August 2013 for all natural forest wood (Mixed Tropical Hardwood – MTH) felled prior to APP's FCP, to have reached its pulp mills.

We invite your feedback on our *Sustainability Roadmap – Vision 2020* to help us continually refine and improve our process. To learn more, visit [www.asiapulppaper.com](http://www.asiapulppaper.com).





## **VALUING SUSTAINABILITY**

Gradually BNI has achievements in sustainable performance. It was BNI's contribution to support the global effort in the context of Sustainable Development and the Millennium Development Goals (MDGs).

For BNI, sustainable development aims to meet the needs of the community through the provision of funds for businesses in various sectors through 3P approach, namely Profit, Planet, and People. Therefore, we strive to improve sustainability performance programs in 3 dimensions, namely environmental, economic, and social, which are interconnected with one another and cannot be separated.

### **ECONOMIC PERFORMANCE**

Economic performance emphasizes on BNI ability to improve the economic conditions of stakeholders, including customers, shareholders, employees, partners, government and society.

To enhance the economic empowerment of the people, we provide small-loans to entrepreneurs in various sectors, including trade, agriculture, services, industry, transport, storage, communications, construction, and others. Until the end of 2012, the number of loans disbursed reached Rp53.7 trillion.

### **ENVIRONMENTAL PERFORMANCE AND RESPONSE TO CLIMATE CHANGE**

Environmental performance and response to climate change emphasizes BNI's environmental performance to enhance the quality of ecosystems and natural resources. This effort is achieved through various pro-environmental policies, including policies aimed at mitigating greenhouse gas emissions that cause climate change, which is now a global community challenge.

In response to the climate change issue, during 2012, we continued to improve the preservation of the environment through a series of policies such as energy efficiency, waste management and efficient use of paper. Another effort and to support the development of the pico hydro power plant in the community, and assisted the BiRu (Domestic Biogas) program on the island of Sumba. Apart from that, we finance the renewable energy sector. We implement PROPER system issued by the Ministry of Environment as an important element in determining creditworthiness.

### **SOCIAL PERFORMANCE**

Social performance has a wider aspect, including employment practices, respect to human rights, and responsibility for the products that we market.



In addition, the emphasis is also on the social performance of BNI effort to share with marginal communities, improving their quality of life.

To improve the quality of life for marginal communities, in 2012, we implemented various programs in several fields, including education, health, as well as public facilities and infrastructure, including religious and other social assistance. The amount of funds spent on community development programs during the year 2012 reached Rp185.6 billion.



At Cargill, we are committed to supporting corporate social responsibility programs that help build vibrant and stable communities across the globe.

Managing supply chains responsibly across the agriculture, food, industrial and financial markets we serve is an important part of our focus, along with conducting business with integrity, enriching our communities and working to feed the world.

With 11,000 employees in 26 locations across the country, Cargill's businesses and people here in Indonesia are actively engaged in helping smallholder farmers prosper, fostering rural development, and protecting the environment in the communities where we operate.

### **Helping Smallholder Farmers Prosper**

Cargill Indonesia works with smallholders and local farmers to improve the efficiency and effectiveness of farming practices that promote sustainability, improve yields and crop quality, and ultimately raise smallholder farmers' incomes.



- **Cocoa Growers** In 2012, we launched our farmer training sustainability program with the aim of training over 1,000 Indonesian farmers through Farmer Field Schools. The program will help farmers raise their productivity, bean quality, achieve UTZ / Rainforest Alliance certification and raise their incomes.
- **Coconut and Cassava Farmers** In 2012, we distributed 508,000 cassava seedlings to help alleviate a seedling shortage and donated 10,000 coconut seedlings. In 2013, Cargill donated 20,000 coconut seedlings to smallholders. With the Ministry of Agriculture's Coconut Research Center and Winrock International, the program also provides fertilizers and training on good agricultural practices.
- **Feed Grain Farmers** With Danone Ecosysteme and Bina Swadaya, Cargill supports corn farmers and works to improve water resource management in the Pusur watershed.



**Livestock Producers** Since 2000, Cargill's free training program has trained over 2,000 livestock farmers per year. The program helps livestock and aquaculture farmers increase their income by improving the productivity, health and welfare of their animals. In 2013, Cargill launched a chicken farming training program for students with vocational school SMK Agri Insani.

- **Palm Smallholders** Cargill has provided RSPO certification training for 9,000 oil palm smallholders and set up a program to share palm oil premiums from RSPO-certified product sales. The smallholders received their first RSPO premiums in 2011.
- **Oil Palm Teaching Farm with Institut Pertanian Bogor (IPB) and Cargill Tropical Palm Learning Academy** In 2012, in collaboration with IPB, a leading agriculture institute, Cargill contributed US\$255,000 towards building Indonesia's first oil palm teaching farm. In 2013, we launched our first specialized learning institution to train professionals in sustainable palm oil production. The academy will also extend intern and research opportunities to IPB students.





## **A Good Corporate Citizen**

Our businesses and people are actively engaged in giving back to the communities where we operate. In Indonesia, we focus on fostering rural development, protecting the environment and nourishing the people and possibilities in local communities.



**Nourishing children in rural areas** In 2010, Cargill and the United Nations World Food Program completed a three-year Cargill-funded US\$ 3 million program to improve the health education and nutrition of 37,000 children. The children received healthy foods, school rehabilitation, clean water wells, sanitation infrastructure, training and medications.

- **Supporting rural orphans** In 2010, employees raised US\$90,000 to construct dormitories for 50 orphans in Musi Banyuasin. In 2012, we refurbished an orphanage for 60 children in Makassar and continue to make monthly visits, to donate food and school materials.
- **Supporting healthcare needs** Cargill provides free medical care at our oil palm plantations. At Hindoli, we run five company clinics that serve 17,000 patients a year. At Harapan, local doctors conduct visiting clinics and provide medical aid to remote Dayak villages. In 2012, Cargill employees donated US\$150,000 to the Indonesia Cancer Association.
- **Building educational facilities** In 2011, Cargill donated 3,700 books and upgraded 12 library rooms to benefit 3,800 students. In 2012, we launched a US\$50,000 mobile library to benefit about 2,300 students in Ketapang. The library is also used as a platform for public awareness talks.
- **Providing access to clean drinking water** In 2011, we collaborated with the South Sumatra government to fund and build a US\$1 million water plant in Palembang – supplying clean drinking water to 4,000 village residents. We also installed piping to provide clean water to 400 families in Jawa Timur, and built a water tower and infrastructure to supply clean water to 450 families.
- **Conserving high-value forests and helping to protect the orangutan** With Flora & Fauna International (FFI), we helped to protect high-value conservation forests in West Kalimantan. We also co-funded research by the World Wildlife Fund (WWF) to explore using degraded land to develop new oil palm plantations.





## **Chevron: Partnering with Indonesian Communities**

In Indonesia, the expression *gotong royong* means offering assistance, sharing burdens and working with others. Throughout our more than 80 years in Indonesia, Chevron has embraced *gotong royong*, working with communities to support disaster relief and rehabilitation; small business and enterprise development; education, as well as training; health services and environmental conservation.

Throughout this time our community development programs have delivered more than \$125 million in assistance.

### **Chevron Aceh Recovery Initiative**

Following the 2004 Indian Ocean tsunami, Chevron responded to the needs of survivors in Aceh and Nias with the Chevron Aceh Recovery Initiative, which included:

- Development of the \$16 million Politeknik Aceh, a vocational institute founded in partnership with the government of Indonesia, the local government of Aceh province, the Aceh-Nias Reconstruction and Rehabilitation Agency, and the United States Agency for International Development (USAID). Chevron provided nearly \$6 million to fully fund construction of the facility. The Politeknik started its first academic year in August 2008. The Politeknik Aceh built on the success of the Politeknik Caltex Riau, also supported by Chevron, which opened in 2001 to offer degrees in engineering, telecommunications and computer science.
- Long-term economic development and sustainable growth initiatives, including a partnership with Mercy Corps that created access to financial services for 100 communities. A partnership with Swisscontact helped create the Business Startup Establishment project, which supported 1,200

microenterprises and small businesses, creating jobs for 6,000 people. Overall, Chevron has invested \$9 million in these initiatives.

### **Small Business and Microenterprise Development**

Chevron supports programs that offer training in agriculture, fisheries, and small business management.

- Local Business Development helps small companies and cooperatives in Sumatra, East Kalimantan and West Java. More than 4,100 small local businesses and cooperatives have participated in workshops.
- In East Kalimantan and West Java, Chevron partnered with Permodalan Nasional Madani and Baitul Mal Muamalat to create the Community Enterprise Development Program. This program strengthens community-based business groups and small-shop owners as well as individuals. The program offers loans through a microfinance institution and provides business management training.

### **Initiative Engage Execute Empower (I3E)**

Through our I3E programs in West Java and East Kalimantan, we support local economic growth.

- In West Java, we partnered with Yayasan Bina Usaha Lingkungan and PT

Permodalan Nasional Madani. The program includes conservation efforts to prevent further exploitation of the forest located near Chevron operated geothermal fields; and capacity building training for local communities to boost economic growth through the establishment of small and medium enterprises.

- In East Kalimantan, we established the Coastal Community Empowerment program to improve the income of local coastal



communities and support sustainable economic development in the region.

### **Education, Training and Health Services**

- To help fight HIV/AIDS, we provided \$5 million to the Global Fund to Fight AIDS in Indonesia. The Global Fund works with the government of Indonesia; and the Directorate of Directly Transmitted Disease Control (DDTDC) of Indonesia's Ministry of Health to deliver health education initiatives.

- We also established the "I Wanna Live" campaign with Yayasan Cinta Anak Bangsa and Media Indonesia, one of the leading national media organizations, to engage junior and high school students, youth and teachers in West Java and provide them with information on HIV/AIDS.

- To improve the quality of life in Sumatra, we support a mobile health service that provides health care, vaccinations and medical training for residents in 30 remote villages.

- To promote education among the Sakai, an indigenous tribe in Riau, we

contribute to the Beasiswa Anak Asuh Sakai (Sakai Foster Children Scholarship) program, which offers educational grants to thousands of Sakai



children. We also provide grant opportunities to students of Riau with a Darmasiswa Chevron Riau scholarship to pursue higher education in universities across Indonesia.

- To re-establish the education sector in Yogyakarta after the 2006 earthquake, we partnered with BPMIGAS, the government of Sleman Regency, USAID and Gadjah Mada University, to rebuild SDN Kalongan, a state elementary school, in Sleman, Yogyakarta. Officially opened by Sri Sultan Hamengkubuwono X, the Sultan of Yogyakarta in December 2007, this school is now considered one of the most respected elementary schools in the region.

### **Environmental Conservation**

- Working with Conservation International Indonesia, we raised environmental awareness among local people near the Mount Halimun-Salak National Park. Using concealed cameras in the forest, we monitored the presence and condition of endangered species, such as the Javanese tiger, the Owa Jawa monkey and the Javan hawk-eagle.

- With the Mount Halimun-Salak National Park and Raptor Sanctuary partnership network, we established the *Suaka Elang* (Raptor Sanctuary).

This sanctuary marks the first step in the development of a multiparty professional network to support the education about, and rescue of, raptors and their habitats.



### ***ConocoPhillips Sustainable Development***

For ConocoPhillips, Sustainable Development is about conducting our business to promote economic growth, a healthy environment and vibrant communities, now and into the future.

ConocoPhillips believes it is our responsibility to seek to understand and be understood by our stakeholders – a diverse group of individuals and organizations who can impact or be impacted by our business.

We work to accomplish this by maintaining open communication through both formal and informal engagement processes, and providing accessibility to information concerning our business practices.

As one of the world's largest independent exploration and production companies, we are proud to be involved in the communities where we operate. We contribute to the well-being of these communities through charitable giving, volunteerism and civic leadership. In 2013, ConocoPhillips was honored as one of Corporate Responsibility Magazine's 100 Best Corporate Citizens globally.

### ***ConocoPhillips Indonesia***

At the business unit level, our social investment initiatives reinforce our community engagement efforts in locations where we are active. We seek to understand community needs, as well as community assets. Our business units seek to support projects or initiatives that can help to fill needs where appropriate, or help communities to build on their own assets where those opportunities exist. We also believe that programs and projects that can be sustained over the longer term and that have multiple avenues for funding have the best chance for success. For this reason, our approach to community and social investment promotes project and program sustainability and "self-sustaining" models.

#### ***Economic Empowerment***

ConocoPhillips Indonesia believes in community investments that drives the local economy. Our economic empowerment programs are aimed to educate local community on ways to improve their local economy so they become a stronger and independent society. *Professional Rubber Farming*, which began in 2002, has benefitted not only the farmers who took part in the program, but has spread to the farmers in surrounding areas. Our farmers who have been equipped with sound knowledge on rubber harvesting shared their expertise to other farmers. Our *Local Manpower Development Program* is dedicated to empower them in acquiring new skills to qualify for new job opportunities or to start their own business.

## ***Education***

ConocoPhillips Indonesia's philosophy of Sustainable Development is to think about the future while doing its business. Education is about the future. Students, teachers and schools are about creating future generations. *PUSTAKA HYDRON Mobile Library* provides easy access to books for the students of Palmatak and Siantan, Anambas Islands Regency, Riau Island Province. ConocoPhillips Indonesia conducted *Scientific Writing Competition* for senior secondary schools and the winners were eligible to receive ConocoPhillips Indonesia's *scholarships*.

## ***Infrastructure***

A community that has sound public facilities and infrastructure can be viewed as a thriving community. ConocoPhillips Indonesia, working together with the local government, support the construction and renovation of public facilities by utilizing a community-based approach. *The Use of Alternative Wind Energy* serves the needs of electricity of our Fishery Program's Hatchery. This alternative energy has proven to save the diesel fuel consumption by 25% per month. *Water Well and Sanitary* provides clean water and sanitation facilities for communities in Banyuasin and Musi Banyuasin Regency, South Sumatera.

## ***Regular stakeholder & community engagement***

Regular stakeholder engagement with local communities has contributed to improving relationships and building community support in the areas in which we operate. We have developed partnerships with regional universities and local business associations where, together with the community, we have developed environmental strategies incorporating local practices. In 2009-2012 we conducted major safety campaigns involving various aspects of our operations. These campaigns were designed to increase public safety awareness around our river barging, pipeline right-of-ways and offshore platforms. We also conducted public safety campaigns in local communities and schools on pedestrian, driving and motorcycle safety.







## **GE Citizenship in Indonesia – Contribution for Indonesia and its people**

As a 130-year-old technology company, sustainability is embedded in our culture and our business strategy. Working to solve some of the world's biggest challenges inspires our thinking and drives our actions. For more than 70 years, we have worked on things that matter for Indonesia, bringing technology and finding sustainable solutions to benefit the country and its people.

Every day, GE employees help improve the communities where we live and work through volunteer programs, grants and donation in health, education, environment, and community development.

In 2012, we mobilized 379 GE volunteers, which is almost half of the total number of GE employees in Indonesia, and contributed close to 5,000 volunteer hours.

Recently, **GE Foundation** announced its US\$3 million commitment over the next three years to help improve the quality and access to healthcare, as well as to help lower maternal and infant mortality rates in Indonesia's rural areas.

This grant will support Indonesia MDG's program, Pencerah Nusantara, to mobilize 64 healthcare professionals to 14 remote locations in Indonesia for one year, which will provide quality healthcare for over 264,000 people. Prior to this grant, GE also had donated seven *V-scan 1.3*, a portable ultrasound device, to seven clinics in remote areas that are managed by Pencerah Nusantara healthcare professionals.

In addition, this grant will support Jhpiego's EMAS program over the next 3 years to develop and promote the use of mobile technology to allow midwives to closely monitor and provide follow up postpartum and postnatal care for new mothers.

GE also provided a US\$62,000 grant to the Indonesia Midwives Association to develop a Bidan Delima E-Learning program, a digital curriculum guideline that enables private midwife clinics to meet the high-quality Bidan Delima standard. This E-Learning program is expected to reach more than 1,500 midwives in Indonesia.

Some highlights of our Volunteer activities include:

### **Renovating Early Childhood Education Facility in Gunung Sari Village Lombok**



GE Volunteers and Garuda Indonesia collaborated to renovate early childhood education facility in Gunung Sari Village Lombok, Nusa Tenggara Barat Province. Seventy volunteers and a hundred residents of Gunung Sari village spent more than 300 hours renovating the existing facility, which included re-walling, painting, installing new lightings and renovating the playground. This project was recently awarded **GE Volunteers Global Project Impact Award 2012**

### **Building Clean Water and Sanitation Facility Post Merapi Eruption**



GE and Habitat for Humanity (HFH) built and rehabilitated clean water distribution infrastructure, sanitation facilities and housing in Yogyakarta following Mount Merapi eruption in October 2010.



The project aimed to improve the health of the community in Gondoarum village, one of the villages that previously had no access to clean water and good sanitation due to the volcano eruption, by building clean water distribution and improving sanitation. Over 150 GE Volunteers spent more than 500 hours to build 6,500 meters of clean water distribution system, several public sanitation facilities, and established three hectare of plantations, which helped improve the health and welfare of more than 3,000 people who were affected by the disaster. **This project won the Indonesia MDG Award 2011.**

#### **Providing Pre Natal Examination and Counseling**



Pertamina RU-III Palembang provided pre-natal examination and counseling for 417 expectant mothers. The objective of this volunteer project was to help as many expectant mothers as possible, who do not have access to pre-natal examination and counseling, which can help detect pregnancy problems early. Thirty GE volunteers participated in the project, and generated a total of 586 volunteers' hours. **This project was recorded in the Indonesia Records Museum (MURI) for having the highest number of expectant mothers examined in one day.**

#### **Mentoring High School Students**



GE Volunteers, PT. KAI, PT. Balai Yasa and Prestasi Junior Indonesia (PJI) organized a mentoring and job shadow event for 120 students from five high schools in Yogyakarta. The event was part of a Student Entrepreneurship Program that GE and PJI have been working on since 2007. The activity comprises of a Student Company competition, where students from each school establish a real company that produces a product, which they have to sell and make profit; and Job Shadow, where students can experience day to day activities of each business function in a company and received mentoring from the leaders of those functions. Until the end of 2012, GE and PJI have trained around 12,000 high schools and vocational school students.

#### **Providing Scholarship for High Achieving University Students**



Since 2000, GE Foundation provides scholarship to university students in Indonesia through Indonesian International Education Foundation. To date there are 155 university students received scholarships from GE Foundation. In the period of 12 years, GE Foundation has disbursed up to US\$900,000. This year, we disbursed US\$67,500 for 10 university students.

For more information on GE Citizenship in Indonesia: [www.ge.com/id](http://www.ge.com/id)



## **PT Indika Energy Tbk INSPIRING INDONESIA**

Indonesia is one of the fastest developing economies in the world, and geographically one of the most spread out. There are many areas where local communities and their culture can benefit from corporate support in efforts to make a difference. In aspiring to be a model corporate citizen, Indika Energy has maintained Corporate Social Responsibility (CSR) as a fundamental value in the Company culture. Indika Energy has contributed at national and local level in education, health, community development and in support of environmental care.

### **EDUCATION**

#### **“Indika Energy Cerdaskan Anak Bangsa”**

Indika Energy has consistently applied good corporate social responsibility to internal stakeholder as well by launching the “Indika Energy Cerdaskan Anak Bangsa” Scholarship Program in 2012. This program provides scholarships for the children of the employees, from elementary to high school students, who have performed well in their studies. This is both an incentive and recognition program which stands to improve the academic performance of the children of employees. The program has helped in employee engagement with better morale and encouraged greater productivity, while also giving more opportunity for these families to progress in personal prosperity in their future. This program is part of Indika Energy’s commitment to enrich the Indonesian society through education. The Indika Energy Cerdaskan Anak Bangsa Program was rolled out at Indika Energy’s 12th anniversary commemoration on 2 November 2012.

#### **“Gerakan Indonesia Mengajar”**

As a founding partner, Indika Energy has always given its full support to the growth of Gerakan Indonesia Mengajar. In 2012, Gerakan Indonesia Mengajar marked a milestone achievement with 293 young teachers placed in 17 Regencies/ Districts in 16 Provinces throughout Indonesia, aimed to achieve a positive impact by improving the resources of education, in particular for the 21,192 children studying at regency/district level who benefit directly. The Gerakan Indonesia Mengajar output program saw significant results, not only in terms of teaching and learning activities at school, but also in extracurricular activities, community education, and parent-teacher meetings. Overall, Gerakan Indonesia Mengajar has had an extensive influence nationwide and inspired the emergence of similar movements in other areas, such as the Solo Mengajar, Kaltim Mengajar and UI Mengajar.

#### **“Karya Salemba Empat (KSE) Scholarships”**

Last year was the second year that Indika Energy cooperated with the Karya Salemba Empat (KSE) Foundation through the Program Beasiswa Mahasiswa Perguruan Tinggi (University Student Scholarship Program). This program is aimed specifically to support college students who have financial difficulties in reaching their dream of finishing University and to become someone with integrity, nationalism and with love for their country. It provides two kinds of scholarships which are Regular Scholarships that covers cost of living and Research Scholarships that covers funds for research that are applicative or can have an impact towards community welfare. There are 44 college students as participants in this scholarship program from 7 universities in Java and Kalimantan (University of Indonesia, Padjajaran University, Gadjah Mada University, Bandung Institute of Technology, Bogor Institute of Agriculture, Institut Teknologi Sepuluh Nopember and Mulawarman University).

## **HEALTH**

### **KSPSI-Indika Clinic**

In 2012, the collaboration between Indika Energy and KSPSI (Konfederasi Serikat Pekerja Seluruh Indonesia) is now already in its third year. This program began with the opening of one clinic in Pasar Minggu, South Jakarta in February 2010 and has expanded by the opening of the second clinic in the Tangerang Regency, specifically in the Cikupa District on the 23rd July 2011. The Cikupa Clinic has the capacity to provide 400 thousand workers with healthcare services in the Tangerang Regency.

## **COMMUNITY DEVELOPMENT**

### **Support for Indonesian Team at 2012 Olympics**

On 27 June 2012 in Jakarta, Indika Energy signed an cooperation agreement with the Indonesian Olympics Committee to support the preparations for and the sending of the Indonesian contingent to the 2012 Olympiad XXX in London, England, which took place on 27 July to 12 August 2012. Indika Energy's support for the Team Indonesia competing in the 2012 Olympiad XXX was part of its commitment as model corporate citizen to reflect the strong sense of national pride and promote the "fraternal" spirit of the Games among Indonesians and the international community. In this way, Indika Energy aspires to promote Indonesian spirit of community development and realise the national potential for the social and economic advancement of the people. The social value of good sportsmanship can help create a spirit of resilience and perseverance toward achieving greater good for all and promotes a healthy and competitive mindset.

### **Economic Empowerment Support**

Through Petrosea, Indika Energy has established Kelompok Usaha Bersama, KUBE (Community Small Business Group) in the Sukamaju and Mulawarman Villages in the Santan Batubara area of Kutai Kartanegara. The aim of establishment of KUBE is to provide assistance to communities surrounding its operational areas by improving their welfare. Another Indika Energy subsidiary, MBSS, has established the Koperasi Tenaga Kerja Bongkar Muat, TKBM (a stevedores cooperative), and routinely provides internship training for communities surrounding the area of its operational sites.

## **ENVIRONMENT**

### **Mangrove Forest Rehabilitations**

Environmental preservation is also one of Indika Energy's main focus areas in conducting CSR activities. Through Petrosea, the Company is now actively engaged in the rehabilitation of mangrove forests in Kariangau Village, Balikpapan, near the Petrosea Offshore Supply Base (POSB) operational area. Mangrove forests are an integral coastal ecological system which also protects inhabitants and property from land erosion and potential natural disasters like tsunami waves.



At Johnson & Johnson, Our Credo continues to inspire our company's humanitarian work through a simple but powerful idea, "We are responsible to the communities in which we live and work, and to the world community as well." Our mission is to make life-changing, long-term differences in human health by targeting the world's major healthcare-related issues.

Understanding that the needs of communities are specific to local realities and conditions, we fulfill our mission through enduring partnerships that deliver community-based solutions. These partnerships span three strategic focus areas: saving and improving the lives of women and children; preventing disease in vulnerable populations; and strengthening the health care workforce.

Johnson & Johnson Indonesia was established in August 13, 1973. It has three main divisions: Consumer Products, Medical Devices and Pharmaceuticals (Janssen). Our corporate social responsibility (CSR) work in Indonesia is a tribute to our colleagues, to our partners, and to the communities in which we work together to make life changing, long-term differences in human health. CSR programs in Indonesia include:

### **Saving lives through Maternal & Neonatal Child Health Interventions**

Partnering with Project HOPE, this initiative aims to reduce maternal and child morbidity and mortality by improving access to quality maternal and child health services and through the promotion of healthy behaviors at the community level that will help the Indonesian government achieve Millennium Development Goal targets by 2015. The project will improve health providers' knowledge and skills in delivering essential maternal and newborn care as well as emergency obstetric care. Through a variety of interventions, the project will build the capacity of community-based organizations and individuals – community health volunteers of integrated health posts, members of PKK (Pembinaan Kesejahteraan Keluarga—a family welfare organization) and village health committees, to address vital health needs of communities.

### **Safer Pregnancies, Healthier Newborns**

Each year in Indonesia, 20,000 women die from pregnancy or delivery complications, and 165,000 infants die before, during, or directly after birth. Midwives play an important role in improving reproductive health services because they are found in almost every village in the country and are present at nearly 2.3 million births each year. Working with JHPIEGO, a health group affiliated with Johns Hopkins University, the Indonesian Midwives Association (IMA) created the Bidan Delima program in 2000. It provides awareness, skills enhancement and motivational tools for midwives in private practice who are eager for continuous education. Since our involvement began, more than 7,000 midwives have been trained on the national clinical standards of midwifery. These standards include family planning services, infection prevention, and safe delivery care. The program also provides educational material to 28,000 additional midwives throughout the country. By improving the health care services offered to midwives in private practice, Bidan Delima aims to help reduce the maternal and neonatal mortality rate of urban births by 30 to 60 percent over the next five years.



### **Water & Sanitation Program for School Children**

Since 2009, Johnson & Johnson has partnered with FORKAMI, an NGO focused on improving the quality of clean water, to provide education on sustainability in elementary schools. The program aims to trigger behavioral changes in the areas of clean water, health and sanitation by educating and recruiting agents of change among schools, teachers and especially students of elementary schools. The program has worked with 36 elementary schools in Jakarta.



### Prevention of HIV/AIDS in Youth

HEBAT! (Hidup Sehat Bersama Sahabat) is a school-based program for the prevention of HIV/AIDS, targeting junior high schools in Bandung, with training on knowledge, attitude and skills related to healthy life behaviors on sexual reproductive health and drug use. The program began in 2011 with a grant to the Health Research Unit, Faculty of Medicine, Padjadjaran University of Bandung (UNPAD), Indonesia. J&J is among several funders of this award winning program.

### Hospital Management Program (HMP)

Since 2007, Johnson & Johnson has partnered with the Faculty of Public Health of University Indonesia. The Hospital Management Program (HMP) aims to continuously improve the quality of human resources in the hospital industry through a series of hospital management study programs. Today the HMP is one of the best faculty's training programs with classes, workshops and seminars conducted by experienced faculty staffs, directors of hospital and consultants.

### Mental Health project

Community centers in Indonesia traditionally play an integral role in supporting and caring for people living with mental illness. These community centers, although not medical facilities, often are the first point of contact for people living with mental illness and their families when seeking mental health care and treatment. Recognizing the important role of community centers in Indonesia, Johnson and Johnson is partnering with the University of Indonesia's Department of Psychiatry to develop a training module and a pilot program entitled, *The One Heart One Soul* project. This project's aim is to design a mental health education platform specifically for Indonesia's community centers to enhance the community centers' capacity to assist people living with mental illness and to provide the community workers with a deeper understanding of mental health and the resources available to them.



Johnson & Johnson  
for all you love



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#### **Our Company**

At Microsoft our mission and values are to help people and businesses throughout the world realize their full potential. Microsoft Indonesia has invested around US\$40 million into Indonesia since its establishment in 1996 and has become a trusted partner to the government and people of Indonesia,

#### **Our Business**

Microsoft products include operating systems for personal computers, servers, phones, and other intelligent devices; server applications for distributed computing environments; productivity applications; business solution applications; desktop and server management tools; software development tools; video games; and online advertising.

#### **Our Corporate Citizenship**

Microsoft Indonesia focuses on mobilizing its resources to create opportunities in the communities in which it does business, and to fulfill its commitment to serving the Indonesian public through innovative technologies and partnerships.

Microsoft Indonesia provides training and tools that create the social and economic opportunities that can transform communities and help people realize their potential. Through programs and partnerships, Microsoft supports numerous projects and organizations in Indonesia working to expand opportunities, foster local innovation, and help improve digital inclusion, through technology access and training.



## **HIGHLIGHTS FACTS and FIGURES**

### **Youth & Opportunity**

Microsoft has:

- partnered with State Minister for Cooperatives Small and Medium Enterprise (SMEs), Republic of Indonesia to empower youth to become social entrepreneurs through our YouthSpark initiative – so far reaching 80,000 young people
- invested more than \$2.3 million, reached over 290,000 teachers, impacted 14.9 million students and teachers, and helped schools gain better access to technology through its Partners in Learning programme
- provided 67,000 students with Office 365 for FREE
- enabled 55,000 students to be digitally included through its Shape the Future programme
- supported 1,100 students this year in Imagine Cup competition, the world's premier student technology competition.

### **Partnership**

Microsoft has:

- donated software worth \$6,818,306.10 and \$360,00 in cash to Indonesian non profit organizations in 2012
- connected 34 local governments through House of Learning Ministry of Education
- helped Red Cross Indonesia coordinate and collaborate in the aftermath of Tsunami Aceh and Jogiakarta earthquake.

### **Innovation**

Microsoft has supported:

- 30,000 small business, enabling them with workforce skills and technical training
- 140 startups through our BizSpark program which provides software, support, visibility and community to promising startups and visionary entrepreneurs at no charge.
- 1,049 students with tech certification though Microsoft IT
- the opening of 5 Microsoft Innovation Centers





## **Qualcomm in Indonesia: Using 3G to Foster Entrepreneurship and Facilitate Training on ICT Skills**



Qualcomm believes that access to 3G and next-generation mobile technologies can improve people's lives. Through its Wireless Reach™ initiative, Qualcomm works with its partners to invest in projects that foster entrepreneurship, aid in public safety, enhance the delivery of health care, improve environmental sustainability and enrich teaching and learning with mobile technology.

In Indonesia, affordable access to telecommunications remains elusive for a large percentage of Indonesians, particularly in rural areas. Cut off from easy access to information, people are placed at an enormous economic and social disadvantage as the poorest are often overlooked by economic development programs that perceive them as being too difficult and costly to serve in a sustainable way. Many rural communities also do not have access to information or training to help them build and enhance skills needed to participate in the global marketplace.

To address this, Qualcomm Wireless Reach has worked to develop a number of programs to enhance education and facilitate entrepreneurship in Indonesia.

### **Mobile Microfranchising and Inclusive Business Tools Programs**

For the last five years, Wireless Reach and Grameen Foundation have been collaborating with Indonesian organizations to evaluate, test and build the foundation for the Mobile Microfranchising and Inclusive Business Tools programs.

The initiatives combine the power of microfinance and mobile technology with the benefits of expanding access to communications – generating broad positive economic and social returns that can bolster an entire community.

The core concept of the Mobile Microfranchising program is simple, effective and sustainable: a local small-business entrepreneur uses a microfinance loan to purchase a pre-packaged kit that includes a mobile phone and then re-sells the “airtime minutes” to neighbors. The mobile phone then serves as a platform for providing additional applications and services to further increase their revenues and profits. The Inclusive Business Tools consist of a multi-tier suite of data services that can be accessed via two distribution channels: via Ruma Entrepreneurs, a human network of mostly women who own and operate mobile microfranchise businesses, and through commercially available phones and the mass market.

The Mobile Microfranchising and Inclusive Business Tools deliver new and innovative products, information services and business opportunities that are tailored to the needs of the poor and poorest with the objective of increasing their incomes.

Applications that are part of the Inclusive Business Tools program include:

- **Jual Pulsa (Top Up) application:** Allows the poor to become entrepreneurs by selling airtime to customers. It works through a simple interface and benefits the end users by saving them the travel time to the nearest store to purchase the traditional airtime cards. Entrepreneurs sell airtime credits in a wide variety of denominations and product formats, and operators are able to make a 20 percent profit from each transaction.



- **Kerja Lokal (Local Work) application:** Connects the poor to informal sector job opportunities, thus increasing the chances of stable income for families. Kerja Lokal is deployed over a data connection (i.e. Twitter, Facebook and/or a mobile website). Customers who use this service are often factory workers, drivers, maids, security personnel and others who currently have no central source for aggregated job information. They are now able to receive a daily message with job listings that meet their location preference and their specified job category.
- **Market Intelligence application:** Enables businesses to better understand the needs and interests of low-income consumers, while providing additional income for some of the world's poorest people. Companies and organizations can use the Market Intelligence tool to survey Ruma's network of microentrepreneurs, including low income consumers and retailers – a traditionally challenging demographic to reach and study to discover their likes, dislikes and price points.
- **Taroworks:** An android-based mobile tool that integrates with the Salesforce.com platform and consists of several key capabilities: mobile data collection, integration of Grameen Foundation's Progress out of Poverty Index®, and robust field force management tools. Field agents can use TaroWorks without connectivity and can sync data when access is available. This tool allows organizations to actively track, manage, and support their remote and rural field staff, and also can assign specific jobs and tasks to field personnel through the mobile phone.

As of March 2013, more than 15,000 Ruma Entrepreneurs have served more than 1.5 million unique customers. More than 64 percent of the businesses are owned by women and 100 percent of Ruma Entrepreneurs are profitable. An estimated 47 percent of the entrepreneurs who stay in the portfolio for more than four months have moved above the poverty line, which the World Bank defines as US\$2.50 per day.

### **Global Ready eTraining Center Program**

The Global Ready eTraining Center pilot program was developed in partnership with Wireless Reach, SRA International, Indosat and PalComTech to provide underserved, economical disadvantaged students in Indonesia with access to affordable high-quality IT training and professional development. A rapid, hands-on training program was designed by the Indonesian technology training company, PalComTech, to expedite participants' ability to enter Indonesia's professional services market and realize the economic advantages of their newly-acquired skill set.

A pre-paid voucher program similar to the concept of micro-scholarships was developed. Vouchers were distributed to 1,000 students who were then able to redeem them for a free three-month basic computer and Internet training course at one of the 3G HSPA-equipped Global Ready eTraining Centers. All 1,000 prepaid vouchers were redeemed and used by students to attend training classes. Approximately 75 percent of the graduated students reported an increase in their incomes.

### **Computer System Sustainability Toolkit Program**

Wireless Reach worked with the U.S. Agency for International Development (USAID) and local and national Indonesian government agencies on the Computer System Sustainability Toolkit program, which aimed to bring computer technologies to schools in Indonesia. The Computer System Sustainability Toolkit was designed for school directors, teachers and parent-teacher groups, helping them develop actionable plans to sustain and grow their investments in computer technologies and connectivity without external support. By doing so, schools had the know-how to make use of their resources to achieve higher quality education.

The Toolkit has been distributed to schools in Indonesia, including the six Qualcomm Wireless Reach and Network Academy schools, and the Ministry of Education. Access to the labs has broadened to include, in many instances, younger students through formalized access to junior secondary and primary level students and the teachers at these junior level schools. This is significantly expanding the impact of this project on developing human capital in the regions surrounding the participating schools. Due to the success of the toolkit, all schools have plans for capital reinvestments to progressively upgrade and/or replace the existing equipment provided by the Wireless Reach project. This project has demonstrated that with the right technical assistance, rural, remote, and resource-constrained communities have as much aptitude and ability to manage and benefit from complex ICT as better off urban populations.

# SAMPOERNA untuk Indonesia

PT HM Sampoerna Tbk. (“Sampoerna”), investing in the welfare of society at large is of equal importance to investing in the future of our business. We support various social responsibility programs to improve living conditions in areas where our employees live and work, as well as tobacco farmers from whom we source our tobacco. This approach drives our Corporate Social Responsibility (“CSR”) programs, which focus on education, environmental conservation, poverty alleviation (economic empowerment) and disaster relief.

## Education

Education plays an important role in society and as such investing in education is a priority. Since 2006, Sampoerna works with the Putera Sampoerna Foundation (PSF) in realizing its commitment to continuously support the programs that improve access to high quality education and raise the teachers’ capacity.

- Training for **57,000** teachers.
- Scholarship for **2,455** students.
- **466** revolving student loan.
- Sampoerna corners in **7** universities visited by **62,300** students.



## Environment Conservation

Sampoerna perceives environmental management as an important part of business and community sustainability. Therefore, Sampoerna is committed to contribute to Indonesian government environment program initiatives, one of which is to plant One Billion Trees (OBIT) by the end of 2015.

- **120,000** mangroves were planted in Surabaya until 2012.
- **100,000** trees were planted in Mount Arjuno in 2010.
- **30,000** productive trees were planted in **7** cities around Indonesia in 2012.



# SAMPOERNA untuk Indonesia

## Economic Empowerment

### Sampoerna Entrepreneurship Training Center (SETC)

In 2007 with the opening of the Sampoerna Entrepreneurship Training Center (SETC) in Pasuruan, East Java, various programs have been given to the community around Indonesia. The SETC is a realization of corporate responsibility as the efforts to leverage the society's living standards, which is equipped with training rooms, agriculture demo-plot, repair shop, cow barns and fish ponds, dormitory, laboratory and meeting hall.



**27ha**  
of land for training  
facilities, farming and  
product display

**21,000**  
Beneficiaries of  
agriculture and  
vocational trainings

**35,000**  
visitors

**3,000**  
Businesses start up

## Disaster Relief

Sampoerna's disaster relief programs are designed to support better preparedness of communities by reinforcing local wisdom, strengthening communication, or even developing supporting facilities as part of the effort to mitigate potential disasters such as tsunamis, floods and landslides. Since 2012, **92.357** people have been evacuated and provided with basic supplies. **68.200** people received medical service.

Sampoerna Rescue is supported with a Rescue training facility (SAR TC) in Pasuruan-East Java, built in 3.5 ha and inaugurated in 2012.



