



CSR April June 2018

PT Tanjungenim Lestari (PT TELPP) is 19 years establish as a first pulp producer in South Sumatera. PT TELPP has done a lot to the community, but there are still many hopes and expectation from community that still need to be handled seriously.

*In the end of 2017 some improvements for better CSR Management had done such as renaming the CSR organization to be replaced with **Local Community Development (LCD)** Department, change the Work Instruction (WI) as much as possible to avoid cash assistance as well, also change of Manager and 2 Section Head level. All of these are part of PT TELPP commitment that want to continue to take part in community development program more over firmed committed to corporate governance as well. Communities glad with the new approach of no-cash donation hence some challenges still arise. LCD tries to socialize as smooth as possible to communities. to provide understanding so that they focus on PT TELPP's commitment to helping their problems in the right way.*

As part of external relation function LCD Department objective are to avoid Community Issue that drive to STOP production, Run Sustainable Community Development Initiative program and assist Corporate Communication Section to promote community development program.

To address above challenges In 2018 LCD program management slightly changes separated in several categories, it is to adjust and facilitate the distribution based best Global Standard. Global standard is approach which use by international community who committed to align to one vision toward better world.

One of global standard is the Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. These 17 Goals build on the successes of the Millennium Development Goals (<http://www.undp.org/content/undp/en/home/sustainable-development-goals/background.html>), while including new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities. The goals are

interconnected – often the key to success on one will involve tackling issues more commonly associated with another. Company usual chooses several issues that related to the condition and ability to take action toward sustainability goals.

Other common global standard is ISO 26.000 : Social Responsibility. This approach base on comprehension that business and organizations do not operate in a vacuum. Their relationship to the society and environment in which they operate is a critical factor in their ability to continue to operate effectively. It is also increasingly being used as a measure of their overall performance. ISO 26000 provides guidance on how businesses and organizations can operate in a socially responsible way. This means acting in an ethical and transparent way that contributes to the health and welfare of society. According to the protocol of ISO 20600 Local community Development fall in several approach and will be valuable to measure the impact of the company to the community.

Both SDGs and ISO 26000 standard in PT Telpp local community program fall as an initiative of involvement, combining local challenge with global issues which relevant and will increase the value of the company.

Furthermore 2018 Category programs are as follows:

- 1. Education*
- 2. Local Economics Empowerment*
- 3. Health Sector*
- 4. Conservation Awareness*
- 5. Infrastructure*
- 6. Community Event (Sport & Art)*
- 7. Religion*
- 8. Government Capacity Building*
- 9. Sponsorship and Donation.*

Some major programs have been done on 1st Quarter Budgeted LCD highlight program FY 2018/2019 as follows:

- 1. Completed to train 113 of local youth in vocational training (competency base training) that cooperates with BBPLK Bandung, BBPLK Serang and BBPLK Bekasi. Total local youth followed the vocational training since 2017 is 149 people. Out of these participants, 15 youth already found job base on the training.*
- 2. Re-implement Bidiksitel Scholarship program between PT Tanjungenim Lestari Pulp and Paper with State of Poly technique of Sriwijaya – Palembang. This year the participant number who registers are 250 people and recruited are 5 people. This scholarship grantee is an important part of the company's program to find qualified employees from the surrounding of company.*

Continuing the community program need full of commitment and support from all parties. Corporate Social Responsibility more than pursues target or completing legal accountability. It is taking commitment to human development surrounding where we growing up, not alone but together with Fairness, Innovative and Harmony.

A. Background

PT Tanjungenim Lestari Pulp and Paper (PT TELPP) is the first Pulp and Paper industry in South Sumatera. Start of project on June 1990, and start production on December 22, 1999. The Multinational company which majority owned by Marubeni Corporation, Conglomeration Company which headquarter in Tokyo, Japan.

Administratively PT TELPP factory located in villages Banuayu, Dalam, Tebat Agung, and Gerinam, sub district of Rambang Rangu and Belimbing, District of Muara Enim, Province of South Sumatra. The industrial area of PT TELPP are 1280ha, consist of 775ha is development area (Mill, town ship and other) and 525ha is green zone area. Hence PT Tanjungenim Lestari Pulp and Paper area coverage of CSR area in 28 villages divided by Ring 1st consist of 8 Villages, Ring 2nd consist of 10 Villages and Ring 3rd consist of 10 villages those not only concerning administrative also concerning the comprehensive impact socially and environmentally as show at below picture



Picture 1 : Map of LCD area coverage 1999 – 2018

From 1999 PT TELPP has opened much opportunity to this area and established some Corporate Social Responsibility (CSR) program to respond community demands, requests and expectation to PT TELPP. PT TELPP aware that stopping off social program would be lead to social pressure and affect to continues of the factory.

It is hoped that PT TELPP will become the pride of South Sumatra in general and particularly area surrounding of the factory furthermore will bring prosperity and welfare to the community.

On 2018 new setting up has been planned, align with PT TELPP creed of **Fairness, Innovation and Harmony**, CSR has been setting up some approach to answer updated social challenge toward success of pulp production. As the start organization name of CSR organization has been replace to **Local Community Development (LCD) Department**. Community still get use to “CSR” terminology and socialization related to this name is being progress especially that **Local Community Development** of PT TELPP will be agent of change instead of “charity provider”. That mean LCD not just delivers a “donation” but will reach deeply to community heart by way of sustainable program.

B. Local Community Development Reference

Local Community Development Department of PT TELPP start to determine 2018 program base on several Reference a) *Global*; b) *Company Vision*; and c) *Current Social issue as follows*:

- **Global Program Reference**

Global program reference will be the best practice to determine the program. Those are very simple and achievable. The issues are come from experiences and involving expertise that promoted to all the global community to make the better community and society particularly to near their operation. Below are the References:

Sustainable Development Goals (SDGs)



Picture 2 : 17 SDGs program

SDGs are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. These 17 Goals build on the successes of the Millennium Development Goals (<http://www.undp.org/content/undp/en/home/sustainable-development-goals/background.html>), while including new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities. The goals are

interconnected – often the key to success on one will involve tackling issues more commonly associated with another. Company usual chooses several issues that related to the condition and ability to take action toward sustainability goals.

ISO 26000 : Social Responsibility

Other common global standard is ISO 26.000 : Social Responsibility. This approach base on comprehension that business and organizations do not operate in a vacuum. Their relationship to the society and environment in which they operate is a critical factor in their ability to continue to operate effectively. It is also increasingly being used as a measure of their overall performance. ISO 26000 provides guidance on how businesses and organizations can operate in a socially responsible way. This means acting in an ethical and transparent way that contributes to the health and welfare of society. According to the protocol of ISO 20600 Local community Development fall in several approach and will be valuable to measure the impact of the company to the community.



Picture 3: ISO 26000 : Social Responsibility diagram

Company Program Approach

1. PT Tanjungenim Lestari Pulp and Paper Visio; To achieve **sustainable** growth in Pulp and Paper industry and to operate in **harmony** with all **Stakeholders** for **Creating long term prosperity** and better **quality of live**

2. LCD Vision; Harmony with all stakeholders, Long term Prosperity and Better Quality of Live

3. LCD Value; Fairness – To be fair and Comply, **Innovations** – To be Active and Innovative for better planet, **Harmony** – To respect each other and cooperative

4. LCD Key Performance Area

- 1) No Community Issue that drive to STOP production –
- 2) Have Sustainable Community Development Initiative program –
- 3) Education Youth Program

Current Social issues:

Current social issue come from frequencies grievances that arise from community and historical experiences of PT TELPP handle the issues, as follows:

1. Environmental
2. Job Opportunity
3. Business Opportunity
4. Land Management
5. Transportation

C. LCD Report 2018 Highlights (April – June 2018)

- Community Relation

Grievance from the community

There are 9 grievances from community along the 1st quarter that potentially will harm and lead to demonstration or threatening to company, consist of Environment 4 issues, Local Business Opportunity 3 issues, Land Management 3 issues, Transportation 2 issues; Job Opportunity 1 issue and other are 3 issues.

Religious Program

Various religious programs have been delivered to community. Highlight program on May 2018 is supporting Religiose Ramdhan program when moslem fasting month session. This is significant program to conduct rapport building with the community. PT Telpp support religious lecture on 4 mosques, 750 pcs Idul Fitri Packages for poor people, 150 pcs Idul Fitri Packages to Community Leaders and 4 times Break fasting together with community Leaders.



Photo 03 : Handover Ceremony of Idul Fitri Package represented by Banuayu and Dalam Village on May 2018.

750 pcs distributed to 28 villages near PT TELPP.



Photo 04: Tabligh akbar : Community Religious activity in Banuayu Village

Community Development

Education

- **Youth Competency base Training (continue)**

After PT Telpp Succeed delivering Youth Competency base Program with BBPLK Bandung, BBPLK Serang and BBPLK Bekasi base on Memorandum understanding (MoU) that signed in Bandung between all parties on September 2017. Achievement on 1st quarter 2018 PT TELPP succeed to train 113 youths and completed commitment as stated on the MoU. Below is the table of training.



Photo 05 : MoU between PT TELPP, General Director of BINALATTAS of Ministry of Manpower of RI, Bupati Muara Enim, BBPLK Bandung, BBPLK Serang and BBPLK Bekasi on September 2017



Photo 06: 32 Welder Training Participants on BBPLK Serang on April 2018

Scholarship Bidiksitel 2018.

PT TELPP continue to deliver scholarship program which collaborate with Polytechnic of Sriwijaya Palembang named BIDIKSITEL 2018. Starting on May 22, 2018 selection process held and attended by 250 students. Only 5 (five) will be granted the 3 years full scholarship and which part of PT Telpp succession planning.



Photo 07 : 5 student who awarded the BIDIKSITEL scholarship taking picture with President director Koji Yamanaka and HR CA Director Achmad Pauzan



Photo 08: 250 Students of Bidiksitel selection participantson May 22, 2018.

Local Economics empowerment



Photo 09: Support for fish net

Health Sector



Photo 09: Support clear water for community surrounding PT TEL

Conservation Awareness



Photo 10: Participation on Bonn Challenge

Photo 11:3S activities

Community Event



Photo 12:Fun walk with community



Photo 13: Anniversary of PT TEL

Government Capacity Building



Photo 14 : Coorditaion on training of intership program



Photo 15 : Sharing with governemet

Sport (support to 18th Asian Games 2018)

As part of commitment to the sports PT Telpp has been support various activities related to the Asean Games such as 5000 pcs UNISOC uniform and pet for Opening ceremony on 18.8.18 to the committee of Asean Games of Palembang, 2 Bus Shelters at Jakabaring Palembang, and Support for Exhibition South Sumatera Expo 2018 in Overcoming of Asian Games 2018.



*Photo 16 : 1st Bus Shelters at
Jakabaring Palembang which
supported by PT TELPP*

*Photo 17 : 2nd Bus Shelters at Jakabaring
Palembang which supported by PT
TELPP*

COPYRIGHT © 2017 PT TANJUNGENIM LESTARI PULP & PAPER