



Community Water and Sanitation

Roughly half or 45% of the country's rural population lives under health-threatening environment with no access to clean water and sanitation, thus exposing the community to health risk problems. Meanwhile, healthy community provides conducive environment for businesses to operate. Hence, the potential for creating shared value.

Tanoto Foundation works to improve access and quality of clean water and sanitation to individuals and communities across Sumatera Utara, Riau, and Jambi, through multiple approaches:

1. Construction and rehabilitation of clean water facilities, toilets, septic tanks, and drainage.
2. Conducting hygiene campaigns to improve local community health.

To better serve the rural communities, Tanoto Foundation partners with APRIL and Asian Agri.

Achievements

Achievements of the Community Water and Sanitation program as of December 31, 2015:

1. Built clean water facilities that provide 300,000 liters of clean water daily.
2. Constructed and rehabilitated more than 38,000 meters of drainage that allows better sanitation for community.

Challenge

Lack of sense of ownership of the facilities by the community members leads to dependency on third party to operate and maintain the clean water facilities and toilets.

Impact

27,000 people in 90 villages have improved access to clean water and sanitation facilities.



Clean Water for Merlung Students

Walter Sitorus is the Headmaster of SDN 51/V, Merlung, Riau. Not too long ago, his school faced a rather difficult situation. The school's restroom did not function properly because there was no water. "At that time, only teachers could use the restroom. And we had to take water from a house nearby. We realized that we could not continue to do this as the students also need to use the facilities," Walter said.

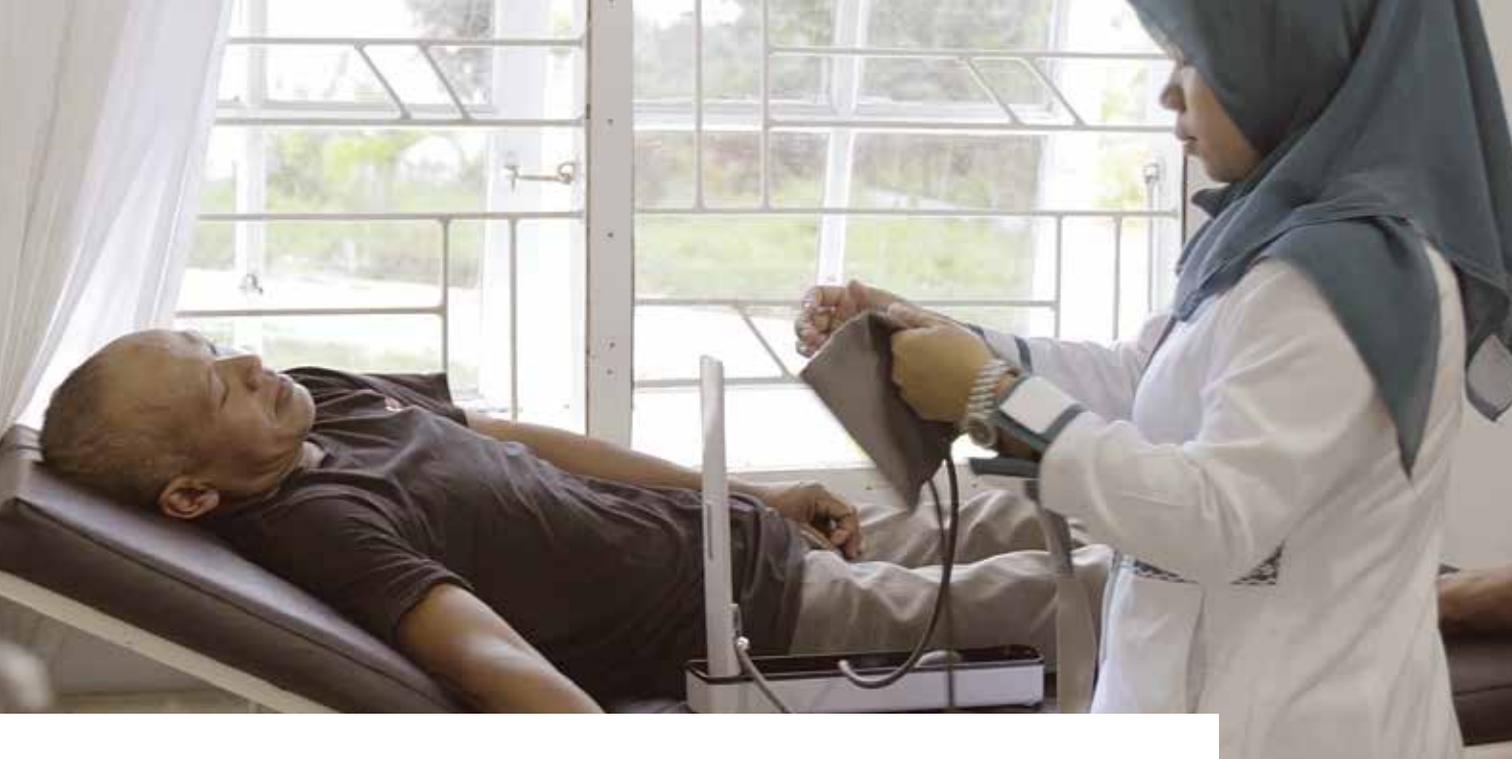
Since the school was located near the operational area of Asian Agri, Walter sent a proposal to the company so the school could have better access to clean water.

As part of its community development program, Asian Agri works in partnership with Tanoto Foundation to improve access of rural communities to clean water. The program is open for communities at village level or for schools operating in the village.

In response to a proposal from a local school, SDN 51/V, Merlung, Jambi province, Asian Agri donated a drilling well, a 1,000 liter water container, water pump, and water installation system. Tanoto Foundation trained the teachers on how to manage and maintain the clean water facility.

"Now over two hundred students and teachers have easy and continuous access to clean water," Walter Sitorus explained happily to Tanoto Foundation.

Since the children now are able to wash their hands and use clean bathrooms regularly, they now face reduced hygiene-related health risks. The clean water program contributes to the overall effort to create a safe and comfortable environment for students to study in.



Access to Primary Health Care

In 2010, only 31% of newly born babies receive at least three neonatal examinations by caregivers within 28 days. Furthermore only 49% of the children under five are weighed four times or more in a 6-month period.

This means, health services for newly born babies and children under five are not meeting the standards. These problems, as well as the high maternal mortality rate, are associated with lack of access to primary health services and lack of facilities at the local health centers.

In our effort to promote creating shared values, Tanoto Foundation works in partnership with APRIL and Asian Agri, to help improve the quality of the community-based Posyandu (short for Pos Pelayanan Terpadu) and government-supported village Poskesdes (short for Pos Kesehatan Desa), the main providers of health care services in most rural communities of Indonesia.

We improve quality of basic health services for the local community in Sumatera Utara, Riau, and Jambi through:

- Provision of essential equipment for Posyandu and Poskesdes.
- Construction and rehabilitation of Posyandu and Poskesdes.
- Provision of training for health care personnel.
- Free medical services for the general public in under-served areas.
- Conducting health campaigns.

Achievements

Achievements as of December 31, 2015:

1. Conducted 158 training sessions for local health cadres.
2. Distributed 19,000 complementary feeding packages.
3. Served 145 Posyandus and Poskesdes.

Challenge

Shortage of funding and manpower faced by Posyandu and Poskesdes hinders effective provision of basic health services and promotion.

Impact

More than 31,000 people from 161 villages can access better health services.



Working Together to Develop Local Health Talents

Tanoto Foundation, working in partnership with APRIL, recently conducted training for health cadres in Gunung Sari Village, Riau.

Tanoto Foundation held this training at health clinic in Gunung Sahilan II as part of its routine activities to assist the local community. M. Daim, Community Development Officer of APRIL, said that such activity is the realization of Tanoto Foundation's and APRIL's sincere care for community well being. "In addition to the training activities, we also provided food packages for the communities and services such as circumcision for disadvantaged families," he explained.

The community response was positive. They found the assistance very useful. Nurul, one of the locals expressed his gratitude to Tanoto Foundation and APRIL.

"Thanks to Tanoto Foundation and APRIL for their support. In addition to receiving health program assistance, our areas received support in infrastructure development and scholarships for our children." Nurul said.

Head of Health Clinic at Gunung Sahilan, Dr. Fiska was also supportive of this activity. She hoped that the cadre training sessions can be continued in order to improve the health of children in this village in the long run.

"The training is very important for health clinic cadres to support the well being of the next generation in this area. With the support from Tanoto Foundation and APRIL, this health clinic is ours. It is from us, by us, and for us. So, we need to work together to manage this clinic so all of us can be healthy," said dr. Fiska.



Enabling Environment for Women Empowerment

A study by Organization of Economic Cooperation and Development (OECD) in 2012 concluded that when women work, the economy grows. However, women face many challenges that prevent them from working outside the house.

Our founder, Tinah Bingei Tanoto, believes that women must have a strong support system so they can also become part of the work force if they choose to do so. Based on this belief, Tanoto Foundation and corporate partners also provide childcare services such as day care centers and education institutions such as PAUD, kindergarten, and schools for families of employees in the three provinces of Sumatera.

With these facilities, many women now have the option to work outside their house, improve their capacity, and financially contribute to their family and the local economy.

Under the leadership of Tinah Bingei Tanoto, Tanoto Foundation also supports the capacity building for RGE Group employees' wives through:

- Training in different skills such as parenting and household management
- Active involvement in their children's teaching and learning process in classrooms
- Familiarization of the company's day to day activities through regular visits to company's facilities
- Being involved in social activities for communities in the surrounding areas

- Involvement in implementation of activities in RGE and Tanoto Foundation-supported day care centers, early childhood development centers, kindergartens, and schools

Achievements

Achievements as of December 31, 2015:

1. At least 2,000 women are able to generate income by working in plantations without having to worry about their children care and education
2. Volunteering program for employees' wives to support early childhood education



Impact

Testimony from Prof. Dr. Irmawati (Professor of Psychology at Universitas Sumatera Utara and an education sector observer):

"When we were developing Besitang School, we realized that the parents also need to be knowledgeable so they could assist their children. Smart children must have smart parents. Based on this belief, we started to provide parents, particularly mothers with different types of information and skills. We had discussions about parenting, learning about children and other family members' psychology and habits, and effective household financial management. We also trained mothers in different skills such as cooking, making clothes, and sports."

Testimony from Ibu Marfuah, a care giver at the day care center in rural Buatun, Riau:

"Until two years ago, our center was just a plain center where parents drop their children in the morning before they go to work in plantation and pick them up late in the afternoon. As caregivers we only looked after the physical well being of the children. But now, with the Bermain Program initiated by the wives of RGE employees, our center has transformed into a place where children receive early education while they also play for fun"

SINGHEALTH DUKE-NUS SCIENTIFIC CONGRESS 2014 OPENING CEREMONY 5 September 2014

Guest of Honour: President of Tan Kah Kee



Support to Medical Research

According to a WHO report in 2000, Indonesia has the fourth highest number of diabetes with approximately 8.4 million people.

The report also projected that in 2030, the number will significantly increase to 21.3 million people. The WHO report also shows that cardiovascular diseases is the top cause of death in Indonesia.

In 2005, the Foundation provided support to diabetes and cardiovascular research in Mayo Clinic, one of the world's most renowned medical research centers based in Rochester, Minnesota, USA. The endowment is made to further research works in the fields of diabetes and cardiovascular due to the widespread prevalence of these medical conditions in Asia.

A substantial proportion of medical research works currently undertaken around the globe often does not sufficiently represent Asian demographic profiles. To address the research gap, in 2009 Tanoto Foundation supported the Duke - National University of Singapore (NUS) medical school for various researches.

Achievements

To date, we have funded four medical research initiatives in USA and Singapore.

NAME OF PROGRAM	BENEFICIARY	YEAR
Mayo Clinic Tanoto Fund for Innovations in Diabetes and Cardiovascular Research	Mayo Clinic	2005
Tanoto Initiative in Diabetes Research and Professorship in Metabolism and Endocrinology	Duke-NUS Prof. Karl Tryggvason	2009
Tanoto Initiative in Lymphoma Research and Professorship in Medical Oncology	Duke-NUS	2013
Tanoto Initiative in Genetics and Stem Cell Research and Professorship in Cardiovascular Medicine	Duke-NUS Prof. Stuart Cook	2014

Paving the Way to Limitless Possibilities in Regenerative Medicine

SINGAPORE - Karl Tryggvason is a Tanoto Foundation Professor of Diabetes Research and professor at Duke-NUS Graduate School in Singapore. His research involves the molecular components, biology and diseases of a special part of the connective tissues: basement membranes (BM).

The two main hurdles for human embryonic stem (hES) cell applications have been ethical and technical.

The ethical concern is that it is generally believed that one cannot generate hES cell lines without destroying human life, which is why it is so difficult to get approval for the generation of hES cell lines in the United States. Drawing on his expertise in basement membranes, using a standard IVF procedure, Tryggvason and his team demonstrated that it is indeed possible to clonally derive new hES lines without destroying an embryo.

"It is my hope that the results of this study will help soften up negative attitudes toward the establishment and use of hES cells for the development of cell therapy in regenerative medicine," said Tryggvason.

A central part of the discoveries have to do with use of laminins -- a family of base proteins. Tryggvason has a large body of data showing that specific laminins support cellular phenotypes. Using this knowledge he created in vitro environments that mimic those in vivo and it helped to develop better protocols for cell differentiation and phenotype stability, especially in the case of the hES cell generation.

"Our findings enable the robust expansion of hES cells and allow us to envision the establishment of a hES cell bank that could represent most tissue antigen classes is possible. A stem cell bank could mean that in the future, these cells that are representative of different tissue antigens, etc., could be stored for use," Tryggvason said. "Imagine the limitless possibilities of their use in regenerative medicine."



Emergency Response

Realizing the huge costs in human suffering following natural disasters, Tanoto Foundation has participated in collaborative responses to natural disasters in Indonesia and other parts of the world.

While all survivors suffer, those at the bottom of the pyramid suffer most. Often, earthquakes and tsunamis wiped out everything they owned. We reach out to these survivors.

Tanoto Foundation works with local partners to provide relief to disaster-affected communities and support the post-disaster rehabilitation efforts.

Achievements

In Indonesia, we have participated in the disaster relief efforts for the Aceh and Nias tsunami in 2004, the Yogyakarta earthquake in 2006, the Sumatra Barat earthquake in 2009, the Ciamis earthquake in 2009, the Mentawai tsunami in 2010, the Merapi volcanic eruption in 2010 and the Mount Sinabung volcanic eruptions in 2010 - 2015. We also provided support for Chinese survivors from Wenchuan earthquake in 2008, Yushu earthquake in 2010, and Ya'an earthquake in 2013.





Sukanto Tanoto and Kuntoro Mangkusubroto, the Head of Agency for the Rehabilitation and Reconstruction of Aceh and Nias (BRR) inaugurating SDN Peunaga, Meulaboh, in 2006.



Better Schools for Tsunami-affected Students

Following the Aceh Tsunami in 2004, Tanoto Foundation mounted a relief operation to assist the tsunami survivors. The response was among the first to reach the tsunami-affected areas. At a later stage, we took part in the rehabilitation process by reconstructing a primary school in SDN Peunaga in Meulaboh, West Aceh District, which had been completely destroyed by the tidal waves.

The support provided was among the first responses in addressing the basic needs of the survivors and highly acknowledged by Badan Rekonstruksi dan Rehabilitasi, the agency that coordinates the global response to the unprecedented tsunami disaster affecting Aceh province and the island of Nias.

On 30 March 2005, a 8.2 Richter scale earthquake also struck Nias and destroyed many public amenities, including schools. Tanoto Foundation responded by reconstructing the SMPN 1 Gunungsitoli, one of the significant education facilities in Gunungsitoli, the capital of in Nias District.



Yushu Earthquake Relief and Reconstruction

On 14 April 2010, an earthquake struck and registered a magnitude of 7.1Ms in Yushu, Qinghai, China. The devastating disaster caused at least 2,500 lives lost and 12,000 injured.

Following the Yushu earthquake, Tanoto Foundation and RGE Group responded to the call for support to provide relief for the survivors. Support from Tanoto Foundation helped provide basic food items, health service supplies, and other relief items for the earthquake survivors.

Driven by passion in education, Tanoto Foundation also donated funds for the reconstruction of Yushu Qiaoi Kindergarten and subsequently also supported the

improvement of the heating systems, which is very crucial for the area located at over 4000 meters above sea level.

The timely donation that combines immediate relief after the disaster and medium term rehabilitation efforts enabled Yushu community to resume their normal life over time.



Motivating Young Survivors of Mount Sinabung Eruption

In Indonesia, Tanoto Foundation together with the recipients of its scholarship program visited the survivors of Mount Sinabung eruption in July 2015. In addition to funds from Tanoto Foundation, the support included provision of clothing, food, and water. The following case study was based on a story written by Rico Dian Sahputra, Tanoto Scholar from Medan Institute of Technology.

"The sadness that the survivors of Mount Sinabung eruption feel is also felt by all of us. Because of that, members of Tanoto Scholars Association Medan tried to lessen the hardship of the survivors of the eruption, particularly that of the young ones.

As survivors, they had to live in conditions that are far from normal. They often have to spend cold nights in temporary shelters. They also should be able to use the limited supply that they have wisely. More importantly, the education of the children in the area has been disrupted with no end in sight.

On July 15, 2015, Tanoto Foundation and Tanoto Scholars, visited these young children to help recover the children's spirit. Through fun games, we also tried to make them overcome their difficulties, even for a little while. We were so happy to see that they took part in all the activities enthusiastically. During the time we were there, all their faces were filled with smiles and happiness. Through the games, we also tried to teach them some general knowledge that they found interesting. We distributed snacks, toys, text books and reading books so they could continue learning.

We hope the children realized that although their current condition is far from normal, there are people who care for them. We also hope that they eruption will end soon so these young people could go back to their villages and continue their education".



CHAPTER 6

Developing Asia's Future Leaders

AT A GLANCE:

Tanoto Foundation supports various initiatives across Asia that embody commitment to improving holistic skills, knowledge, and network of Asia's younger generation to strive as future leaders.

The fight against poverty needs to be conducive and sustainable. We believe that future leaders must take part in uplifting those who are at the bottom of the pyramid.

However, in order to strive as a future leader, one requires a more sophisticated set of skills. The increasingly interconnected world calls for leaders who embrace a global mindset, one that transcends diverse cultural, political, and institutional backgrounds.

At Tanoto Foundation we are committed to supporting development of Asia's future leaders who are open-minded and capable of adapting to other cultures. Our strategy to advance this cause is to develop partnership that focuses on:

- Documenting Asia's business best practices through research and case studies.
- Supporting business education and initiatives that nurtures Asia's future business leaders.
- Facilitating exchange and dialogue as well as network expansion among Asia's business leaders and their global counterparts.

Promoting Sustainability in Family Businesses: Partnership with the Business Families Foundation (BFF)

Many of the world's most successful companies started from family business. In the United States, 35% of firms listed in the Standard & Poor's 500 are family-owned. In Asia, family businesses are similarly ubiquitous. However, a BFF report shows that only 13% of business families make it to the third generation. Although family business ventures might be unique, when it comes to inter-generational sustainability, the trials and tests are incredibly similar.

Succession planning, leadership, governance, communication, and innovation are among the determinants of sustainable family business. We also believe that to achieve

inter-generational sustainability, family businesses have the responsibility to not only take care of their own business interests but also the community around them.

In an effort to support learning from best practices of business families and to disseminate the knowledge, in 2010 Tanoto Foundation formed a partnership with the Business Families Foundation (BFF), a not-for-profit charitable organization which aims to support, help, and empower business families achieve sustainability. The partnership focuses on initiatives related to: [a] development of educational materials, and [b] research on key issues in family business.

Achievement

As of 2015, the Family Business course, which was first made available online in 2011, includes modules for a complete range of topics including succession planning, entitlement and meritocracy, engaging in philanthropy, family legacy, governance, advisory councils, entrepreneurship, innovation, and life cycles of family business. The course reaches learners from 30 countries.

Building a More Inclusive Society: Partnership with Singapore Business Federation Foundation (SBFF)

While businesses have significant contribution to economic advancement, its role also extends to how it can build an inclusive society, where everybody benefits from the progress of the business.

To sustain growth, create better jobs, and enable all people to earn better incomes, businesses needs to extend access to those in need. It means more help for children from poorer homes to overcome early disadvantages, find their strengths and develop to their fullest potential. It also means more

help for the elderly and those with disabilities so they all play a part in the progress.

In our attempt to build an inclusive society, in 2013 Tanoto Foundation supported the formation of Singapore Business Federation Foundation that aims to encourage, enable, and enhance the contribution of the business community in Singapore to the advancement of all through three programs: [a] encouraging CSR and corporate philanthropy, [b] lending a helping hand to less privileged workers, and [c] advancing education and enhancing the employability of youth.

Achievements

The support from Tanoto Foundation has influenced the development of various programs:

1. Together with SG Enable, a day activity center that provides care and skill training to adults with disabilities, SBFF created a program that helps 50 young adults with intellectual disabilities and autism by enhancing their employability and employment opportunities.
2. Provided scholarship to 12 high-achieving undergraduate Singaporean students from low-income families to Singapore University of Technology and Design, to nurture a new breed of technical minds for advancing innovation.
3. Together with Institute of Technical Education Singapore (ITE), SBFF established Overseas Industrial Attachment Program that seeks to create opportunities for ITE students to gain global exposure, build a global mindset, develop self-confidence and global competence. The program has sent numerous students to Frontken Corporation in Malaysia and SAM Suzhou in China.

Bridging the Knowledge Gap in Asian Family Business: Partnership with the Hong Kong University of Science & Technology (HKUST)

Family businesses are pervasive and significant worldwide. In Hong Kong, nearly 70% of listed firms are family-owned. Many family businesses have entrepreneurial traditions. Yet the field of family business and entrepreneurship research is relatively recent and little work has immediate applicability for practitioners. There is knowledge gap in the area where the topics of family business and entrepreneurship converge.

In an effort to bridge the knowledge gap between academics and practitioners as well as policymakers in the areas of family business and entrepreneurship, in 2012 we formed a partnership with the Hong Kong University of Science and Technology (HKUST) which hosts the Tanoto Center for Asian Family Business and Entrepreneurship Studies.

The Center collaborates with various departments at HKUST and institutions around the world to organize academic and industry symposiums and roundtable events, conduct and publish top-quality academic research and articles in leading journals and newspapers, provide both tailor-made and open-enrollment training programs, write and teach cases on Asian family businesses and entrepreneurship.

Achievements

Recent publication of academic research by the Center's faculty include the following:

1. Chen, T.Y., Dasgupta, S., & Yu, Y. (2014). Transparency and financing choices of family firms. *Journal of Financial and Quantitative Analysis*.
2. King, R., & Peng, W.Q. (2013). The effect of industry characteristics on the control longevity of founding family firms. *Journal of Family Business Strategy*.

Recent case studies include the following:

- Lee Kum Kee Company Limited: Female Succession in a Family Business (2014)
- Sun Hing Holdings Limited: Keeping the Family together through Philanthropy (2014)

Enforcing positive Sino-US relationship: Partnership with China United States Exchange Foundation (CUSEF)

China and the United States are two of the world's largest economies. As such, global economy will benefit from positive Sino-US relationship. However, differing priorities and idiosyncratic nature of both countries leave some gaps in the relationship.

In our effort to promote growth of Asian future leaders, Tanoto Foundation formed a partnership with the China-United States Exchange Foundation (CUSEF), which focuses on advancing the Sino-US relationship, through four initiatives: [a] high level dialogue among business and policy

makers, [b] policy-oriented research, [c] exchange programs to promote exposure and understanding, and [d] educational programs to nurture trust and understanding between the future leaders of both nations.

Achievements

Support from Tanoto Foundation has contributed to the publication of recent CUSEF research reports:

1. U.S.-China Relations: Toward a New Model of Major Power Relationship, 2014
2. U.S.-China Security Perceptions Survey: Findings and Implications, 2014
3. US-China 2022: US-China Economic Relations In the Next Ten Years, 2014

Nurturing future champions of environmental sustainability: China's National Environmental Protection Drawing Competition for Primary and Secondary School Students

Due to rapid economic growth and industrialization in China, environment issue has become one of the most important subjects for the nation. Inclusive actions from all members of the society must be in place to create awareness for the public.

Tanoto Foundation believes that future leaders and younger generations need to be aware of environmental sustainability. In 2014 and 2015, Tanoto Foundation and Asia Symbol, a member company of the RGE Group, together with the Center for Environmental Education and Communications (CEEC) of Ministry of

Environmental Protection hosted the National Environmental Protection Drawing Competition for Primary and Secondary School Students.

The goal of the annual drawing competition is to raise the environmental protection awareness among the Chinese students in primary and secondary schools. To expand the reach of the program, a dedicated website was established (www.drawinginchina.com) and on-line voting mechanism adopted. Award ceremonies were held at both provincial and national levels, and are fully supported by China's Ministry of Environmental Protection and environmental protection bureaus at all levels.

Achievements

1. As of December 31, 2015, the competition has received more than 20,000 entries from 31 of the 34 provincial-level regions and yielded over 300 winners.
2. Through massive campaign and online vote system, the competition has successfully generated publicity and awareness through more than 400 news releases.

Supporting National Initiative to Improve Learning Community: Qiaoxin Primary School Project

The need to develop future leaders extends to those in early age and living in the most rural areas. However, infrastructure difficulties remain a challenge from building a conducive learning community.

In early 2000, many schools in remote areas of China were facing the problems of dilapidating building and teaching equipments. In 2004 - 2008 Sukanto Tanoto took part in the Qiaoxin Primary School Project which supports the development of basic education in remote areas of China, especially through construction of facilities and training of school principals.

A match-fund policy by the local government has enabled the initiatives supported by Sukanto Tanoto to reach more schools and provide benefits to more students.

Achievements

1. As of today, the initiative has provided support to 23 Primary Schools in 16 provinces and autonomous regions in China.
2. Supported at least five schools in Tibet (Nyingchi and Northern Tibet area) through construction of drinking water well and improving hygiene conditions.
3. The project resulted in the significant increase of education fund from the government. Now the Qiaoxin Primary School Project is able to shift focus to improving the quality of the education in the rural areas through school principal training and scholarships.

Conclusion

As of December 31, 2015, Tanoto Foundation has achieved the following:



6,300

SCHOLARSHIP RECIPIENTS
in Scholarship Program



35

PARTNER UNIVERSITIES
in Scholarship Program



303

RESEARCH FUNDED
in Tanoto Student Research Award Program



466

PARTNER SCHOOLS
in Pelita Pendidikan Program



12,000

STUDENTS AS BENEFICIARIES
in Pelita Pendidikan Program



4,400

TEACHERS TRAINED
in Pelita Pendidikan Program



5,600

FARMERS TRAINED
in Smallholders Partnership Program



3,200

JOB'S CREATED
in SMEs Development Program



58,000

RURAL COMMUNITY MEMBERS
BENEFITTED
in Clean Water & Health Programs

While we take comfort in the positive impact of our activities so far, we also believe that more work is needed to help more people out of poverty. To this immense challenge, we reiterate our commitment to alleviate poverty through Education, Empowerment, and Enhancement of Quality of Lives.