INDIKA ENERGY



Reaffirming Our Commitment to Sustainability

Sustainability Report 2020

Cover story

Indika Energy Group has always had a clear mission: we help energize Indonesia, contributing to economic development and improved quality of life for millions of people. We also understand that this mission can only be meaningful if it embraces responsible environmental, social and governance (ESG) practices. That's why our ESG commitments are more than just boxes on a checklist — they are an integral part of the way we do business and a guiding philosophy for the sustainable future that we want to help build. At Indika Energy, we have committed to ensuring that at least half of our business comes from non-coal streams by 2025. By 2050, we expect to be fully carbon neutral. This sustainability report reflects the important work that we continue to do to attain that sustainable future.

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Our sustainability communications

Our Sustainability Report 2020 forms part of Indika Energy's Environmental, Social, and Governance (ESG) communications. It expands on the information provided in our Annual Report 2020, detailing how we address the most material sustainability risks and opportunities we faced during the year. In addition to this report, we also publish our ESG performance through other corporate publications as well as making regular updates on our activities via our website and social media platforms.

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US$ 5.9 million donation for COVID-19 relief



8,000+ PCR swab testing for employees, their families and surrounding communities in Jakarta and Balikpapan



7,000+ Antibody and antigen rapid testing in Jakarta and Balikpapan

Fighting COVID-19 with Solidarity

2020 was an unprecedented and challenging year for most companies, including Indika Energy. We have to maintain both our operations and sustainability initiatives amid the COVID-19 pandemic. Health and safety of employees is our utmost priority hence we conducted numbers of initiatives, including building a PCR test facility in Jakarta and Balikpapan, establishing an isolation center for employees and their families, carrying out social initiatives to help the community battling the pandemic, as well as supporting the government to alleviate the number of confirmed cases in the country.

We continue to prioritize maintaining financial stability while prioritizing the health and safety of all employees by taking various preventive measures, including imposing a 14-day quarantine requirement on all personnel before entering the mine area, scheduling shifts on a rotating basis, establishing health checkpoints and medical facilities or isolation areas at all mine sites, and conducting a regular health and safety campaign for all employees.



20,000+ rice packages for surrounding communities in Balikpapan and support for local vendors as rice suppliers and transport



Indika Energy Group donated **IDR 2 billion** through #SwabAndSaveIndonesia, a collaboration program for free PCR Swab test at GSI Lab for those who can't afford it



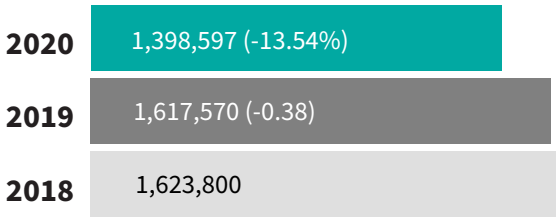
Build isolation centers for employees and their families who are COVID-19 positive in Jakarta and Balikpapan



2020 Performance Highlights

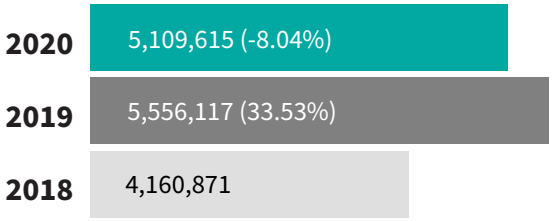
ESG

Scope 1 GHG Emissions (Ton CO2eq)



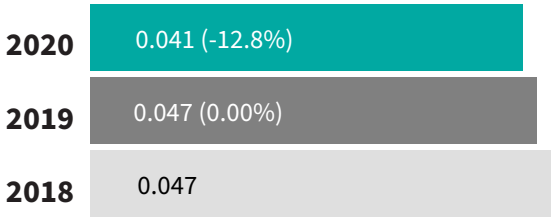
Strategic priority – reduce carbon emissions by increasing alternative energy for operational use, primarily biofuel and solar
Based on Kideco, Petrosea, and Tripatra performance
**Based on Kideco, Petrosea, Tripatra, MUTU performance*

Water Withdrawn (m^3)



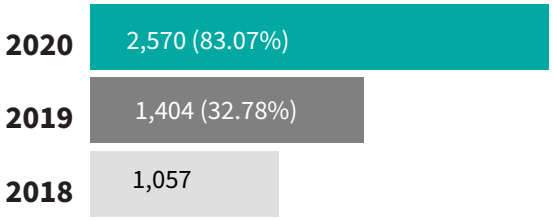
Strategic priority – reduce water intensity through improved management, savings and reuse/recycle processes
Based on Kideco, Petrosea, Tripatra, MUTU performance

GHG Emission Intensity (TonCO2eq / Ton Coal Production)



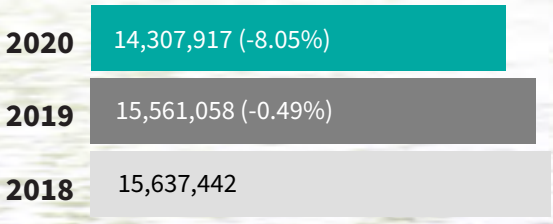
Strategic priority – reduce carbon emission intensity by at least 10% by the end of 2025 against 2020 baseline
Based on Kideco, Petrosea, Tripatra, MUTU performance

Total Weight of Reused and Recycle Waste (Ton)



Strategic priority – Increase proportion of waste reused and recycled through system and process management improvements
Based on Kideco performance

Energy Usage (GigaJoule)



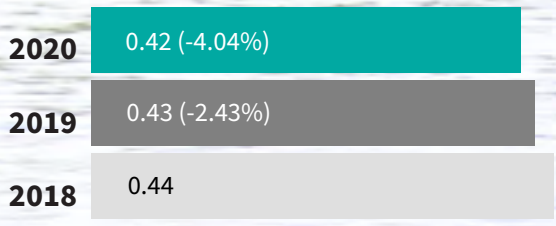
Strategic priority – reduce energy usage through continuous improvements in operational efficiency
Based on Kideco and MUTU performance

Fatalities at Manage Operations (person)



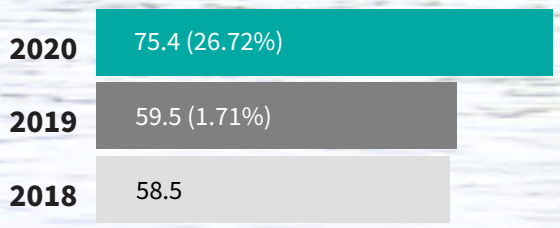
Strategic priority – Sustain a zero-fatality safety record in perpetuity
Based on Kideco, MUTU, Petrosea, Tripatra, MBSS performance

Energy Intensity Ratio (GigaJoule/ Ton Coal Production)



Strategic priority – reduce energy intensity through use of Industry 4.0 to streamline and automate operational processes
Based on Kideco and MUTU performance

Community Investment (IDR billion)



Strategic priority – continue to invest in community initiatives to deliver sustainable socio-economic benefits
Based on Kideco, Petrosea, Tripatra, MBSS, IIR, Cirebon Power performance

Women Representation in the Board (%)

2020	8.24 (3.11%)
2019	5.13

Strategic priority – improve gender diversity and maintain zero-tolerance stance on gender or any other type of diversity-based discrimination in relation to employment matters
Based on Indika Energy Group performance

Reclamation Area (Ha)

2020	5,357 (11.9%)
2019	4,675 (12.37%)
2018	4,147

Strategic priority – continue reclamation efforts while also mitigating potential impacts on biodiversity to achieve zero net loss of biodiversity
Based on Kideco performance

Revenue Contribution from Non Coal (%)

2020	23.79 (-0.92%)
2019	24.71 (6.73%)
2018	17.98

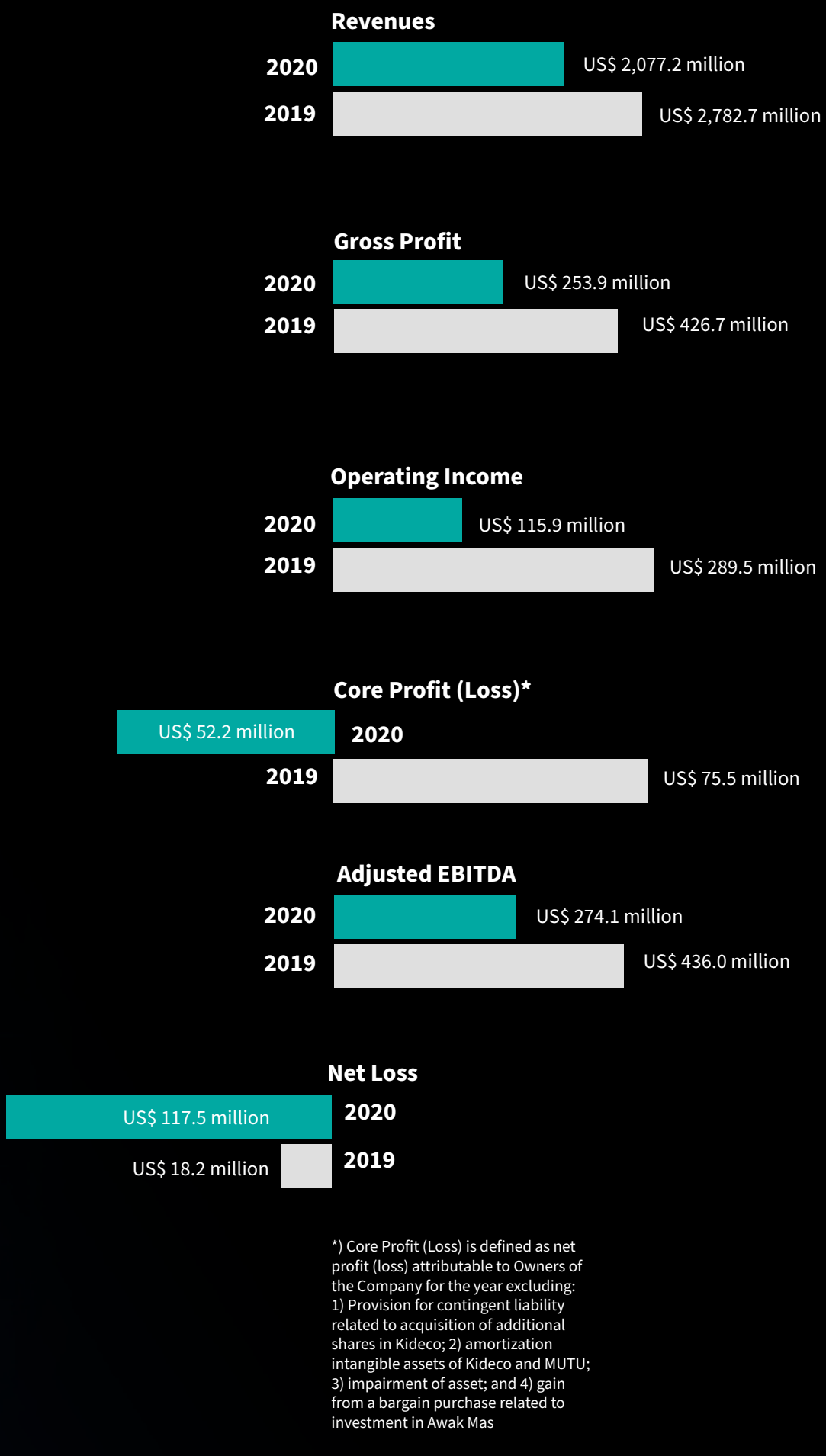
Strategic priority – increase revenue contribution from non-coal-related streams to at least 50% of total business by 2025
Based on Indika Energy Group performance



Financial and Operational

Indika Energy responded to adverse conditions, ranging from the global COVID-19 pandemic to falling coal prices, relatively well. We achieved growth in several key indicators while minimizing projected declines in others.





*) Core Profit (Loss) is defined as net profit (loss) attributable to Owners of the Company for the year excluding: 1) Provision for contingent liability related to acquisition of additional shares in Kideco; 2) amortization intangible assets of Kideco and MUTU; 3) impairment of asset; and 4) gain from a bargain purchase related to investment in Awak Mas

Indika Energy at a Glance

We are an Indonesian diversified company, employing more than 7,500 people and impacting more than 27,000 family members across Indonesia. We uniquely maximize the value that we create for our business and our stakeholders.

Together with our subsidiaries, Indika Energy's journey began four decades earlier, providing services through various projects aimed to develop Indonesia. The Group is guided by three publicly traded companies and multiple other businesses with extensive experience in the coal, oil, and gas sectors.

Over the course of decades, Indika Energy has evolved, explored more opportunities, and diversified its business. We have grown to become an industry leader committed to the empowerment of the nation and its people.

At the same time Indika Energy has conscientiously maintained an excellent record in environmental, safety and regulatory compliance as well as strong standards of corporate governance in line with its responsibilities and commitment to all stakeholders.

Today, we have committed to a path of diversification that will ensure at least 50% of our business in 2025 will come from non-coal streams, with the goal of achieving carbon neutrality by 2050.







ENERGY RESOURCES

1. Kideco Jaya Agung
2. Multi Tambangjaya Utama

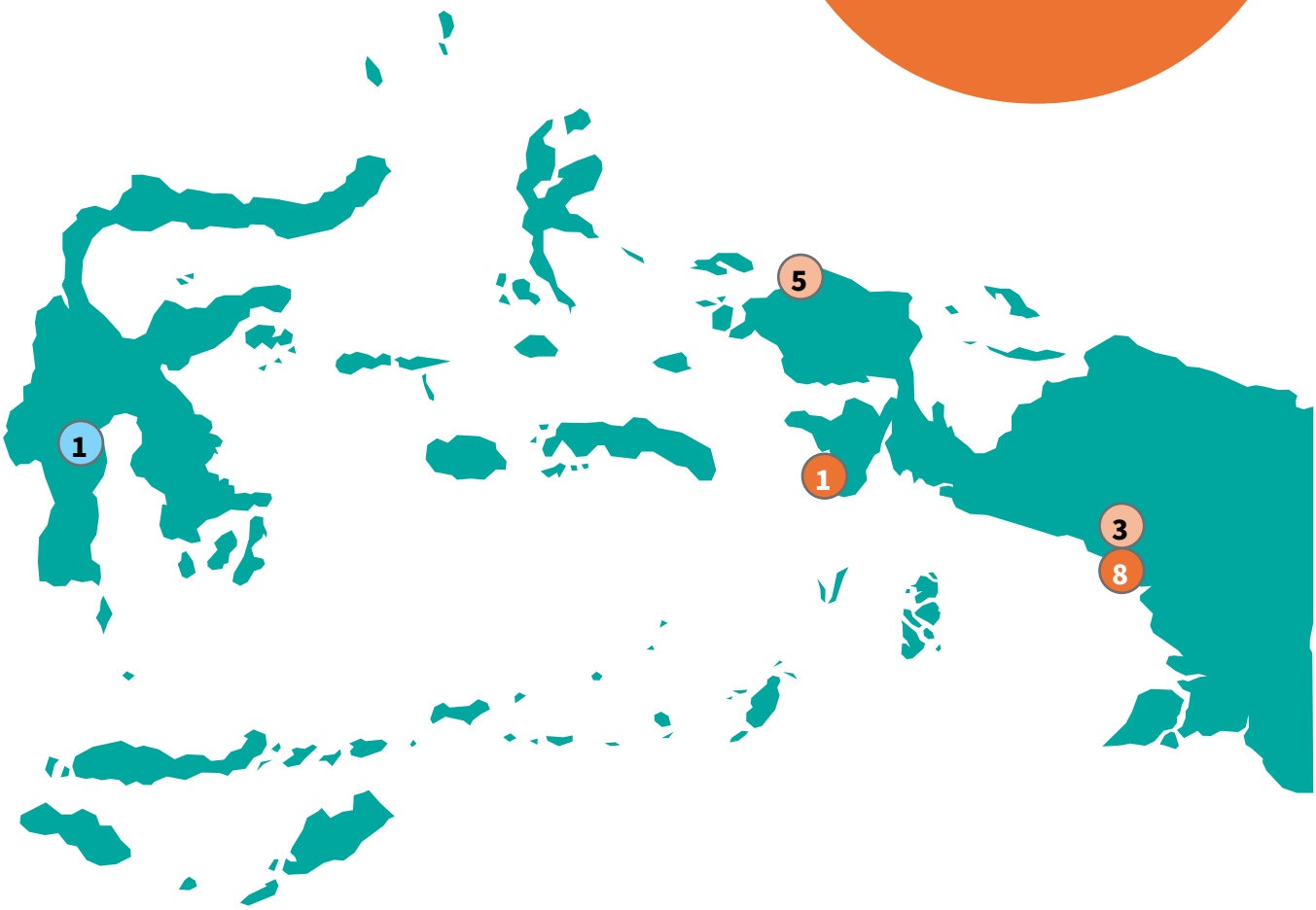
DIVERSIFIED PORTFOLIO

1. Nusantara Resources Ltd.

FLOATING CRANE

1. FC Nicholas
2. FC Vittoria
3. FC Ben Glory
4. 4. FC Abby
5. FC Blitz
6. FC Chloe

Where We Work



ENERGY SERVICES

1. Tripatra - BP Tangguh
2. Tripatra - ENI Muara Bakau
3. Tripatra - PLN - Nias
4. Tripatra – Vopak
5. Petrosea – Binuang Mitra Bersama
6. Petrosea - Indonesia Pratama
7. Petrosea - Kideco Jaya Agung
8. Petrosea - Freeport

ENERGY INFRASTRUCTURE

1. Cirebon Electric Power
2. Cirebon Energi Prasarana
3. Petrosea Offshore Supply Base
4. Kuala Pelabuhan Indonesia
5. Indika Logistic & Support Services
6. Petrosea Logistic & Support Services
7. Patimban Port

20+ operations areas across Indonesia

7,539 employees

14 nationalities

34.3 million tons production

4 business pillars

Our Vision

To be a world-class Indonesian energy company recognized for its integrated competencies in energy resources, services and infrastructure.

Our Mission

- To capitalise on the abundant energy resources in support of global economic growth
- To create integration and synergies across businesses
- To create optimum shareholders value
- To continuously develop its human capital
- To become a good corporate citizen



Our Values

Our values reflect our purpose, our priorities, and the beliefs by which we conduct ourselves. They define what it means to work at Indika Energy, regardless of location or role. They are the heart of our culture and the way we do business. They are the fundamental basis of our sustainability management system along with our Code of Conduct and our Group policies.



Integrity

Honest with oneself, others and one's work at every moment by upholding prevailing ethical standards and legal norms.

Unity in diversity

Viewing diversity as an asset to the company and accepting, valuing, completing and strengthening one another as a solidly unified entity.

Teamwork

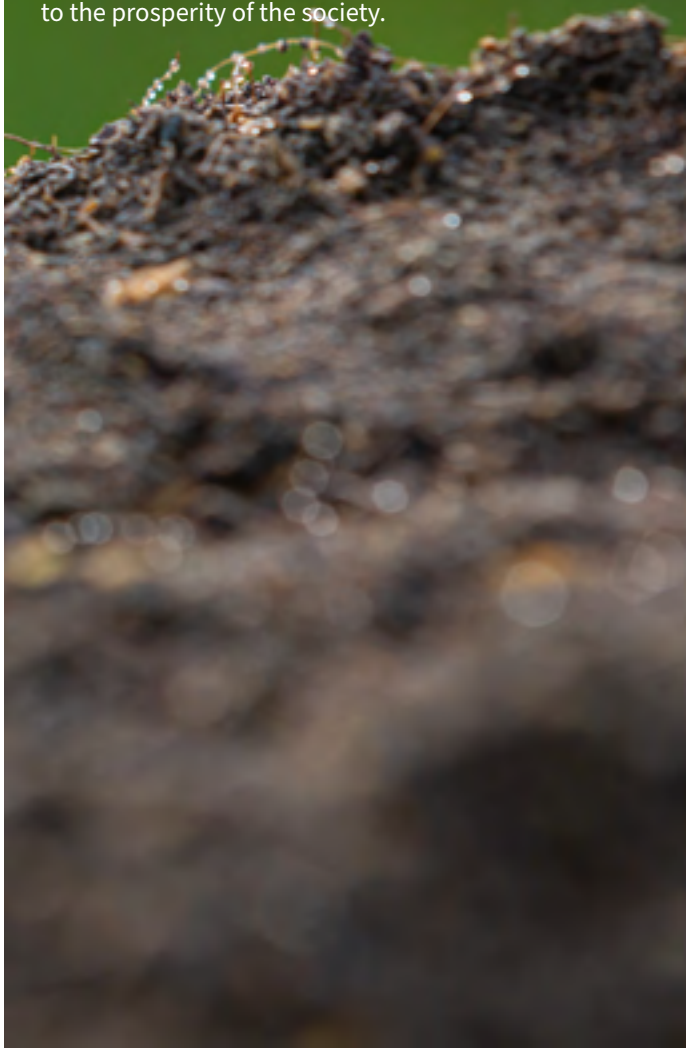
Actively contributing and collaborating based on trust and shared interests rather than personal interests.

Achievement

Achievement as the measure of success and the motivation to do what is best for the company.

Social Responsibility

Highly concerned for the environment and community and contributing added value as well as contributing to the prosperity of the society.







Energy Resources

Indika Energy has been actively exploring for, producing and processing coal with an ownership interest in mining enterprises that provide the fuel helping power Indonesia and other countries.

Energy Services

Indika Energy provides vital services, ranging from engineering, procurement, and construction (EPC), operations and maintenance (O&M), project management, and logistics in primary support of the coal mining sector, as well as for the oil and gas industry.





Energy Infrastructure

Indika Energy's presence throughout the energy value chain runs from coal mining to powering the nation with logistics services across land and sea and electricity generation through our ownership in power plants.

Other Portfolio

Indika Energy continues to diversify our portfolio as we seek to grow our non-coal streams to at least 50% of our business by 2025 and initiating new sources of growth.



President Director's Message

We are an Indonesian company that remains committed to the empowerment of the country, the people, and the economy, and we hope to continue contributing in new and sustainable ways.

In 2020, the world changed. Indika Energy, too, has been changing. We understand that what is important today is what we can bring for tomorrow.

This was the year that the COVID-19 pandemic forced the world to come to a serious reckoning: about how our impact on the environment can reverberate against us; about how we could add value; and about our path forward to a society in which our interconnectedness is not our weak link, but the source of our strength.

At Indika Energy, our environmental, social and governance (ESG) policies have in recent years been guiding us on the path toward doing business in a more sustainable way. For us, ESG is a set of values — that define who we are as a company and how we serve the community.

For decades we have helped energize Indonesia's economic growth and social development. We have lit up homes and schools, electrified small businesses and large industries, and provided jobs for thousands of Indonesians and a sense of community and purpose for countless more. We have strived to contribute to Indonesia meeting its Sustainable Development Goals (SDGs) and its emissions reduction targets under the Paris Agreement. In 2020 we also signed up, through the Indika Foundation, to the United Nations Global Compact, joining like-minded companies around the world in adopting sustainable and socially responsible policies.

These are things that we still do and will continue to do going forward — in innovative and sustainable ways. Recently, we started investing in renewable energy and other sustainable businesses — from solar to nature-based solutions — as we make good on our commitment to transition on a clear path toward net zero carbon by 2050. Over the next five years, in fact, our diversification drive will ensure the majority of our revenue comes from non-coal-related business.

Commitment to Sustainability

It's proven that companies with robust commitments to ESG tend to perform better than those without. At Indika Energy, we have long understood this, and it has inspired us to continuously strive to minimize the impact that we make as we transition to a low-carbon trajectory. It is a commitment, something to aim for, and an integral part of our values.

Throughout 2020, we continued to make progress on environmental strategies such as energy efficiency, water stress management, and renewable energy. Our efforts were recognized by the Indonesian Ministry of Environment and Forestry, which awarded our company, Kideco Jaya Agung, the Gold PROPER award for two consecutive years. This achievement puts Indika Energy in the top 1% of companies assessed for environmental efforts such as emissions reductions, waste management, and pollution control.

"We are investing in renewable energy and other sustainable businesses on a clear path toward net zero carbon by 2050"

Our ESG rating from MSCI also improved in 2020 from BB to BBB, which puts Indika Energy on the path toward becoming an industry leader in terms of minimizing our exposure to ESG risks and how robustly we can manage them.

As a reflection of how fundamental our ESG commitments are to our business, we conduct a yearly Sustainability Panel with CEOs across all our subsidiaries to ensure an alignment of initiatives, and our board members have ESG-linked key performance indicators (KPIs) that they must achieve.

Health and safety

A key challenge from 2020 has been how to maintain both our operations and our sustainability initiatives amid the COVID-19 pandemic. At Indika Energy, our top priority is the health and safety of our workers. To protect them, we launched a proactive response to the pandemic to ensure our operations can withstand the impact. We built a PCR test facility and temporary isolation center, carried out social activities, and donated US$ 5.9 million to help with community efforts to deal with COVID-19 in Indonesia.

We also adopted strict health protocols at all operation sites, including requiring staff arriving in Balikpapan from elsewhere to undergo a PCR swab test.

Our focus on improving occupational health and safety was also a highlight in 2020. We managed to achieve zero rates of fatalities and major incidents, part of our relentless pursuit of a sustained zero-incidence rate for the long term.

"For us, ESG is a set of values — that define who we are as a company and how we serve the community"

We also contributed to the establishment of GSI Lab, a social enterprise and founder of the #SwabAndSaveIndonesia solidarity movement to support the government and society's COVID-19 response through fast and accurate PCR testing. GSI Lab is one of the largest PCR swab test laboratories in Indonesia, with the capacity to process 5,000 tests per day.

Business diversification

At Indika Energy we have set a goal of scaling back the share of coal as part of our business to 50% by 2025, with a 2050 goal of achieving net-zero carbon emissions. We have long acknowledged that the future of our business must be a sustainable one, and our diversification initiatives in recent years have reflected this.



Indonesia will always need energy sources, and it is our role to ensure they are sustainable. That is why we are investing in solar alongside a major global impact investment fund.

Among our other diversification initiatives is the development of the Awak Mas gold mine in South Sulawesi through Nusantara Resources Limited. The site has estimated ore reserves of 1.1 million ounces and resources of 2 million ounces of gold — a commodity that will be in high demand as industries and economies make a digital-driven transition toward sustainability.

Our own digital initiatives include Xapiens Teknologi Indonesia and Zebra Cross Teknologi, which we founded to encourage efficiency in mining operations through technological developments. As digital technology becomes an integral part of doing business today, we have put more focus on addressing fast-evolving cybersecurity threats.

We also put more emphasis in 2020 on infrastructure development, including Interport, our integrated logistics service provider that builds and operates fuel storage terminals in Kariangau, East Kalimantan.

As part of our commitment toward the sustainable future we envision, in 2020 we issued a new senior note in an aggregate amount of US$ 675 million, the proceeds of which went in part to supporting business diversification.

Looking ahead

At Indika Energy we are proud of our contributions to energizing Indonesia. Our thermal products are an affordable, reliable and increasingly clean source of energy for supporting an emerging economy like Indonesia's. We are an Indonesian company that remains committed to the empowerment of the country, the people, and the economy, and we hope to continue contributing in new and sustainable ways.

We are optimistic about achieving the changes that we seek. Indika Energy does not work alone. We are part of the wider Indonesian community, one that is young, ambitious, and driven by the desire to make a social impact in everything they do. The next generation is bringing the mindset change that we must all live and work with a purpose. At Indika Energy, that spirit and the values of nationalism are reflected in Nenilai, an initiative we joined in 2020. Nenilai aims to instill in Indonesians an appreciation for our traditional values as a nation, as well as an awareness that we are part of a global community that must strive to grow more sustainably.

Over the course of decades, we have grown to become an industry leader committed to the empowerment of the nation and its people. As a company, we are honored and humble to achieve the HR Asia Awards: The Best Companies to Work For in Asia 2020. As we forge a path toward a new normal — a cleaner, more responsible, low-carbon one — we will continue to lead and empower, in new ways that better reflect our visions of sustainability.

2020 set the world on a path toward a new normal — one that is more sustainable, socially conscious, and just. At Indika Energy, that's the same future we envision. Let's make it happen.

M. Arsjad Rasjid P. M.

President Director

Stakeholder Engagement

Why

We are committed to transparent and constructive dialogue with all stakeholders vested in the successful running of our business and how we can contribute to Indonesia's development.

Our approach and action

- The stakeholders we regularly engage with include our workforce and contractors, governments, communities, financial community and media, NGOs and civil society, business partners, customers, and peer companies.
- We foster dialogues at local, national, regional and international levels through a range of engagement activities, as well as participate in multi-stakeholder discussions.
- We encourage and welcome feedback. We implement processes for stakeholders to raise concerns and complaints. We record and investigate all concerns and complaints and seek to resolve them in a timely manner.

Our workforce and contractors

We recognize that through developing and building a cohesive workplace culture that encourages all of our people to focus on the same goals, we will deliver business success. We have a group-wide internal communications program for our safety initiatives and ensure all our employees and contractors have access to whistleblowing platforms as a means to express grievances. Unions play an active role in safety committees at many of our assets, and we uphold our employees' rights to freedom of association.

Key concerns in 2020

- Occupational health and safety during the COVID-19 pandemic
- Industrial relations

Governments

We continue to build constructive relationships with national, regional and local governments and maintain regular dialogues on all relevant issues. We engage individually, collectively with other companies or organizations, or as part of an industry association. In our dealings with governments, we adhere at all times to the Indika Energy Code of Conduct.

Key concerns in 2020

- Climate change
- Operational environmental management
- Community socioeconomic development projects
- Occupational health and safety

Communities

Our community engagement teams build networks within local communities and decision-making authorities. They conduct dialogues with the communities around our operations to share information about our business activities that might affect them, key risks and control measures, and to help us understand their views. We adapt our approaches depending on the operational and cultural environment.

Key concerns in 2020

- Health during the COVID-19 pandemic
- Local employment and procurement opportunities
- Local socioeconomic development projects
- Environmental management



Financial community and media

We actively engage with our investors and financial institutions through regular communication, one-on-one meetings, roadshows and Q&A sessions. We engage with the media at global, national and local levels on topics of public interest. Our approach is one of transparency and timely communications to support fair disclosure.

Key concerns in 2020

- Financial performance
- Integration of sustainability
- Initiative alignment on ESG aspects
- Anti bribery and corruption

NGOs and civil society

We engage with NGOs and business associations that share our interests and concerns. These could be broad policy issues with national reach, or local matters that affect the communities. We welcome constructive feedback on our activities, respond to their concerns to increase understanding.

Key concerns in 2020

- Climate change
- Operational management
- Environmental management
- Socio-economic development projects

Peer companies

At both global and national levels, we engage with other companies within our industry through platforms such as the Indonesian Chamber of Commerce and Industry and Indonesian Coal Mining Association to provide an opportunity to learn from best practice and to find industry-wide solutions to common challenges.

Key concerns in 2020

- Occupational health and safety
- National health
- Climate change

Business partners and customers

We maintain close relationships with our partners and customers, engaging regularly with them to understand their views, expectations and perspectives. We undertake due diligence across our business chain, both for the resources and services we procure as well as the third-party materials we purchase. We share the details of our business and any associated risks with our customers.

Key concerns in 2020

- Product stewardship approach
- Anti bribery and corruption
- Human rights

Significant Events and Awards in 2020

January 8 - Kideco received PROPER Gold award in environment management in Coal and Mineral mining industry category from the Ministry of Environment and Forestry for 2019.

March 23 - Petrosea was awarded the Front End Engineering and Design Services (FEED) contract in the amount of US$ 11.45 milion by Masmindo Dwi Area, the project company of Awak Mas gold project, for 11 months' work.

April 8 - Indika Energy announced a share buyback program with purchase period of April 9 - July 8, 2020.

April 14 - Indika Energy through the Indika Foundation and other partners established Genomik Solidaritas Indonesia (GSI) Lab for COVID-19 PCR (polymerase chain reaction) testing.

April 22 - Indika Energy held its Annual General Shareholders Meeting. Indika Energy declared a cash dividend of IDR 467.0 billion (IDR 89.6 per share) from the company's retained earnings to shareholders.

June 1 - Petrosea was awarded additional contract mining works in Kideco.

July 9 - Kideco received three awards from TOP CSR Awards 2020 Corporate with 5-star excellent level category, Job creation and skill improvement program through integrated agricultural program category, and Top Leader for CSR Commitment category.

September 7 - Indika Energy through Indika Mineral Investindo added 25% shares of Masmindo Dwi Area, a project company of Awak Mas Gold Project.

October 26 - Indika Energy held its Extraordinary General Shareholders Meeting to approve bond issuance up to US$ 750m and to amend the Articles of Association to align with POJK No. 17/POJK.04/2020.

October 28 - Indika Energy issued a new senior note in an aggregate amount of US$ 675 million with five-year tenor and coupon of 8.25% to retire its 2022 and 2023 notes.

November 9 - Interport completed the construction and commenced the operation of its fuel storage facility in Kariangau, East Kalimantan.

December 4 - Indika Energy conducted consent solicitation and obtained 84% consent from 2024 bond holders to align covenants with the new bond due in 2025.

December 14 - Kideco received PROPER Gold national award in environment management in Coal and Mineral mining industry category from the Ministry of Environment and Forestry for 2020.

December 28 - Indika Energy group obtained ISO 37001:2016 Anti-Bribery Management System certification.

December 30 - The Patimban Consortium was awarded the contract to operate Patimban Port by the Ministry of Transportation. Indika Logistic & Support Service holds a 29% stake in the consortium.


KIDECO
PELINDO I
TopBusiness
TOP CSR

About this Report

Reporting guidelines

Indika Energy's Sustainability Report is published annually to communicate the management approach regarding sustainable development and disclose sustainability performance, covering environmental, social, and governance (ESG) aspects to stakeholders.
For greater accessibility for all stakeholders, the report is prepared in Bahasa Indonesia and English versions, which can be downloaded from our website.

Report approach

- This report was prepared in accordance with POJK No. 51/POJK.03/2017, the Global Reporting Initiative (GRI) Standards Core option with additional indicators from GRI Mining and Metals Sector disclosures, and aligned with the United Nations' Sustainable Development Goals (SDGs) and Global Compact.
- The Sustainability Report states the management approach, strategy, priorities and objectives and explain how they relate to its business. It provides evaluation and determines the company's ESG-related risks, and ensures that appropriate and effective ESG risk management and internal control systems are in place.
- The Sustainability Report assesses which ESG issues become sufficiently important to investors and other stakeholders.

Scope and boundaries

- This report covers performance from January 1 to December 31, 2020, in the business entities in which Indika Energy holds greater than 50% of shares and has management control.
- Indika Energy also began exploring non-coal businesses as a step toward diversifying its portfolio and enhancing future business returns. This report excludes these new businesses as it is currently in the process of developing its sustainability programs while the gold mine is still in the project development process and not yet operational. Indika Energy expects to disclose those performance data in the Sustainability Report when they are ready to operate.
- Unless otherwise stated, we report non-financial data, including environmental, social, and governance data from several Indika Energy's subsidiary and affiliate companies - PT Kideco Jaya Agung (Kideco), PT Multi Tambangjaya Utama (MUTU), PT Petrosea Tbk. (Petrosea), PT Tripatra Engineers & Constructors and PT Tripatra Engineering (Tripatra), PT Mitrabahtera Segara Sejati Tbk. (MBSS), PT Interport Mandiri Utama (Interport), and PT Cirebon Electric Power (Cirebon Power)

The topics presented have been carefully formulated and stipulated by an internal team. To ensure stakeholder inclusiveness, a discussion consists of representatives from all divisions/work units that manage operational aspects, governance, human resources, and sustainability. The purpose is to ensure that the report content is related to the context of sustainability, covering environmental, social, and governance aspects.

The internally validated Sustainability Report data was compiled for the period of January 1 to December 31, 2020, with much of the quality management data internationally certified through ISO 9001, OHSAS 18001 and ISO 14001. Financial performance data, verified by a public accountant, is based on the 2020 Indika Energy Annual Report.

Strategic Approach

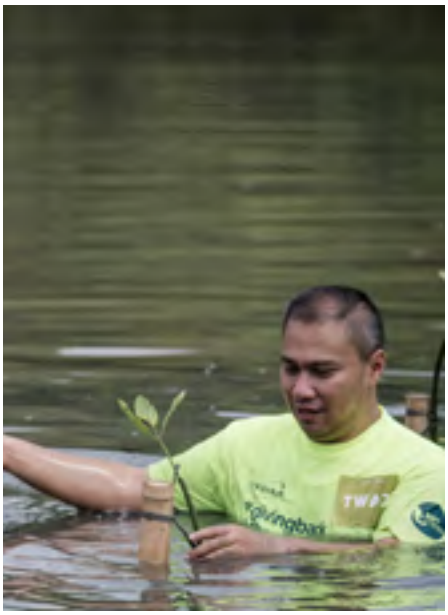
Risk and Mitigation

Each aspect of environmental, social and governance covers a range of material topics. These topics are the focus of our sustainability strategy review and reporting, and are identified through internal and external assessment processes. Our operational activities focus on addressing these material topics.

ASPECT	RISK	POTENTIAL IMPACTS	MITIGATION PLAN
Environmental	**Water stress**	Lack of available water for operations Increased charges to access water, resulting in higher production costs	All companies within Indika Energy Group required to identify water risks and its mitigation plans to the Board Committee regularly
	Extreme weather and global warming	Injured or unhealthy employees and communities Disruptions to supply chain, transport and distribution network Damage to assets, which may reduce productivity, increase costs, and delay project schedules	Monitor company's environmental performance regularly A set of environment management systems, including compliance with prevailing environmental regulations Ensure that operational activities are efficient and environmentally friendly
	Resource depletion	Increased competition for, and the regulation of limited resources, thus affecting our productivity and costs Uncertainty with regard to where the income of the business will be from for the upcoming years	Diversify business to renewable energy, gold mining and technology sectors Rehabilitation and land reclamation initiatives

ASPECT	RISK	POTENTIAL IMPACTS	MITIGATION PLAN
Social	**Health and safety hazards**	During the pandemic, employees face risks of exposure to COVID-19	The Company implements a work from home policy and group division, implements health protocols and establishes an independent isolation center
		The higher the complexity of energy projects, the higher the associated safety risks	Implement digitalization and visualization technologies to make mining operations safer and more efficient
			Conduct quality, technical, health, safety and security audits before awarding contracts
			Establish Health Safety and Environment Committee to oversee the implementation of safety at Indika Energy Group
	Community relations	Protests from local communities (e.g. due to lack of local employment or disruptions due to operational activity) leading to the possibility of losing our social license to operate	Actively recruit and promote high performance local hires
			Community empowerment programs related to education and health to enhance livelihood and community welfare
			Complaints and feedback from community are welcomed and recorded in accordance with the policies in each company
	Employee dissatisfaction	Low productivity leading to lower revenues and profits	Merit-based remuneration
			Leadership training & development
		High employee turnover causing high costs to hire and train new employees	Employees are given the opportunity to form labor unions as a channel for communication between employees and management







ASPECT	RISK	POTENTIAL IMPACTS	MITIGATION PLAN
Governance	**Cyber security attacks**	Theft of money as well as corporate and financial information Operational disruptions Reputational damage	In collaboration with Xapiens Teknologi Indonesia to form a special task force - Cyber Security Ninja, which is tasked with conducting outreach, monitoring and mitigating possible cyber attacks. Launched a cyber security program among employees to cover topics such as email phishing and the correct classification and handling of information Regularly update security of IT systems and infrastructure, and back up important data
Financial	**Decrease in revenue due to volatility of commodity price**	Lower revenues and profits Low productivity of assets and employees Inability to repay debt	Issued new debt securities with an aggregate value of US$ 675 million with a tenor of 5 years and a coupon of 8.25% in October 2020. The use of funds from the issuance of these obligations is to pay off the 2022 and 2023 bonds Diversify and enter businesses other than coal such as gold mining and renewable energy
	Challenges to access capital or funding	Inability to receive funding due to increased pressures from global investors demanding responsible deployment of capital	Set target for majority of revenue to come from non-coal business by 2025 Diversify and enter businesses other than coal such as gold mining and renewable energy Pledge commitment to ESG and take actions to mitigate ESG-related risks





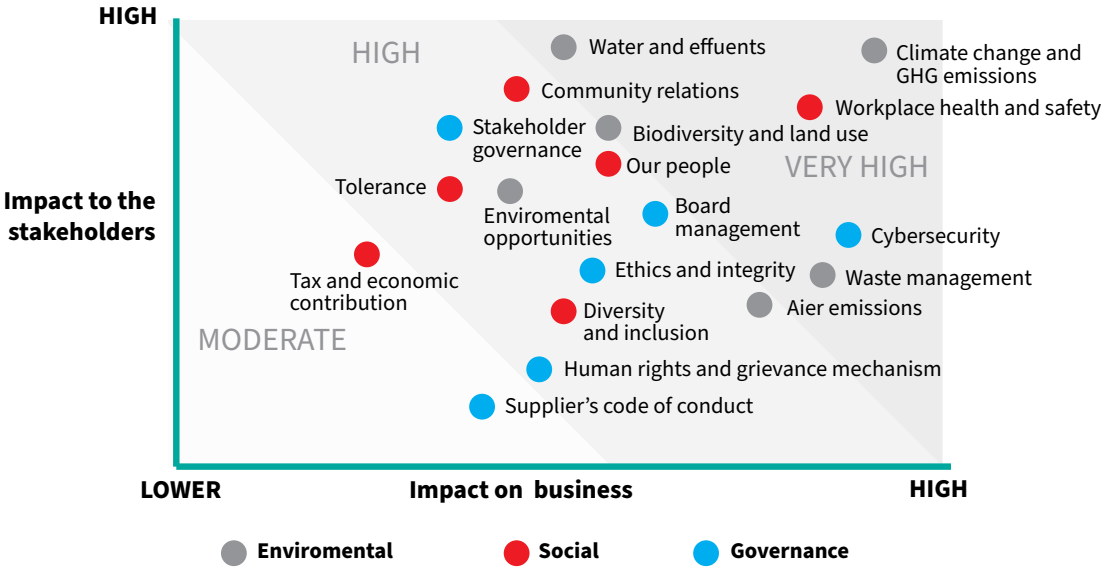


Materiality Assessment

Our approach to reporting on our sustainability performance and progress focuses on the topics identified as being material to Indika Energy Group's development, performance, position and/or future prospects.

We undertake a materiality assessment to establish the areas of focus for our sustainability strategic review and the information we disclose in our sustainability reporting. Our assessment takes the views of both internal and external stakeholders and considers topics at global, national and local levels as well as considering information relating to our business and the natural resources sector; our regulatory requirements, and topics raised during engagement with our people and external stakeholders. At each of its meetings, our Sustainability Committee receives an update on our progress on the management of the identified material topics. We then validate the completeness of material aspects identified in terms of scope, boundary and time.

This Sustainability Report provides an integrated overview of Indika Energy's business, ESG strategies, activities, and performance, as well as new initiatives, which cover the relevant stakeholders' concerns and sustainability issues in 2020.





Climate change and GHG emissions

As one of Indonesia's leading diversified companies, we have a key role to play in enabling transition to a low-carbon economy. We do this through our well-positioned portfolio that includes commodities that underpin energy and mobility transformation.



Waste management

Our operations generate waste which can affect the environment and nearby communities. We monitor all material emissions and continuously look for ways to reduce those that pollute the air around us. We avoid, minimize and reuse waste as much as possible, and maintain, assess and audit our waste-disposal facilities according to national regulations and internationally accepted guidelines.



Our people

Our workforce is fundamental to our success, which is reliant on our ability to attract and retain the best talent. We foster an environment that supports and encourages different backgrounds, cultures and beliefs. We recognize that diversity brings new ideas, innovation and different ways of working and that mutual respect leads to a driven workforce, dedicated to our common goals.



Water and effluents

We recognize that water is a shared and finite resource. We are conscious of the increasing concerns of our local stakeholders and other local water users regarding ongoing availability and quality of water, security of access and the potential for impacts on water supply. We aim to minimize any potential water-related impacts.



Biodiversity and land use

Indonesia is blessed with one of the highest levels of biodiversity of any country in the world. We understand the importance of conserving this biodiversity: keeping Indonesia's forests standing protects endangered species, mitigates flood risk, and helps slow climate change.



Environmental opportunities

Our ambition is to minimise potential impacts of our activities on the environment through responsible resource management and use a wide range of technologies and standards designed to make our operations cleaner and greener.



Air emissions

Our operations produce various types of air emissions such as sulphur dioxide (SO_2), nitrogen oxide (NOx) and dust, which are managed in accordance with our environmental policies and permit discharge limits.



Workplace health and safety

The success of our business is dependent on a safe and healthy workforce and this is our top priority. We take a proactive, preventative approach towards health and safety to establish a positive safety culture.



Community relations

Our activities can make a significant contribution to the national and local economies in which they represent. We recognise our responsibility to minimize any negative impact from our activities and to support sustainable development and growth.



Tolerance

The remarkable Indonesia is a vast archipelago with huge cultural, ethnic, religious and linguistic diversity within its boundaries. Tolerance is one of the national values that we promote to build bridges and capitalize on differences. It is an essential part of working toward goals and developing creative solutions to achieve our common goals.



Board management

Good governance is fundamental to economic growth, political stability, and security. It leads to performance of our business, helps it become more stable and productive, and unlock new opportunities.



Ethics and integrity

Compliance with prevailing laws and regulations is a critical part of doing business ethically. Business ethics and integrity are fundamental values at Indika Energy.



Stakeholder governance

Our governance framework determines how we do business, which makes it a critical pillar of our sustainability commitments.



Cybersecurity

The risks of cyber attacks are on the rise for businesses. As we have increasingly incorporated digital technologies in our operations, we recognize that we have to increase levels of risk exposure to cyber attacks.



Human rights and grievance mechanism

We embrace various backgrounds including gender, culture, social, and religious diversities within the Indika Energy Group.



Environmental

"As a leading player in the Indonesian energy sector, we have a responsibility to forge a path that diverges from business-as-usual and toward a sustainable future."

At Indika Energy, we envision ourselves as a diversified entity. Coal may be a principal part of our business today, but we have committed to transitioning toward achieving at least 50% of our business coming from non-coal streams by 2025, on the path toward achieving carbon neutrality by 2050.

A big part of that transition is ensuring that our current coal operations are as clean as technically feasible. Indika Energy's environmental policy starts before the coal is mined and goes beyond its use. Indonesia has among the richest coal reserves in the world, and in many cases these sit under lands that are home to extraordinary biodiversity.

As a responsible corporate citizen, we know that our environmental management system starts well before mining begins. That is why we put so much emphasis on environmental impact assessments and baseline studies of water and other natural resources. These studies, carried out with third parties to ensure transparency and objectivity, inform our mitigation plans. This means that once operations begin, we are taking an industry-leading approach to ensure minimal disruption to biodiversity and natural habitats. We are also uncompromising about restoring mining areas and offsetting impacts through replanting initiatives, also carried out in cooperation with third parties.

During operations, we also strive for maximum energy conservation. It just makes good business sense: when you can keep your costs and your emissions down, it's a win-win for all. Safety is another priority — of workers, communities, and the environment — and we remain strongly committed to good mining practices under ISO 14001 and prevailing national and international standards, with robust and responsive mitigation plans in place to deal with any contingencies.

Our environmental commitment does not end after the coal has left the mine. Through Cirebon Power, we operate a state-of-the-art supercritical power plant and are building an ultra-supercritical plant, both of which maximize thermal efficiency and minimize emissions. That means that, pound for pound, we're squeezing significantly more power out of low-grade coal — and emitting less

GRI

- 301-1, 301-2, 301-3, 302-1, 302-2, 302-3, 302-4, 302-5, 303-1, 305-2, 306-4

Global Compact

- Principle 7, Principle 8, Principle 9

Sustainable Development Goals



pollution and greenhouse gases in the process — than the more common subcritical plants that burn high-grade coal. We are proud that Indika Energy contributed in building the very first supercritical plant in Indonesia, and just one of six operating in the country today, and will soon operate one of just four ultra-supercritical plants in Indonesia, cementing our role as an industry leader in reducing carbon intensity.

Development and use of renewable energy is a key part of our business and operational diversification. We recently launched our solar photovoltaic and battery storage system at our Batu Kajang mine site to replace diesel power generation. This move is expected to save 39,700 liters in diesel use per year — enough to power nearly 500 houses.

We have also joined forces with Indian solar developer Fourth Partner Energy Limited (4PEL) to develop Empat Mitra Indika Tenaga Surya (EMITS), a solar solutions provider contributing to Indonesia's renewable goals and emissions reduction target.

Working with external stakeholders is crucial for the transparency and accountability of any process and for driving continuous improvements. To this end, we also maintain various channels through which workers, community members, and others may report any concerns.

Climate Change and GHG Emissions

Why this matters

Across the world, there is an increasingly growing, and urgent, recognition of the importance of diversifying energy sources away from traditional thermal to sustainable and renewable alternatives. Indonesia has committed to reducing its greenhouse gas (GHG) emissions by 29% by 2030 as part of the Paris Agreement, and to boosting the share of renewable power generation as a proportion of its energy mix to 23% by 2025. We at Indika Energy are proud to be supporting both of these efforts.

"We are presently reduce carbon emissions by increasing alternative energy for operational use, primarily biofuel and solar"

Our approach and action

Setting a diversification target

We have long understood the urgency for decarbonization, which is why we have committed to a target of at least 50% of our revenue coming from non-coal businesses by 2025. Over the long term, we are on a path to completely transitioning to a net-zero carbon.

Supporting energy transition

As a leading player in the Indonesian energy sector, we have a responsibility to forge a path that diverges from business-as-usual and toward a sustainable future. We understand that to continue providing the energy driving Indonesia's development while helping the country meet its emissions goals under the Paris Agreement, the adoption of "clean" technologies in both thermal production and power generation will be critical.

We are investing in renewable energy sources as part of our diversification and wider transition away from thermal. We see ample opportunities in Indonesia's abundance of solar potential, which is why we have established Empat Mitra Indika Tenaga Surya (EMITS).

A joint venture with India's Fourth Partner Energy (4PEL), this initiative is a manifestation of our commitment to diversify our business portfolio, achieve sustainability goals, improve our ESG performance, as well as support the Indonesian government's efforts to achieve its renewable energy mix target of 23% by 2025.

Implementing a decarbonization initiative

We continuously strive to reduce our Scope 1 emissions — those resulting directly from our operations — through a range of established and innovative methods, including the implementation of Industry 4.0 to provide real-time monitoring of fuel performance and optimize mine design with effective haul distance.

We also offset our emissions through reforestation projects and manage our carbon footprint to contribute toward national and global decarbonization goals.

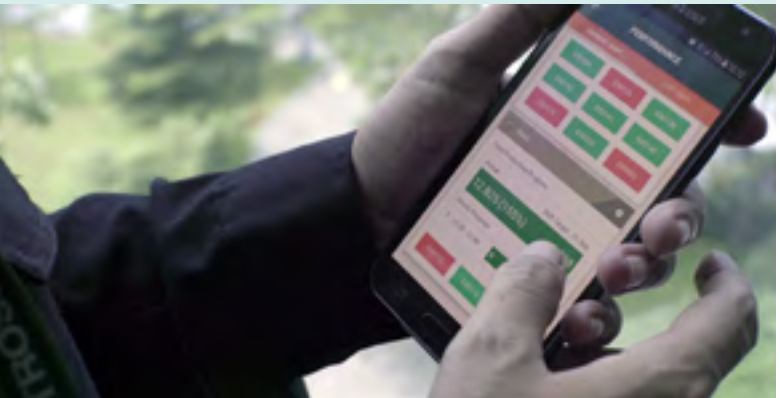
3D effects

As a continuation of its digital transformation that began in 2018, Petrosea has continued to formulate and implement a company-wide transformation that looks at other dimensions in order to enhance overall sustainability and bring value to stakeholders. As a result, since the end of 2019, before the COVID-19 pandemic, Petrosea launched its 3D strategy to complete the transformation strategy. The strategy – Diversification, Digitalization and Decarbonization – serves as a key pillar to continue to developing our value proposition to clients, investors and stakeholders.

Through Diversification, Petrosea began to actively engage in other mineral project developments while still maintaining its current operations. Going forward, Petrosea aims to continue its active engagement in mineral projects as well as to become the preferred partner in crafting projects for company growth with best-in-class capabilities and technologies.

The success of the Digitalization transformation has earned Petrosea various recognitions, both domestic and international, such as being selected as part of the Global Lighthouse Network by the World Economic Forum in 2019. In 2020, Petrosea was named by Forbes Indonesia in its “50 Best of the Best 2020 Companies” issue, based on long-term fundamental performance. In 2020, Petrosea was also named “Operating Model Master” and “Talent Accelerator” by the International Data Corporation (IDC) during the IDC DX Digital Transformation Awards 2020, which recognizes companies that have successfully made breakthroughs through digital transformation in the Asia-Pacific region.

On Decarbonization, Petrosea’s goal is to utilize energy in a safer and environmentally responsible way for the benefit of both nature and future generations. Petrosea also aims to adopt environmentally friendly practices of responsible mining and operational excellence to adhere to a sustainable ESG concept and continue to develop and deliver added value for all stakeholders.



We already maintain stringent emissions checks and energy-saving measures throughout our existing operations. We constantly strive to maximize energy conservation and minimize greenhouse gas emissions across our businesses. This includes the development and adoption of innovative technologies to improve resource efficiency. In power generation, we have pioneered the adoption of supercritical thermal technologies, and soon ultra-supercritical, in Indonesia to maximize efficiency and minimize emissions, in combination with carbon capture technologies.

At Kideco’s Batu Kajang mine site, we’ve been developing a photovoltaic system with battery storage as part of efforts to transition our energy consumption to sustainable sources. The system went into operation this year and will supply an estimated 450,000 kWh/year. This will be sufficient to meet 100% of load demand during operating hours, thereby minimizing our diesel consumption and its attendant emissions.

Even as we reduce our reliance on diesel, we’re also ensuring that the diesel that we ~~do~~ use is sustainable. For our operations, we have adopted the use of B30 diesel, a blend that uses 30% palm oil-derived biofuel. This initiative not only ensures that our fuel source is sustainable, it also translates into significantly lower emissions of greenhouse gases like carbon dioxide and pollutants like NOx. The use of biodiesel across our entire vehicle fleet also reduces fleet emissions.

We have established our target for reducing our carbon emissions intensity by 10% by 2025 (based on the 2020 baseline).

Balancing Indonesia’s energy demands with the need for a sustainable, low-carbon energy future will be challenging. But we at Indika Energy are embracing the challenge, and the opportunities that it represents, through our dedicated focus to a sustainable world for all.

Our carbon emission performance:

- Scope 1 GHG emission: ↓13.54% to 1,398,597 TonCO2eq – we are currently developing our capabilities to calculate not only Scope 1, but also Scope 2 and 3 emissions in the coming years.
- Total energy usage: ↓ 8.05% to 14,307,917 GigaJoule.
- Total fuel consumption: ↓ 12.6% to 466,587,477 Liters.
- Energy intensity ratio: ↓ 4.04% to 0.42 GigaJoule/Ton Coal Production
- GHG Emissions intensity ↓ 12.8% to 0.041 TonCO2eq/ Ton Coal Production

What's Next:

- Carbon emissions target:
- Reducing our carbon emissions intensity by 10% by 2025 (based on the 2020 baseline).
- Net zero emissions by 2050.
- Committed to accountability and transparency: We will continue improving how we measure our greenhouse gas emissions and keep reporting the data on a regular basis.
- Carbon elimination: we will implement decarbonization strategies in line with the Paris Agreement through real business change and innovations, including efficiency improvements, renewable energy, materials reductions, and other carbon emission elimination strategies.

MATERIALITY	UNIT	2020	%	2019	%	2018
Scope 1 GHG Emissions*	TonCO2eq	1,398,597	-13.54%	1,617,570	-0.38%	1,623,800
Coal Production**	Ton	34.3	-4.46%	35.9	1.99%	35.2
GHG Emissions Intensity*	(TonCO2eq /Ton Coal Production)	0.041	-12.76%	0.047	0.00%	0.047
Fuel Consumption***	Liter	466,587,377	-12.16%	531,155,815	-1.50%	539,225,907
Biofuel Consumption****	Liter	44,553,969	66.34%	26,784,945	2079.76%	1,228,801
Energy Usage**	GJ	14,307,917	-8.05%	15,561,058	-0.49%	15,637,442
Energy Intensity Ratio**	GJ/Ton Coal Production	0.42	-4.04%	0.43	-2.43%	0.44

*) Kideco, Petrosea, Tripatra and MUTU

**) Kideco and MUTU

***) Kideco and Petrosea

****) Petrosea

Let there be sunlight

Kideco's Batu Kajang mine site is going green in a big way. Throughout 2020 we made preparations for the rollout of a solar photovoltaic system to replace the electrical power currently supplied by diesel generators. The system, which goes online in 2021, will supply 450,000 kWh/year.

The savings in diesel consumption will be significant: an estimated 39,700 liters per year. That's how much fuel it would take to power 500 houses for a year, or to drive a car 20 times around the equator. The system uses three inverters, and can be used both on-grid or off-grid, with an operational time of seven hours.

The development of this solar project is a form of Indika Energy's commitment to using clean energy in its operations, and serves as a blueprint for similar projects in the future. Construction began in October 2020 and was completed in March 2021 by Tripatra Multi Energi (TIME), a subsidiary of Indika Energy in collaboration with partners appointed to carry out engineering, procurement and construction (EPC) work.

In the long-term, the Kideco solar power system is expected to reduce diesel consumption by 45%, making electricity production costs more efficient while also reducing greenhouse gas emissions.

Solar has long been recognized as among the most promising forms of clean and renewable energy, and development of scalable solar systems across Indonesia can help contribute toward national and international climate goals, including the Paris Agreement and the Indonesian government's initiative to reduce emissions by up to 29% by 2030.

In addition to fuel savings, we have also been progressively reducing our fossil diesel use. Since the start of 2020, we have used B30 biodiesel, which contains 30% palm oil-based fuel by content. Besides having comparable performance as fossil diesel, B30 has significantly lower levels of both particulate and greenhouse gas emissions. We support the government's ongoing efforts to transition to fully renewable B100 biodiesel.



Water and Effluents

Why this matters

Access to clean water and sanitation is a human right, and we aim to minimize our water-related impacts and protect the water sources in the areas where we operate, through our water management and water risk management programs, and effluent management by Kideco and Petrosea. As part of its general policy on the environment, Petrosea has established environmental supervision and protection procedures and has received international standard certifications for Environmental Management System and Quality Management System - ISO 14001:2015 and ISO 45001:2018.



Our approach and action

A key ingredient in our operations is water, whether it be for coal handling, transportation, or power generation. At Indika Energy, we understand that we share this precious resource with local communities, and thus we have a responsibility to use it judiciously and minimize our water intensity to ensure that others have access to it, in line with our belief that this is a basic human right.

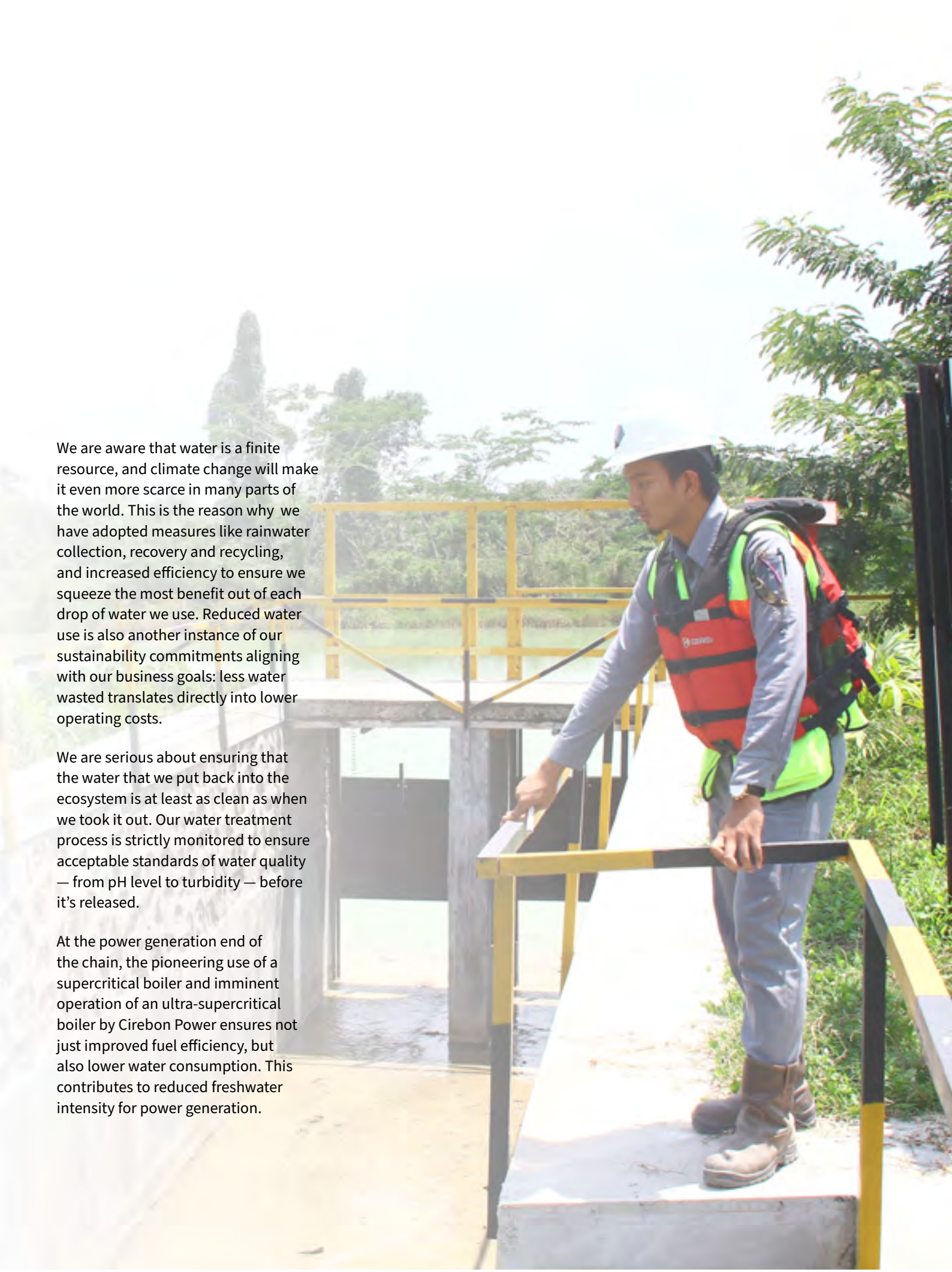
Mining uses water primarily for mineral processing, dust suppression, slurry transport and employees' needs. In many cases, water needs to be pumped away from a mine site, which can reduce the levels of groundwater, deplete surface water or cause pollution to local rivers.

We minimize the potential water-related impacts of our operations and provide fair and equitable access for all users through water balance measurements and used surface water for our operational activities and collecting rainwater in sediment ponds.

Water management is a complex issue in any context. That is why we require all our subsidiaries to submit their water risk assessments and mitigation plans every quarter. Short-term solutions are complemented by long-term ones that address management of surface and underground water resources, in partnership with local communities and other stakeholders.

We ensure, firstly, that when we take water, we're not depriving others of it. At our Batu Kajang mine, we get our water from a separate source than local communities. At the same time, we are committed to providing clean water to communities through a water treatment plant. As of the end of 2020, our clean water program serves 9,540 people in 7 villages that previously had to rely on river water for their consumption and hygiene needs (see table below). And as the COVID-19 pandemic has shown, the need for good hygiene means access to clean water is a life-saving necessity.

"Increase proportion of waste reused and recycled through system and process management improvements"



We are aware that water is a finite resource, and climate change will make it even more scarce in many parts of the world. This is the reason why we have adopted measures like rainwater collection, recovery and recycling, and increased efficiency to ensure we squeeze the most benefit out of each drop of water we use. Reduced water use is also another instance of our sustainability commitments aligning with our business goals: less water wasted translates directly into lower operating costs.

We are serious about ensuring that the water that we put back into the ecosystem is at least as clean as when we took it out. Our water treatment process is strictly monitored to ensure acceptable standards of water quality — from pH level to turbidity — before it's released.

At the power generation end of the chain, the pioneering use of a supercritical boiler and imminent operation of an ultra-supercritical boiler by Cirebon Power ensures not just improved fuel efficiency, but also lower water consumption. This contributes to reduced freshwater intensity for power generation.

2020 Performance

- Total water withdrawn ↓ 8.04% to 5,109,615 m^3
- Total volume of water recycled and reused ↓19.75% to 1,040,814 m^3

MATERIALITY	UNIT	2020	%	2019	%	2018
Water withdrawal *	m^3	5,109,615	-8.04%	5,556,117	33.53%	4,160,871
Water withdrawal intensity *	m3 / $ million sales	2,597	23.35%	2,105	32.96%	1,583
Volume of water recycled & reused **	m^3	1,040,814	-19.75%	1,296,986	-0.99%	1,309,923
Share of water recycled & reused **	% of total withdrawal	29.25%	-10.17%	32.56%	-19.00%	40.20%
Water discharge **	m^3	349,407,301	-12.01%	397,106,802	-11.99%	451,199,518

*) Kideco, Petrosea, Tripatra, and MUTU
**) Kideco and Petrosea

Wise Water Use

Indika Energy's total water consumption in 2020 was down by nearly 9% to 4.55 million cubic meters. This is part of a longer-term trend as we continuously look at ways to make water savings and use water more wisely.

We recycled and reused a significant proportion of water last year: more than 1 million cubic meters. This volume would fill up half an Olympic-sized swimming pool, representing a huge saving of a precious resource. Savings like these are made possible through technological innovations such as rainwater collection and reuse of treated water.

Initiatives for efficient water usage have been carried out in Kideco for many years. Kideco takes extra measures to limit consumption of water from rivers in the surrounding area. At Kideco, one of the ways that we do so is by using a closed circuit system to wash our unit vehicles. The water used for washing these vehicles goes into a compartment in a settling pond, gets treated and is eventually reused for the same purpose.

We also ensure that the water used for watering the unpaved roads in mining areas is taken from settling ponds. From these settling ponds, the water gets taken to a few water-filling stations for unit water trucks that operate to spray the water to increase visibility in mining areas with unpaved roads.

Lastly, we ensure that the water that we do release as effluent falls well below regulatory thresholds for trace elements, turbidity, and acidity.





Beneficiaries of Kideco's Clean Water Program

VILLAGE	CLEAN WATER FACILITY	BENEFICIARIES (PERSON)
Samurangau	Water pump	753
Kasungai	Water pump	783
Songka	Water Tank	2,570
Biu	Water pump	692
Muser	Water pump	1,123
Muara Telake	Reverse Osmosis Water System	2,026
Muara Adang	Reverse Osmosis Water System	1,593
Total		**9,540**

What's Next

We have made consistent progress on reducing our water use, and are committed to doing even more going forward. New technologies and operating methods will allow for greater efficiency, including the use of Industry 4.0 initiatives to help guide water usage.

Our commitment to the communities around us also remains strong, and we will work to ensure more households have access to clean water.

Waste Management

Why this matters

Waste generation is an inevitable part of the mining process and power generation, but it does not have to be an insurmountable one. Through good solid waste management practices, efficiency measures, and recycled material use, Indika Energy is constantly seeking ways to reduce its waste footprint.

Our approach and action

Our tailings management and standards adhere strictly to prevailing regulations. Soil displaced through mining is piled and eventually used as backfill once restoration activities begin. Any equipment that can be repaired, recycled, or repurposed for other use; and hazardous waste is remediated by qualified third parties.

We monitor waste based on its categories, ensure efficiency waste measurement, and invest in recycling programs. We constantly seek ways to reduce our waste footprint. Generation of hazardous waste is an inherent part of our industry, but we are committed to both minimizing it and disposing of it properly. For instance, our hazardous waste management includes employing used oil as a replacement for diesel in blasting operations, thereby ensuring that we also reduce our diesel consumption at the same time. At Cirebon Power's plants, we achieve zero solid waste by collecting the ash from burning and supplying it to a cement producer.

As a company that also has oil operations via our subsidiaries, Petrosea and MBSS, we recognize that spills can and do occur. We take this issue seriously and have protocols in place to respond swiftly and comprehensively to spill incidents. For instance, Interport uses a containment boom that serves as a temporary floating barrier to mitigate the risk of contaminating seawater in the case of an oil spill. In 2020, we can report that we managed to minimize oil spill incidents to a fraction of our total production. But we will not stop there. Our goal is ultimately to achieve zero oil spills, with full disclosure, and we are confident that we are well on our way there.

"We constantly seek ways to reduce our waste footprint"

In managing waste, Petrosea implements the 3R principle of Reduce, Reuse and Recycle for both solid and liquid non-hazardous waste. As for waste categorized as B3 (hazardous and toxic), Petrosea partners with waste processing companies that hold official permits to do periodic disposal from the temporary waste storage managed by the company. The liquid waste reused by Petrosea includes used oil, which is reused in explosives mixtures. The solid waste stored to be used by third parties are iron scrap and used tires.

The waste management program, for both B3 and non-B3 waste involves stakeholders with proper permits from the government in order to manage the resulting waste safely and efficiently.

Petrosea also applies paperless programs to reduce the volume of paper consumed. To support this paper usage reduction program, the company has developed a business-to-business (B2B) integration program with several business partners. This system enables the issuance of electronic business transaction documents.

We are also careful about minimizing waste from our excavation operations. We save as much topsoil and overburden as we can and store it to use later for backfill. This ensures that, as much as possible, we return to the ground what we've taken from it.



Waste not, Want not

In 2020, we reused or recycled more than 2,500 tons of waste, representing a significant improvement from the previous year.

Disposing of this amount of waste in a landfill would represent more than 180 dump trucks' worth of material — a footprint with serious implications for the environment and communities in the area. Tha is' why we look for every opportunity to reuse or recycle waste, from using worn tires in settling ponds to reduce erosion, to extracting biogas from the Paser Regency landfill site, to composting organic waste to return to the soil.

When we minimize waste, we maximize benefits — to the company, the community, and the environment.

2020 Performance

- Total weight of reused waste ↑ 85.7% to 2,064 tons
- Total weight of recycled waste ↑ 73.1% to 504.62 tons
- Total hazardous waste generated ↓ 25.0% to 2,631.64 tons
- Volume of oil spill ↓ 84.8% to 188.5 liters

MATERIALITY	UNIT	2020	%	2019	%	2018
Total weight of reused waste *	Ton	2,064.96	85.70%	1,111.97	18.92%	935.04
Total weight of recycled waste *	Ton	504.62	73.05%	291.60	139.02%	122.00
Total waste **	Ton	7,674.40	-30.92%	11,109.61	19.00%	9,335.44
Volume of oil spill ***	Liter	188.5	-84.77%	1,237.9	162.79%	471.06

*) Kideco

**) Kideco and Petrosea

***) Petrosea and Tripatra

Hazardous Waste Management in Kideco

HAZARDOUS WASTE	REUSED	PROCESSED	BROUGHT TO THIRD PARTIES	TOTAL WASTE GENERATED
	% OF TOTAL WASTE GENERATED			TONS
Used oil	21.53%		78.47%	2,344.22
Used vehicle batteries			100.00%	69.06
Used oil filter		30.23%	69.77%	82.34
Cotton waste		50.72%	49.28%	36.65
Hose		7.24%	92.76%	57.43
Grease			100.00%	9.60
Clinic waste		100.00%		14.53
Residue			100.00%	4.31
Contaminated earth			100.00%	0.26
TL Lights			100.00%	0.35
Electronic waste			0.00%	0.00
Cartridge			100.00%	9.91
Laboratorium waste			100.00%	0.64
Hazardous packaging waste			100.00%	2.34
TOTAL	**19.18%**	**2.36%**	**78.46%**	**2,631.64**

Non-Hazardous Waste Management in Kideco

PROCESSING METHOD	FORM OF UTILIZATION	UNIT	2020	2019	2018
Organic	Utilization of manure for compost	Kg	144,400	112,800	97,800
Recycled	Used tires for road marking and erosion control		1,672,140	1,078,780	932,880
	Used conveyor belts		1,580	1,643	1,860
	Used 1.5L drinking water bottles		12	184	300
	Used tires for community programs		391,230	31,360	0
Total Composted Waste		Ton	144.4	112.8	97.8
Total Reused Waste			2,064.96	1,111.97	935.04
Non-Hazardous Waste Generation			3,016.26	3,016.26	2,065.21
Successful Utilization of Non-Hazardous Waste		%	73.25	40.61	50.01

What's next

- Waste minimization will continue to be a key focus in our operations going forward, especially as we diversify away from coal and toward more sustainable and less carbon-intensive activities. In the meantime, we continue to adopt the best practices in waste management, recycling and recovery, and monitoring.
- Whether it's something as simple as reusing tires to serve as road medians or reinforcing workshop floors with used conveyor belts, or more complex like developing a pump system to replace dump trucks in sludge extraction, part of our green logistics program drive, we will continue to focus and innovate to shrink our footprint.



Air Emissions

Why this matters

Air quality is a critical component of a healthy environment, which in turn is a right guaranteed to all Indonesians under the country's Constitution. As such, we understand that we have legal and moral obligations to keep air quality parameters within acceptable limits wherever we operate. With diligent monitoring and constant innovations, we strive to go above and beyond our obligations.

Our approach and action

We work on improving air quality through mitigation of emissions and dust. Through constant monitoring at our mine sites and nearby communities, we can respond quickly to any pollution incidents. To date, we have managed to maintain air quality and noise levels at our operations sites well within regulatory standards.

Dust generation is inherent in open-cast coal operations, but we take all measures available to minimize it. In addition to constant monitoring of air quality, we schedule our blasting operations when weather conditions ensure minimal spread of dust and particulate matter. When transporting coal, we cover it with tarpaulins, and we routinely spray water on the roads to keep dust levels down.

We monitor for a range of air quality parameters, from CO to CO2 to SO2, and have achieved quality outcomes far below the government-specified limits. The same goes for dust levels, noise management, and mitigation of non-GHG air emissions, in both work and residential areas (see table below). While we consider these worthy achievements, we recognize that we can still do better through constant improvements.

At the other end of the supply chain, we're fully cognizant of the concerns about air pollution and emissions from coal combustion for power generation. That's why we've invested heavily, through Cirebon Power, in industry-leading supercritical and ultra-supercritical power plant technology. These innovations mean we can achieve higher thermal efficiencies than conventional coal-fired power plants, which translates into less coal use. In turn, this means reduced non-GHG air emissions like NOx, SOx and particulate matter, and reduced carbon intensity from power generation.

With Indonesia's medium-term development plan still reliant on coal as an energy source, technologies like these will be key to keeping the country's carbon footprint in check and air pollutants at a minimum.

"We invest on technologies as a key to keeping the country's carbon footprint in check and air pollutants at a minimum"



Technological Innovations for Cleaner Energy

Every aspect of the Indika Energy Group's operational chain is regularly monitored, including at Cirebon Power. For us, reducing both GHG and non-GHG air emissions is about more than just complying with regulations set by the government. We are committed to keep the environmental impact of our power plants as low as possible, in line with Cirebon Power's standing as a pioneer of cleaner energy solutions.

It's not enough just to improve performance, we also strive to improve technology. These are among the technologies we use to minimize the impact of pollution on our operations:

Electrostatic precipitator

The electrostatic precipitator regulates emissions by retaining and removing 99.8% of fly ash from combustion to avoid contamination. Its success is clear from emission parameters, where total particulate emissions produced are around 25 mg/Nm3, far below the government threshold of 100 mg/Nm3, with a concentration level of 10%, or only half of the maximum limit.

Double fly ash silo

With a capacity of 1,300 tons, the double fly ash silo collects fly ash, which is then transported in closed trucks to a cement production facility.

Temporary ash storage/pond

Used only in emergency situations, when the trucks cannot operate, for example during long holidays. This pool is equipped with upstream and downstream monitoring wells, and leak detection wells that will drain water to the wastewater treatment facility.

2020 Performance

AIR EMISSIONS	UNIT	2020	%	2019	%	2018
CO	Tons	92.96	37.68%	67.52	-34.69%	103.39
NOx		597.46	172.12%	219.56	101.89%	108.75
SO2		5.81	-7.92%	6.31	-83.61%	38.49
Particulate		12.48	26.06%	9.9	-34.70%	15.16

**) Kideco data*

What's next

We remain committed to improving on the air quality outcomes that we have already achieved. We know that with closer monitoring, greater diligence, and innovative measures we can exceed the already positive results we have achieved to date.



Reducing Emissions with Clean Coal

The coal that Kideco mines is globally acknowledged as one of the cleanest grades of the fuel due to its very low sulfur content of 0.1% as well as a low ash content of 2.5%.

It can greatly reduce costs for users because it can be used without a flue gas desulfurization (FGD) facility, which is needed to meet sulfur oxides (SOx) emission regulations. Its low ash content contributes to the life extension of the power plant ash treatment facility, maintaining the least area for retreatment.

PARAMETER	ROTO	SAMURANGAU
Total Moisture (ARB)	27%	35%
Volatile Matter	40%	40%
Ash	2.5%	3.5%
Total Sulfur	0.1%	0.1%
Nitrogen	0.8%	0.8%
Calorific value (GAR)	4,900kcal/kg	4,200kcal/kg



Biodiversity and Land Use

Why this matters

Indonesia is blessed with one of the highest levels of biodiversity of any country in the world. We understand the importance of conserving this biodiversity: keeping Indonesia's forests standing protects endangered species, mitigates flood risk, and helps slow climate change.

Our approach and action

We continuously monitor and assess potential biodiversity impacts throughout the lifecycle of our operations. Our biodiversity programs include:

- Progressive tailings management, site closure and rehabilitation
- Reforestation, tree nursery and land reclamation
- Facilitating the return of poached, trafficked gibbons to their natural habitat in Sumatra
- Development of biodiversity conservation areas and wildlife corridors, such as the Tandarayan Arboretum Multifunctional Conservation Area.

Minimizing the potential impacts of our operations on the environment is a crucial part of our approach. We require all our subsidiaries to conduct a biodiversity risk assessment before any kind of activity can begin, with additional measures for sites near protected or high-conservation-value areas as part of our deforestation policy and to uphold animal welfare. After operations begin, we continue to carry out regular biodiversity monitoring. In doing this, we partner with third parties to ensure the transparency and accountability of our monitoring and mitigation processes and deforestation program.

In areas where some degree of impact is inevitable, we work to offset it through land restoration activities and replanting initiatives elsewhere, also in partnership with third parties. Our subsidiary Kideco works with local communities to grow native tree species in nurseries that are then planted to create forest corridors connecting fragmented patches of forest, giving wildlife freedom to move safely. As of the end of 2020, Kideco had reclaimed 4,914.49 hectares and 186.74 hectares at its Roto Samurangau and Susubang Uko mining concessions respectively. These areas receive independent forestry certification from the Indonesian Ministry of Environment and Forestry.

These efforts are more than simply cosmetic. Assessments at our Tandarayan Arboretum reclamation area, near our Roto Samurangau site, show that the level of biodiversity in the reclaimed area is nearly as high as in surrounding natural forests. Studies have shown the presence here of dozens of native species, many of them endangered by habitat loss due to the expansion of agricultural plantations and logging operations (see box). By giving them a new home, we're also giving them a fighting chance against extinction.

In the past, we have also worked with various organizations on the conservation of the habitat of the Bornean orangutan, a critically endangered species that's also threatened by habitat loss and hunting. We have also partnered with other groups to release wildlife seized from illegal traffickers back into their natural habitat.



2020 Performance

MINE PERMIT AREA	RECLAMATION AREA (HA)					
	2020		2019		2018	
	REALIZATION	CUMULATIVE	REALIZATION	CUMULATIVE	REALIZATION	CUMULATIVE
Roto Samurangau	393.59	4,914.49	502	4,520.90	527.37	4,018.90
Susubang Uko	32.6	186.74	25.97	154.14	20.05	128.17
TOTAL	**426.19**	**5,101.23**	**527.97**	**4,675.04**	**547.42**	**4,147.07**

DESCRIPTION	FAUNA CONSERVATION IN THE AREA (NO. OF SPECIES)				
	2020	%	2019	%	2018
Mammals	46	4.55%	44	7.32%	41
Birds	131	1.55%	129	15.18%	112
Reptiles and amphibians	33	10.00%	30	30.43%	23
Insects	420	19.32%	352	21.38%	290

What's next

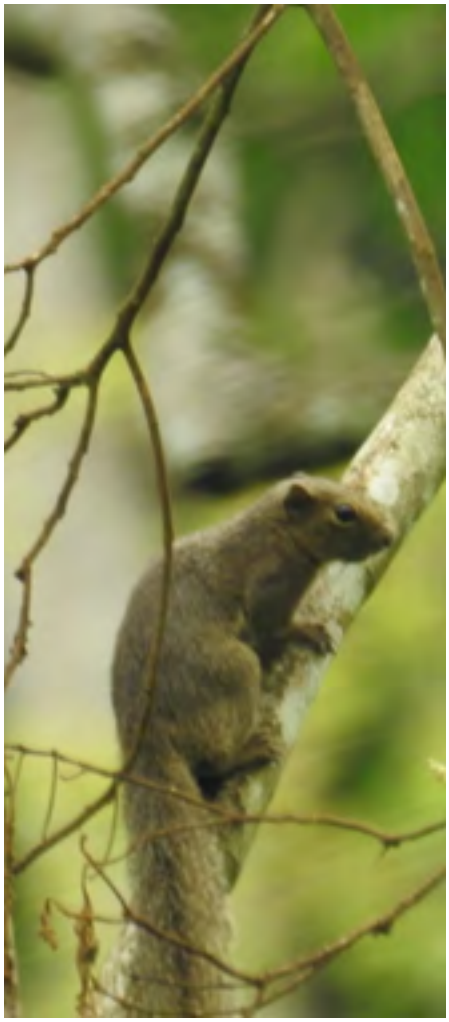
- There is no better indicator of a healthy natural environment than a high level of biodiversity. We respect the fact that many of the areas in which we operate today sit amid these jewels of biodiversity, and as such we consider it a moral imperative to conserve as much of this natural wealth as possible. Our reclamation activities have shown that with hard work and partnering with local communities and organizations, we can restore levels of biodiversity that rival those in adjacent natural forests. We're committed to expanding our reclamation activities, to providing the habitat that supports Indonesia's unique and iconic wildlife, and to giving this wildlife a fighting chance at future survival.

Providing Sanctuary for Threatened Fauna

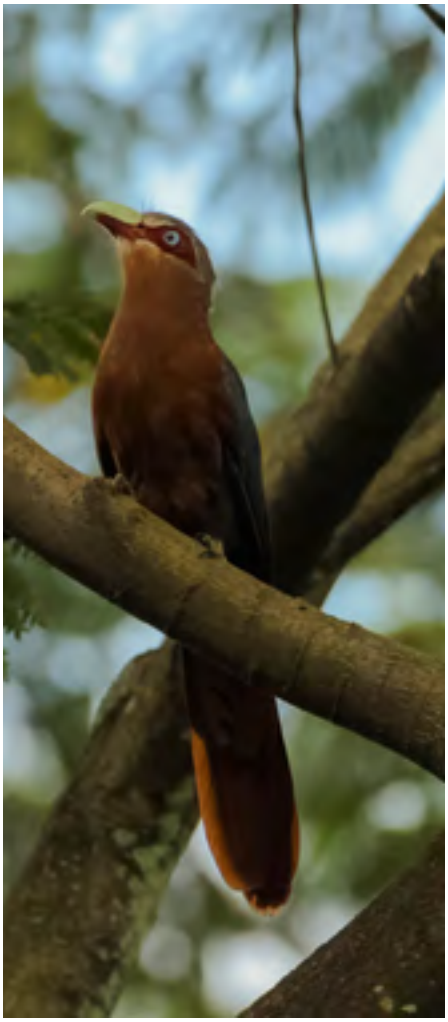
The island of Borneo, known in Indonesia as Kalimantan, is home to countless species of wildlife found nowhere else on Earth. However, decades of forest clearing, mostly for the palm oil industry, threaten the survival of these unique species. Among these is Müller's gray gibbon (*Hylobates muelleri*), the distinctive-looking proboscis monkey (*Nasalis larvatus*), and the Bornean bay cat (*Catopuma badia*). All are classified as endangered on the IUCN Red List of Threatened Species, and all are protected under Indonesian wildlife conservation laws. Another protected species, the Sunda pangolin (*Manis javanca*), is in even graver danger: it's among the most widely trafficked species in the world, poached for its meat and its scales, which are used in traditional Chinese medicine.

What these four species, and many others, have in common is that they can be found in the wild today in the Tandarayan Arboretum conservation area developed by Kideco. We have shown that this reclaimed post-mining area can be transformed into a pristine wildlife habitat — a sanctuary for at-risk species. Based on results from the evaluation of biodiversity monitoring, we have also observed that the formation of a food chain has occurred in the area, indicating that the ecosystem is functioning.

In other efforts to protect biodiversity in the area, Indika Energy collaborates with various national and international organizations. For example, together with the Ecology Center for Tropical Studies (ECOSITROP), Kideco annually monitors and evaluates the reclamation area, which also serves as a habitat for the animals, buffer forest areas and wildlife corridors.







Mangrove Cultivation and Restoration

Mangroves are an important coastal ecosystem, and Indonesia is home to the largest extent of mangroves in the world. These brackish forests serve as important nurseries for a vast range of marine species, a bulwark against tidal erosion, a filtration system for heavy metals and other pollutants, and even protection against tsunami waves and storm surges.

They are also critical for the livelihood of local communities, which makes preserving them a worthy goal. In 2020, working together with local environmental NGOs, members of the Pokmaswas fishermen's group and related stakeholders, Cirebon Power planted 5,000 mangrove trees in the Waruduwur area of Cirebon. In Kanci Kulon village, we have planted 50,000 mangrove seedlings at the mouth of the river, again in cooperation with the Jelombang Selar fishermen's group. In some locations where the mangroves are dead or damaged, replanting was carried out. This coastal conservation activity started several years ago. As a result, the mangroves in the coastal area around our Cirebon coal-fired power plant have grown well and become a new ecosystem for coastal species. To date, we have planted more than 80,000 mangrove trees and 30,000 trees of other species.

MBSS also planted mangrove trees in 2020 together with its partner and local communities in Janju – Tanah Merah beach area and Pasir Mayang, in Paser regency. MBSS is currently assessing some initiatives to improve its environmental commitments, including exploring the possibility of using solar energy in some of its assets to further reduce carbon emissions.

Petrosea also initiated its reforestation program by planting 2,000 mangrove trees in the area surrounding Petrosea Support Facilities. Through this reforestation program, it is hoped that the company will contribute to environmental sustainability, especially around its operational areas.



Environmental Opportunities

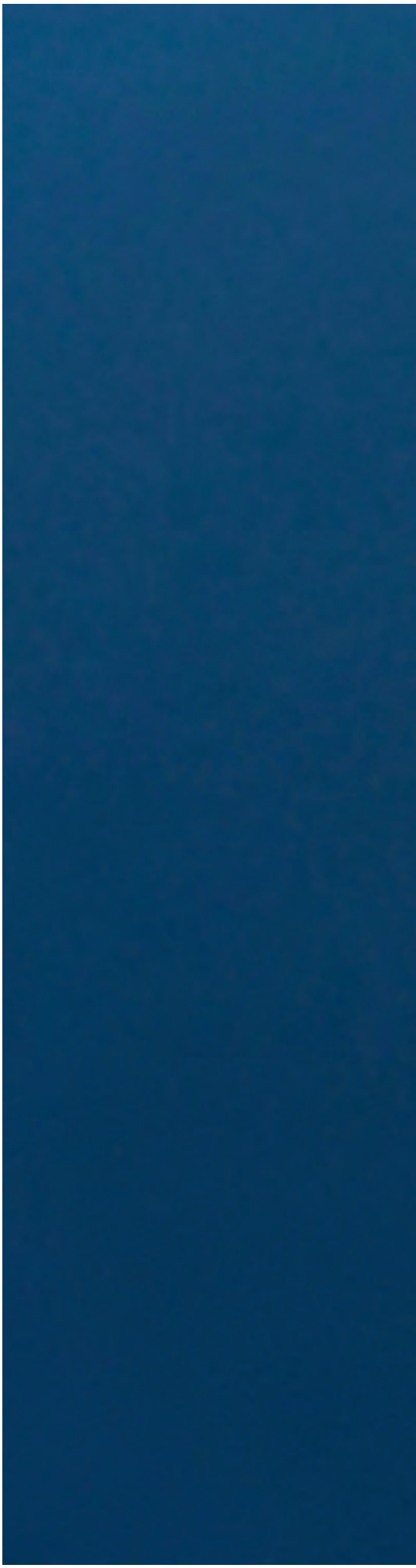
"We implement Industry 4.0 standards for more efficient operations that lead to significant energy savings"

At every stage of operation, we strive to minimize our environmental impact. Not only does this contribute to environmental sustainability, it also boosts business sustainability. That is why today Indika Energy is an industry leader in the adoption and use of a wide range of technologies and standards designed to make our operations leaner, cleaner, and greener.

At the production stage, we're proud to implement Industry 4.0 standards for more efficient operations that lead to significant energy savings. This initiative is also part of a wider digitization push across the group in line with fast-evolving business best practices. Indeed, our successful rollout of Industry 4.0 has made us a leader in the field in Indonesia, and we foresee playing a critical role in helping guide other companies across industries through the digital disruptions that are redefining how the world does business.

Beyond the production chain, we are also among the pioneers of supercritical and ultra-supercritical coal plant technology. This allows us to squeeze maximum efficiency out of every ounce of coal, with minimal emissions and waste compared to existing technologies. With Indonesia set to continue relying on coal to power its growth for the medium term, it's our duty to ensure that that power is generated as cleanly as possible.

Going a step further, we see endless opportunity in renewable energy technologies. We are investing in energy estates that will supply carbon-neutral biomass, and in solar facilities powered by the infinite supply of equatorial sunshine that Indonesia is blessed with. Another of Indonesia's natural treasures is its mineral wealth, which the government wants to prioritize for the battery industry to feed the booming electric vehicle (EV) and power storage applications. At Indika Energy, we see tremendous potential in this field and are determined to bring our expertise to bear in helping Indonesia become a global power plant in the push for clean energy.





Solar-Powered Solutions for Indonesia

To strengthen its commitment to supporting Indonesia's new and renewable energy sector, Indika Energy launched an integrated solar power company in partnership with India's leading solar developer, Fourth Partner Energy (4PEL).

This joint venture, Empat Mitra Indika Tenaga Surya (EMITS), is a manifestation of our commitment to diversify our business portfolios, achieve sustainability goals, improve our ESG performance, as well as support the Indonesian government's efforts to achieve its renewable energy mix target of 23% by 2025.

The EMITS joint venture can increase investment in renewable energy infrastructure, usher in technological innovations that are more reliable, efficient, affordable and environmentally friendly, as well as create jobs and support efforts to kick-start the economy from the impact of the COVID-19 pandemic.

According to data from the Directorate General of New and Renewable Energy and Energy Conservation (EBTKE) of the Ministry of Energy and Mineral Resources (ESDM), green energy sources accounted for 11.51%, or around 10,467 MW, of Indonesia's total energy consumption at the end of 2020. While this represents an increase of 2.3% compared to 2019's figure, it falls short of the Ministry's 13% goal for 2020. The Ministry of Energy and Mineral Resources projects that another US$ 36.95 billion in green energy investments will be required to achieve Indonesia's target of 23% green energy usage by 2025. The EMITS venture expects to bring at least US$ 500 million to Indonesia during this period.

EMITS is gearing up to play a vital role in enabling this green energy transition through a simple value proposition to the consumer: cleaner electricity at lower rates than grid tariffs, which will help meet sustainability goals. For Indika Energy, EMITS will contribute to the company's commitment to increase the non-coal portion of its revenue to 50% by 2025.

Indonesia has huge potential in the renewable energy sector, and our consumers are increasingly demanding green energy solutions. Indika Energy, as part of its overall pivot toward sustainability businesses, is committed to answering that call.





Revolutionizing how we work through digital transformation

Petrosea offers complete pit-to-port mining solutions, integrated engineering and construction capabilities, as well as logistics support while demonstrating a commitment to safety, health and environment, quality management, and business integrity. Project Minerva, which stands for "Mining Engineering and Construction Advanced Analytics," is one of the most significant initiatives launched by Petrosea as a strategic step to carry out the digital transformation (DX) of its mining operations.

The aim of Project Minerva is to catalyze Petrosea's transformation in order to ensure sustainable and superior performance in the years to come. Project Minerva was launched at one of the company's most challenging and remote sites in East Kalimantan, where Petrosea has deployed multiple Industry 4.0 use cases, such as optimized truck dispatch, real-time monitoring, and drone surveys, which transformed this project from a loss-making entity into a profitable one in just over six months. Because of the success of Project Minerva, Petrosea was selected by the World Economic Forum as the only mining company and the only Indonesian-owned company to join its Global Lighthouse Network.

Petrosea also deploys its 3D approach (Diversification, Digitalization, Decarbonization) in supporting the Tabang and Kideco mining projects in East Kalimantan.

Petrosea employs a range of smart technologies, including artificial intelligence (AI), smart sensors, and machine learning. Sensors allow for predictive maintenance of truck fleets, allowing for optimal operations and reduced carbon emissions. Artificial intelligence, meanwhile, is being developed to help the transition from coal mining to mining of copper, nickel, gold and lithium — all elements that are critical to a clean energy future. Through artificial intelligence, finding these elements will be easier and more efficient.

Social

"It takes a nation to build a business that's socially sustainable. That's why we're proud to represent the values of Indonesia and the Indonesian people."

Indika Energy's social commitments start with our employees and extend to the communities where we operate, and ultimately to Indonesia and the world. The excellent men and women who work for us are the driving force behind our achievements. They are also our family, and we are as committed to seeing them succeed as they are to contributing to Indika Energy's collective success. Their health and safety is paramount across our operations, and while this is always a challenge, the COVID-19 pandemic compounded the situation in 2020.

We are also fully engaged with the communities in which we operate, where we run a range of empowerment and social programs that create jobs and livelihoods, and promote entrepreneurship and self-sustainability. Internal or external, local or national, domestic or global — when the community does well, so do we.

Overview

At Indika Energy, we provide products and services that help power Indonesia's economic development and improve the quality of life for communities across the country. In the areas in which we operate, we create jobs (direct and indirect), generate revenue, and contribute to public education and health facilities. We are a driver of growth, and also a member of the community.

Our skilled and diverse workforce is our source of strength, and their commitment to safety is our source of pride. We work to draw Indonesia's best and brightest, and nurture their talent and potential in an environment of trust, dignity, and inclusivity. Indika Energy is more than just an employer: we are a cornerstone of our employees' lives, a place where opportunities for learning and self-improvement are always available, and where everyone is family.

As we treat our own, so we treat our neighbors. Indika Energy works in some of the most unique regions of Indonesia, home to Indigenous and traditional communities whose customary wisdom and culture must be safeguarded. Our engagement with others is based first and foremost on respect for fundamental human rights, and we take seriously our commitments and obligations to ensuring those rights are always protected. We have always operated on the basis that there is no sustainable business without strong ethics, which is why we uphold a rigorous code of conduct in all our dealings, with zero tolerance for violations. Our grievance mechanism is transparent and responsive, and our social commitments accountable.

We also align our social programs with Indonesia's commitments under the Sustainable Development Goals. These include better health and well-being (Goal 3), access to education (Goal 4), gender equality (Goal 5), access to water and energy (Goals 6 and 7), and promoting sustainable economic growth (Goal 8), among others. Our social contributions in 2020 earned the recognition of [awarder] in the form of [award].

It takes a village, as the saying goes. For Indika Energy, it takes a nation to build a business that's socially sustainable. That is why we're proud to represent the values of Indonesia and the Indonesian people.

GRI

- 201-1, 201-2, 203-2, 401-1,401-3, 402-1, 403-1, 404-2, 405-1, 406-1, 407-1, 408-1, 409-1

Global Compact

- Principle 3, Principle 4, Principle 5, Principle 6

Sustainable Development Goals



Our People

Indika Energy works throughout Indonesia, and our workforce is a reflection of the diversity of the country. That diversity is a strength, and so are the values that we share in common: a commitment to safety, respect for one another, and a desire to constantly do better.

We strive to be more than a workplace for our employees. We want to help our people grow, nurture their innate talent, and cultivate new skills that will help them move forward both professionally and in life. To that end, our employee development programs are top-notch and widely accessible. It's important to us that we recruit and retain top-quality talent to ensure continuity and sustainability of the business. We invest heavily in employee training through our human capital development program, because we want our people to be the best at what they do — not just for the group, but also for their families, communities, and country.

As part of our strong code of ethics, employees advance on the basis of merit alone, in line with our policy of non-discrimination. That is why we are proud of our low employee turnover rate, with average employee tenure of nine years in Indika Energy Holding. Indika Energy's workplace culture has earned it recognition as one of the best companies to work for at the 2020 HR Asia Awards.

Our industry has long been one where women have been underrepresented. We want to change that, and already our record of promoting women into leadership positions is better than the industry average. As we transition away from mining as our core business, we hope to drive even greater female representation and empowerment. In line with our diversity programs, we also strive for gender pay equality.

Another group we look to empower are members of local communities where we operate. We have a moral obligation to pass on knowledge to the communities that host us and to ensure that they benefit over the long term from having us in their midst. At Cirebon Power, we run a vocational training program for local youths that not only gives them a new source of livelihood, but also promotes a culture of entrepreneurship in the community (see box).

As a company, we respect that workers may not see their own interests align with ours on all issues. For that, we are grateful that Indonesia enjoys a robust labor unionization framework that allows workers freedom of association. This policy opens the way for collective bargaining agreements and other platforms for discussion with management to reach an understanding on any differences.

Our employee engagement efforts have also been recognized. Kideco received three awards from TOP CSR Awards 2020 Corporate with 5-star excellent level category, Job creation and skill improvement program through integrated agricultural program category, and Top Leader for CSR Commitment category. Additionally, in the Indonesian CSR Awards 2020, Kideco won the Grand Platinum Trophy (Best of the best of all criteria), 23 Platinum and 2 Gold trophies, as well as 2 best categories for individuals, namely M. Kurnia Ariawan and Leonardus Herwindo as the best CEO and COO.

"We strive to be more than a workplace for our employees"

2020 Performance

- Total employees **7,539** people or ↓ **10.06%** with **9.3%** female and **90.7%** male
- Total nationalities **14**
- Local hiring ↑ **1.3%**
- Training **130,921 hours**



NATIONALITY	NO. OF EMPLOYEES	
	2020	2019
Indonesian	7,471	8,307
Bulgarian	1	1
Filipino	3	3
Indian	8	10
South Korean	25	24
Trinidadian and Tobagonian	1	1
U.S.	1	2
Japanese	7	8
Australian	9	13
Singaporean	6	3
New Zealander	0	2
U.K.	4	2
Chinese	0	1
Portuguese	1	1
Canadian	1	1
Palestinian	0	1
Pakistani	1	0
Total Employees	**7,539**	**8,380**



EDUCATIONAL BACKGROUND	NO. OF EMPLOYEES		
	2020	2019	2018
Doctorate	6	6	4
Master's degree	292	286	237
Bachelor's degree	2,305	2,351	2,176
Associate degree	576	659	629
Elementary to high school certificate	4,360	5,078	5,786
Total Employees	**7,539**	**8,380**	**8,832**





EMPLOYMENT STATUS	NO. OF EMPLOYEES		
	2020	2019	2018
Permanent Employees	5,661	5,992	5,576
Temporary / Contract Employees	1,878	2,388	3,256
Total Employees	**7,539**	**8,380**	**8,832**

GENDER	NO. OF EMPLOYEES		
	2020	2019	2018
Male	6,837	7,646	8,144
Female	702	734	688
Total Employees	**7,539**	**8,380**	**8,832**





WOMEN REPRESENTATION AT INDIKA ENERGY GROUP	%	
	2020	2019
Women representation overall	9.31%	8.76%
Women representation in senior management (>SVP)	14.38%	13.87%
Women representation on the Board	8.24%	5.13%

EMPLOYEE COMPOSITION BY AGE	2020
< 30 years old	1,313
30 to 50 years old	5,544
> 50 years old	682



TURNOVER RATE IN 2020	STAFF	NON-STAFF	OVERALL
Voluntary	1.66%	0.98%	2.64%
Involuntary	9.73%	15.12%	24.86%

Workplace Health and Safety

Due to the nature of our business, safety is first and foremost, and our record shows this. In 2020, our safety record continued to improve, and we maintain an ambition to achieve a zero-incidence safety record under our health and safety management system.

We have always had a strong emphasis on occupational health and safety (OHS), adhering to OHSAS 18001:2007 and ISO 45001:2018 standards as well as the prevailing national standards and industry health and safety certification. Our lost time injury rate (LTIR) in most of our subsidiaries are improved and recorded zero in 2020. We also recorded zero major incidents and a zero employee fatality rate across all our subsidiaries. We recognize that we cannot stop here and must work hard to maintain this rate. This applies as much to our direct employees as to the employees of our contractors, who must adhere to the contractor safety program.

A key part of our safety culture is the anticipation and mitigation of potential risks. This constant vigilance is complemented by our adoption of Industry 4.0 standards in our operations to achieve a minimal-risk work environment for our employees. Working hours are strictly monitored and capped under Indonesian labor laws for the well-being of employees.

The top management within Indika Energy is responsible for the development and implementation of the OHS management system, including the company's President Director and Board of Directors.

Our commitment has grown stronger, particularly over the past year as we deal with the added challenge of the COVID-19 pandemic. To keep our employees safe, we have taken stringent measures to minimize their exposure in the workplace and outside. We also set up PCR test facilities and isolation centers that cater to our employees, their families, and the immediate community. Combined with temperature checks, routine disinfection, mandatory use of personal protective equipment (PPE), social distancing, and new work shifts, we have been able to minimize disruptions to our work during this unprecedented period. We will continue to be vigilant going forward, even as we anticipate that the government's vaccination campaign will do much to ease the pressure.

A big part of improving OHS is preventing accidents. That is why we have a hazard identification, risk assessment & incident investigation framework.

We ensure a working environment that is safe from the possibility of work-related incidents and illnesses by implementing work standards that comply with health and safety policies. These policies regulate incident and illness prevention in the workplace, hazard control of work health and safety in every business process, as well as compliance with the applicable regulations. In order to ensure the implementation of the company's main policy regarding health and safety, we apply internal initiatives such as health and safety rules, target and compliance of standards, monitoring system, hazard and operability study (Hazop), safety scorecard, health and safety audit, and safety training.

2020 Performance

- Zero fatalities and major incidents across all subsidiaries
- Petrosea HAZOP reports increased by **9.6%** which shows improvement in safety awareness



Lost Time Injury Rate (LTIR)

SUBSIDIARIES	2020	2019	2018
KIDECO	0.00	164.45	0.00
PETROSEA	0.00	0.05	0.05
TRIPATRA	0.00	0.00	0.07
mbss	0.00	0.89	0.24
MUTU	0.24	0.00	0.00

Total Recordable Incident Rate (TRIR)

SUBSIDIARIES	2020	2019	2018
KIDECO	0.00	0.28	0.15
PETROSEA	0.36	0.59	0.64
TRIPATRA	0.05	0.45	0.87
mbss	1.98	2.66	1.47
MUTU	0.19	0.00	0.00

No. of fatalities

SUBSIDIARIES	2020	2019	2018
KIDECO	0	0	0
PETROSEA	0	1	0
TRIPATRA	0	0	0
mbss	0	2	0
MUTU	0	0	0




pescona

Community Relations

At Indika Energy, we see ourselves as part of the communities in which we operate. We understand that we have responsibilities and obligations to the people who have welcomed us into their areas, and we take that commitment seriously.

That is why we invest back into the community, through community involvement programs in the form of educational and health initiatives, the latter of which has become of paramount importance amid the COVID-19 pandemic. Respect for traditional and indigenous rights is paramount, as is providing access to basic services.

"We provide a range of social benefits through our social programs, including proactively taking steps to address the COVID-19 pandemic in the community"

In terms of community empowerment, we support small and medium businesses through various community development programs, training courses and entrepreneurial skill building. Furthermore, we provide a range of social benefits through our corporate social responsibility programs, including proactively taking steps to address the COVID-19 pandemic in the community by donating personal protective equipment (PPE) and raising awareness of social distancing, hand washing, and other safety measures. In 2020 we managed to increase our community investment spending to IDR 75,361,888,051, which is a 26.72% increase from 2019.

At the same time, we also continue our efforts to address any sources of friction with the community, as part of our policy of being good neighbors. This includes monitoring for and mitigating potential risks and engaging with community members continuously.

Teaching communities to fish

Aquaponics combines aquaculture, or fish farming, with hydroponics, or growing vegetables in water. In Ciseeng Village, Bogor, and Paku Jaya, South Tangerang, Tripatra introduced an aquaponics program to help residents improve their food security and develop community independence during the COVID-19 pandemic.

This program is carried out in collaboration with BenihBaik, a digital philanthropic platform, and SharingYuk IPB, a community for social activism by business students at the Bogor Institute of Agriculture (IPB).

As part of the aquaponics program, community members do not only get facilities and installation tutorials, but also mentoring from SharingYuk over the first three months. Currently, around 100 families have received aquaponics assistance from Tripatra, in the hope that this initiative can boost their skills and sustain the welfare of their families.





Education

We believe that education is the key to creating positive change and developing the nation. In 2020, amid the pandemic, we continued our support for education both locally around our operational sites, and at a national level.

We provided scholarships through Indika Energy Group's Cerdaskan Anak Bangsa (Educating the Nation's Children) program which was provided by Indika Energy and its subsidiaries Kideco, MUTU, MBSS, Petrosea, and Tripatra for children of employees as well as to school students in their operations area.

We believe that to improve the education of our young generation not only requires opportunity and access to education, but also education infrastructure. To that end, Petrosea conducted online training through a creative program on the Kideco site. Petrosea also supports education facilities improvement by providing school desks and seats for elementary schools around the Tabang Project, and school bags in Timika, Papua.

Tripatra conducted science, technology, engineering, and mathematics (STEM) education for high school students, a safety awareness campaign, and programs to empower more female engineers. Tripatra also donated home learning support such as computers and smartphones to ease students' adaptation to the online learning process throughout the pandemic period.

Xapiens donated PCs and electronic devices to vocational schools and initiated technology literacy through free workshops for academics and startups. ZebraX also started programs on educational and sharing of knowledge in Internet of Things (IoT) and Analytics through ZebraXWebinars and other training programs.

Cirebon Power upgraded its vocational training facilities last year, adding two classrooms, a computer lab with 12 computers, a multifunctional hall, several meeting rooms, and a pantry, for a total additional area of 5,000 square meters. The company also updated its E3 vocational philosophy — Education (classroom training), Exposure (internship), Experience (independent projects) — to E5, by adding the aspects of Ethics and Entrepreneurship.

MBSS collaborated with the South Kalimantan Water Police to open a floating library located in the Barito River area, whose construction started at the end of 2019. The library provides more than 1,000 books for children and communities in the village of Kuin Cerucuk, South Kalimantan. In addition, there are math and English classes available at the floating library twice a week. This program is expected to increase children's interest in reading and improve their academic abilities.



Health

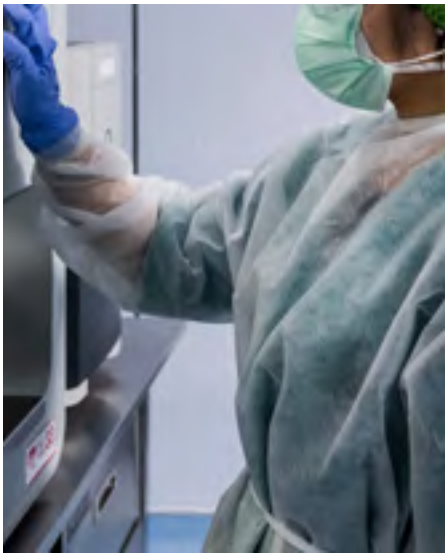
Health is the foundation of a productive society, as well as a prerequisite for optimal well-being for all. The COVID-19 pandemic was the focus of our health programs in 2020, which covered various activities related to assistance in dealing with the pandemic in Indonesia.

Foremost among these initiatives was Indika Solidarity (INSOL), launched by Indika Energy in Jakarta and Balikpapan. INSOL was first established in Jakarta in April 2020 to facilitate COVID-19 tests for employees and their families. This was followed by Balikpapan in November 2020, offering the first drive-through PCR testing facility in the city. In Jakarta, the INSOL testing facility was built from the ground up at Medika Plaza, converting a shipping container to a biosafety level 2+ (BSL 2+) lab that meets WHO standards for carrying out COVD-19 PCR and rapid tests. Testing isn't just limited to Indika Energy employees; members of the community who are considered at-risk of contracting the coronavirus but don't have the means to seek out independent testing are also catered to at the INSOL Jakarta lab. The test results are also tabulated in the government's daily updates, and municipal health authorities have welcomed the initiative as providing a much-needed service in the fight to stop the spread of COVID-19.



The INSOL lab also served as the model for the GSI Lab (Genomik Solidaritas Indonesia, or Genomic Solidarity Indonesia). Indika Energy worked with other partners to establish the GSI Lab in Jakarta, the first PCR testing laboratory in Indonesia with a national scale and large-capacity PCR test service capacity. With a capacity for processing 5,000 tests per day, the GSI Lab plays a key role in helping the national COVID-19 Task Force ramp up its overall testing capacity to keep the spread of the disease in check.

GSI Lab also launched the #SwabAndSaveIndonesia program to provide access to PCR testing for people who might otherwise have difficulty accessing it. The program enables invitescompanies and individuals to contribute to a solidarity fund allocated for free PCR testing for people in need. With a higher testing rate, health authorities can better trace the potential spread of COVID-19 and therefore more effectively contain the disease by allocating treatment more effectively — the 3Ts of Testing, Tracing and Treatment.



One of the key fallouts of the health emergency was the economic impact, with many people losing their livelihoods. To help, Indika Energy distributed 20,000 rice packets at more than 100 spots across East Kalimantan, with help from local governments, social organizations, and small businesses.

We also conducted community health programs in our operation areas. Interport in 2020 provided food supplements for toddlers and initiated education on nutrition, stunting and pregnancy, in an effort to reduce birth mortality. Interport also constructed water sanitation facilities in its operation area.



Community empowerment

Indika Energy is committed to creating jobs and growing local businesses in the communities in which we operate. Throughout 2020, Indika Energy continued to enhance its community empowerment programs, which are designed to help local residents become sustainably independent. By doing so, not only do these programs benefit individuals, but they also have a positive impact on local economies.

Kideco's nature education and tourism initiative in the Tandarayan Arboretum Conservation Area has benefited not just the wildlife but also the local communities, through the creation of jobs. Kideco also facilitated locals starting up their own small businesses through production of organic fertilizer. In 2020, the community produced 296 tons of fertilizer, used across 426 hectares of land and 266,700 plants. Kideco also initiated and developed a plan to ensure a clean water supply for Batu Kajang and Songka areas with the aim of supplying 1,010,280 liters per day.



Petrosea continued to empower Joint Business Groups ("KUBE") in sewing, waste recycling through KriyaNusantara, and hairdresser training through the Petro Barber initiative, to give locals an opportunity to gain a new source of livelihood.

Tripatra provided electricity for the community in which it operates as part of its goals to pursue renewable energy sources. It also initiated an aquaponic workshop and supplied basic aquaponic tools to improve food independence throughout the pandemic period.

In 2020, Interport established a local business group named KUBE Klalin Jaya Bersama and conducted fish culture training. Similarly, in Pasir Mayang Village, Paser Regency, MBSS worked to help fishermen whose livelihoods had been impacted by the COVID-19 pandemic. In collaboration with the local government, MBSS created the *Jaring MBSS Untuk Nelayan Berdaya* program to distribute new nets to the fishermen. Since the program began in June 2020, MBSS has distributed 414 nets.



Cirebon Power continued its various community empowerment programs throughout 2020, including facilitating small home industries producing chili paste, crackers, batik, makeup, and frozen food. It also supported catfish and shrimp farming, boatbuilding, and other fishing-related activities, as well as mangrove replanting and environmental awareness. Through microfinancing, Cirebon Power helped 1,872 small businesses get started and keep going.



Empowerment through entrepreneurship

Cirebon Power has for several years now offered a vocational training program for youths from nine villages in the community where it operates. During this period, some 1,000 young men and women have been taught valuable technical skills along with on-the-job training and internships, and many have gone on to become full-time employees of the company.

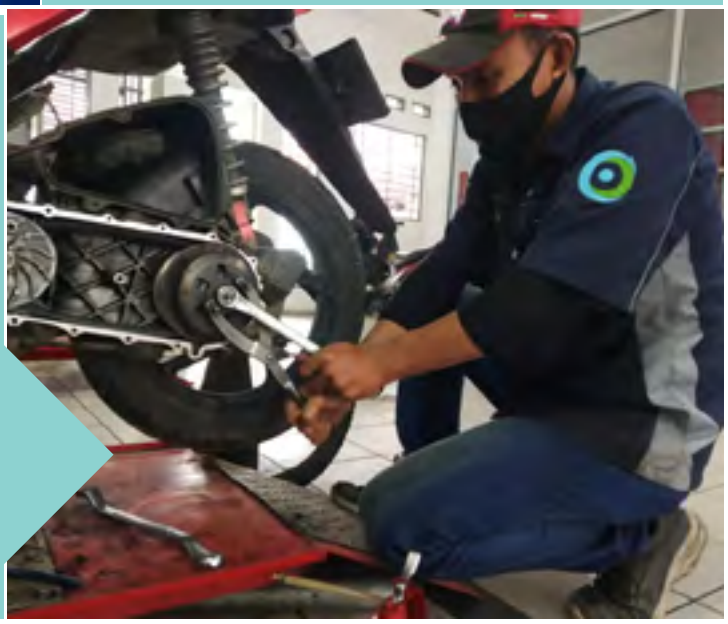
The program also emphasizes the spirit of entrepreneurship. It's a point of pride for us that, to date, 15 of our trainees in air-condition repair have gone on to set up their own AC repair companies. In a testament to their capabilities, they have since been contracted by Toshiba, a major business in the region, to service the AC units at the company's office there.

It is also a testament to our philosophy that empowering individuals is an important part of giving back to the community, by imparting skills that can be used to build livelihoods, create jobs, and be a net social positive.



► "We're very grateful for this program that has taught us how to maintain and install ACs. It's also given us valuable experience in the field working directly with a mentor. Cirebon Power has given us an opportunity to improve our skills. Now we have set up four companies of our own for AC repairs, with continued guidance from the program." **– Bambang Susilo,** *AC/refrigeration trainee technician from Kanci Kulon Village, Cirebon.*

► "As the head of the class, I'm very happy to have joined the training. At the very least I can now repair my own motorbike. I want to open my own repair shop, though I don't have the money for it yet. When we were interning, we worked in repair shops, and some of the trainees were offered a position." **– Rivo**, *motorbike repair trainee technician from Mundu Pesisir Village, Cirebon.*



Healthcare heroes to the rescue

In response to the COVID-19 pandemic in 2020, Indika Energy established the Indika Solidarity (INSOL) initiative. In Balikpapan, East Kalimantan, INSOL runs a PCR lab to test for coronavirus infection. To date, it's the first and only drive-through PCR testing facility in Balikpapan, providing social distancing to give health workers and visitors a sense of security.

All Indika Energy Group employees who have just arrived in Balikpapan are required to undergo a PCR test before being assigned to their respective sites. With employee health and safety a key focus of the company, INSOL plays an important role in the company's efforts to prevent the spread of COVID-19 in the work area.

INSOL Balikpapan runs from Mondays to Saturdays, returning test results accurately and swiftly — within the same day if a sample is taken before 12 noon.

Overseeing the team of 11 health professionals at the facility is Dr. Andriani. She was initially based at Petrosea's head office in Jakarta. "When INSOL Balikpapan opened and I was offered the chance to join, my heart was called," she says. "Working at Petrosea made me understand how the role of colleagues at the site is very crucial for the sustainability of the company and that their health must be a priority."

In fact, many of the other health professionals at INSOL Balikpapan came from outside the city. For these selfless heroes, the chance to serve the community is a noble mission: "We are here united in a calling to help others."

In addition to testing Indika Energy employees, the facility also offers tests for the general public. To date, it has conducted more than 8,000 tests, most of them PCR, but also antibody rapid tests and rapid antigen tests.

With the government currently carrying out a vaccination campaign, Dr. Andriani and her team say everyone should remain vigilant. "Wear a mask, wash your hands, keep your distance, avoid crowds, and limit mobilization," she says. "Make this health protocol your new habit."

Empowering local business

Companies within Indika Energy Group, such as Petrosea and Interport, have long established Joint Business Groups (*Kelompok Usaha Bersama*, KUBE) to provide targeted training to members of the communities surrounding operational areas in order to improve their welfare. The establishment of each KUBE is based on the idea that helping people help themselves is the fastest way for them to achieve more solid financial footing and to support themselves independently and sustainably.

Aside from the Petro Barber initiative and waste recycling program that have been carried out for the past few years, Petrosea also created a new program to empower KUBEs by training them to sew face masks, which were distributed to surrounding communities and among Petrosea employees during the COVID-19 pandemic.

Similarly, Interport started the operational activity of a new KUBE program called Klalin Jaya Bersama in 2020. While the idea was established in 2019, a KUBE committee was finally created and the business activity began in 2020. The initiative is hoped to address socioeconomic issues within Klalin village's wards 1-4, including employment. After several meetings with the community to discuss its needs, domestic waste management was chosen to be the main business activity. Interport collaborated with Bank Sampah Sorong Raya, a waste bank NGO, to help with training and people development for this KUBE.



Tolerance

Why this matters

Tolerance helps employees build bridges and capitalize on differences in the workplace. It is an essential part of working toward goals and developing creative solutions to achieve corporate goals.

In 2017, we established Indika Foundation with two main focuses: building national character and the spirit of tolerance. Indika Foundation continued to make substantial progress in instilling these important values in youths in 2020 by creating more meaningful collaborations to launch projects.

Under the Toleransi.id umbrella, Indika Foundation utilized a set of new approaches, exploring audio drama as a new medium to communicate its messages, and joining TikTok to grab the attention of youths. This approach resulted in a surge in audience numbers, reaching more than 3.3 million people in 2020. We are also proud that influential public figures, such as Gita Wirjawan (a successful entrepreneur and former Minister of Trade) and Angela Tanoesoedibjo (Vice Minister of Tourism and Creative Economy), have engaged in the conversation about tolerance and inclusion that Indika Foundation has sparked on social media.

Through a program called Milenial Islami, Indika Foundation shed light on the topic of critical thinking. In 2020, Indika Foundation created a brand new YouTube channel called “Bener Gitu?” to promote the importance of critical thinking among Muslim youth and to open the perspective of its audience to be open to various religious narratives that are widely spread through social media. To support the quality of animation and the validity of religious narratives raised in each video, Milenial Islami collaborated with Media Damai Lab and Irfan Amalee, the founder of Peace Gen, a social organization that focuses on the issue of peace.

Across all our content creation platforms, we adhere to strict standards of accuracy, fairness and balance. Our media ethics program ensures that the content we put out is appropriate, relevant, and inclusive.

In addition, the Indika Foundation continued the Social Impact Leadership (SIAP) project - a call for proposals to award grants to organizations, communities and individuals. In 2020, the Indika Foundation received more than 300 proposals from organizations and communities from all over Indonesia. The project, which ran for seven to 12 weeks, helped influential organizations like Indorelawan, Riliv, SabangMerauke, and Wonosobo Muda to produce meaningful content to educate their audience. For example, in its collaboration with Riliv, the Indika Foundation created content related to mental health awareness on YouTube, Instagram, and TikTok.



Reached **47.6 million** Indonesians (up from 3.1 million last year)



Provided classes for **5,651** direct beneficiaries



Collaborated with **16** grantees and **42** content creators



Received grants amounting to IDR **1,525,691,429** from 3 international donors (USAID, UNAOC, and Australia Awards)

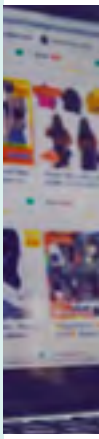


Taking the message to social media

In 2020, while having to transition into virtual programming, Indika Foundation successfully executed programs that created a large impact. Kamar Belajar IF (Study Room Indika Foundation) is one of them. Through this program, Indika Foundation empowered other organizations through funding and capacity building. After going through a thorough process of selecting organizations that participated in the call for proposal, Indika Foundation awarded grants to 16 organizations that are mainly focused on the following main themes: critical thinking, empathy, and COVID-19 literacy.

Under the Kamar Belajar IF, Indika Foundation also launched the Bootcamp program, which invites representatives from various organizations to attend training related to social impact leadership for four to six weeks. This provides participants with tutorials to hone their skills in volunteer management, finance and accounting, as well as proposal writing. The program was launched in response to Indika Foundation's finding that there was a significant gap in proposal-writing skills between organizations in the Greater Jakarta area (Jabodetabek) and those outside Jabodetabek. This finding was validated through focus group discussions (FGDs), and it informed the Indika Foundation that the absence of a network and the lack of access to information were key obstacles for organizations located outside of Jabodetabek. The Bootcamp program in 2020 was successful in providing mentoring to those who need it the most, as the participants of the Bootcamp program came from 26 different provinces.

Meanwhile, through another new program called Kelas Indika Foundation or KINTON (Indika Foundation Class), Indika Foundation opened a similar learning opportunity to the general public by holding weekly sessions with speakers from impactful and well-established organizations such as Inspect History, Indorelawan, and Narasi. In 2020, four sessions were held to discuss topics related to organizations and social change, such as: making innovations in the COVID-19 pandemic, creating and evaluating content, building a healthy work culture, and the importance of knowledge management for non-profit organizations.



Fund disbursed: **IDR 1.7 billion**

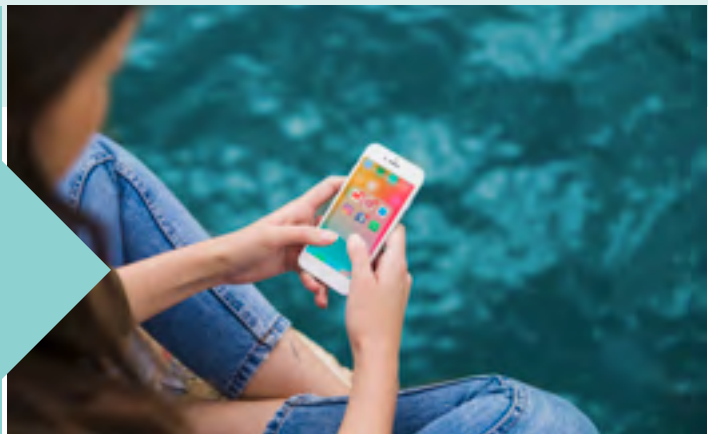
Output: **200+** educational contents

Direct beneficiaries: **4,566** youths

Reach: **33 million** ↑ 1,800% from 2019

Number of proposals received: **329** proposals

► "We used to have minimal knowledge about fundraising & organizational management. This training is very useful." – **Hertauli Roslinda,** *Bootcamp participant from Yayasan Wirausaha Muda Mandiri*





► "Before training, I was pessimistic and scared to market my product, resulting in low sales volume. After training, I felt really motivated and began to apply the strategy that I have learned to increase the sales." – **Sukma Dewi,** *participant of the online training held by Indika Foundation in partnership with Srikandi Lintas Iman*

Nenilai: Building a meaningful future based on strong values

The concept of "gotong royong" is a uniquely Indonesian one that underscores the universally shared community values held across the country. Often translated as "mutual cooperation," it's something that's practiced from neighborhoods to companies to the national level. It's especially important in the context of how large and diverse Indonesia is. With a population of 268 million, comprising 1,340 ethnic groups, Indonesia is rich in value. These values are born and developed in the language, culture and way of life enshrined in the Pancasila set of values and taught from one generation to the next.

Upholding these values and the principle of tolerance is at the heart of Indika Energy's work with Daya Lima and other partners in initiating the Nenilai program. Nenilai is designed to better understand the values being nurtured within society through the National Values Assessment (NVA), a survey of public perceptions.

More than 50,000 respondents from all over Indonesia — of various ages, ethnicities, genders, demographics, educational qualifications, occupations, and more — participated in the survey. They were asked to pick the values that best reflected themselves, Indonesian society at present, and the Indonesian society they would like to see. The findings are valuable in identifying the common values that bring us together and addressing those that divide us, so that we can start a meaningful dialogue about the kind of Indonesia that we all want to live in.

At the company level, the Indika Energy Group previously carried out a similar initiative, called the Cultural Value Assessment (CVA), that sought to align personal values with organizational values. Company employees responding to the survey also shared their views on important values for organizational development and transforming the Indika Energy Group into a visionary organization driven by noble values.

For these values to be implemented properly, we need to sustain efforts to promote character building. Having the latest technology is meaningless if it's not supported by individuals with strong character. Educational and spiritual values are important tools in crafting this character.

Indika Energy and Daya Lima as initiators of Nenilai will continue to work toward the goal of helping fast-track Indonesia's progress and creating a more meaningful future.



Governance

Implementing GCG means we operate transparently, accountably, responsibly, independently, and fairly at all times.

Having sustainability as a goal is essential. Having a strong, visionary and ethical leadership that gets to that goal is fundamental. That is why, for Indika Energy, good corporate governance (GCG) is such an important part of how we do business.

GCG is critical to ensuring the continuity and sustainability of the business. That means complying with the prevailing laws and regulations, mitigating against and managing current and potential risks, and strengthening engagement with stakeholders across the spectrum.

Key to implementing GCG is the performance of both the Board of Directors and the Board of Commissioners. Each has its respective roles, responsibilities, and authorities, and each reflects a diversity of demographics, knowledge and experience. Assisting the boards in their functions are a series of committees focused on specific issues.

The boards lead Indika Energy's ongoing engagement with stakeholders, from investors to regulators to communities. Our goal is to constantly improve our relations with stakeholders through discussions and updates that are transparent, and to harvest feedback that can help improve the way we do business.

To implement a sustainable business, we have to be a good business. This principle inspired Indika Foundation to be a signatory to the United Nations Global Compact, a pact by businesses around the world to adopt sustainable and socially responsible policies and to report on their implementation. In practice, this means committing to help Indonesia achieve its Sustainable Development Goals, from health and well-being to education to gender equality to affordable and clean energy and beyond.

As a member of society, we recognize that we don't operate in isolation and should collaborate with other stakeholders to generate positive impacts on society. This led us to be active across a range of associations, trade groups and other organizations working together on shared goals. Furthermore, we are committed to improving the diversity of representation in our workforce, from employees in the field to directors in the boardroom.

Above all, implementing GCG means we operate transparently, accountably, responsibly, independently, and fairly at all times.



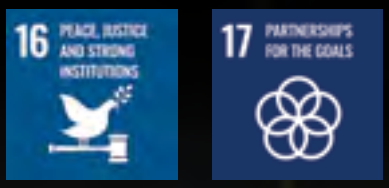
GRI

- 102-13, 102-14, 102–18, 102-40, 102-43, 102-44, 103-2,103-3, 205-2, 205-3, 250-2, 250-3, 418-1

Global Compact

- Principle 1, Principle 2, Principle 10

Sustainable Development Goals



Board Management

Indika Energy's corporate governance structure is determined at the General Meeting of Shareholders (GMS), which appoints members of the Board of Commissioners and Board of Directors, and of the various committees that support their function.

Indika Energy held two such meetings in 2020: the Annual GMS on April 22 and Extraordinary GMS (EGMS) on October 26. Details of the resolutions tabled and adopted at both meetings can be found on the Indika Energy website (www.indikaenergy.co.id).

The Board of Commissioners serves a supervisory and advisory role, and is barred from acting in an executive role. As of December 31, 2020, the board comprised a President Commissioner, a Vice President Commissioner, a Commissioner, and two Independent Commissioners, who are also involved in overseeing the Group's sustainability policy. The Independent Commissioners meet the requirements of not being affiliated with Indika Energy, fellow members of the Board of Commissioners or the Board of Directors, auditing parties, or major shareholders.

Supporting the Board of Commissioners in its duties are the Audit, Risk and Compliance Committee, the Human Capital Committee, and the Project and Investment Committee.

Executive leadership of the company is the responsibility of the Board of Directors, which, as of December 31, 2020, comprised a President Director, a Vice President Director, and three Directors, ranging in age from 45-53 years. Reflecting the company's diversity commitments and vision for an equitable future, Indika Energy is proud to welcome Retina Rosabai as the first female member of the Board of Directors. In addition, women representation within our executive leadership also improved, both in senior management and on the board.

As a reflection of how importantly we view our sustainability commitments, our board members have ESG-linked key performance indicators (KPIs) that they must achieve. Our CEO, Azis Armand, oversees all our ESG commitments, including leading the Sustainability Panel that brings together all CEOs from subsidiaries across the Indika Energy Group to ensure an alignment of initiatives. The Audit, Risk and Compliance Committee assists the Board of Commissioners in monitoring governance initiatives, and jointly with the BOC is responsible for the Group's sustainability performance.

Another key role is that of the Corporate Secretary, Indika Energy's liaison with external parties such as government and capital market authorities, the media, and related stakeholders. The Internal Audit team also plays an important part in ensuring good corporate governance. Indika Energy's financial statements are regularly audited by a public accountant, in accordance with regulatory requirements. For the 2020 book year, the public accountant has issued an opinion that Indika Energy's consolidated financial statements have been presented fairly in all material aspects, in accordance with Indonesian Financial Accounting Standards.

Together, these boards, committees and individuals play the leading role in the important functions of systemic risk management, systemic risk reporting, and compliance with prevailing laws and regulations. This includes ensuring that our ESG reporting standards adhere to national and international benchmarks.



Company Values and Code of Business Conduct

Indika Energy Group has established several company values as well as a Code of Business Conduct, which has been socialized to all employees. In this way, we hope to create a corporate culture of ethical behavior that upholds the principles of corporate governance. All organizational levels in Indika Energy Group are required to comply with these policies, whereby violations may lead to disciplinary actions including termination of employment.

The Supplier Code of Conduct applies to relationships with external parties including suppliers, who are expected to act professionally and ethically and these expectations are laid out in the Indika Energy Group Code of Conduct.

Violations may result in termination of relationships.

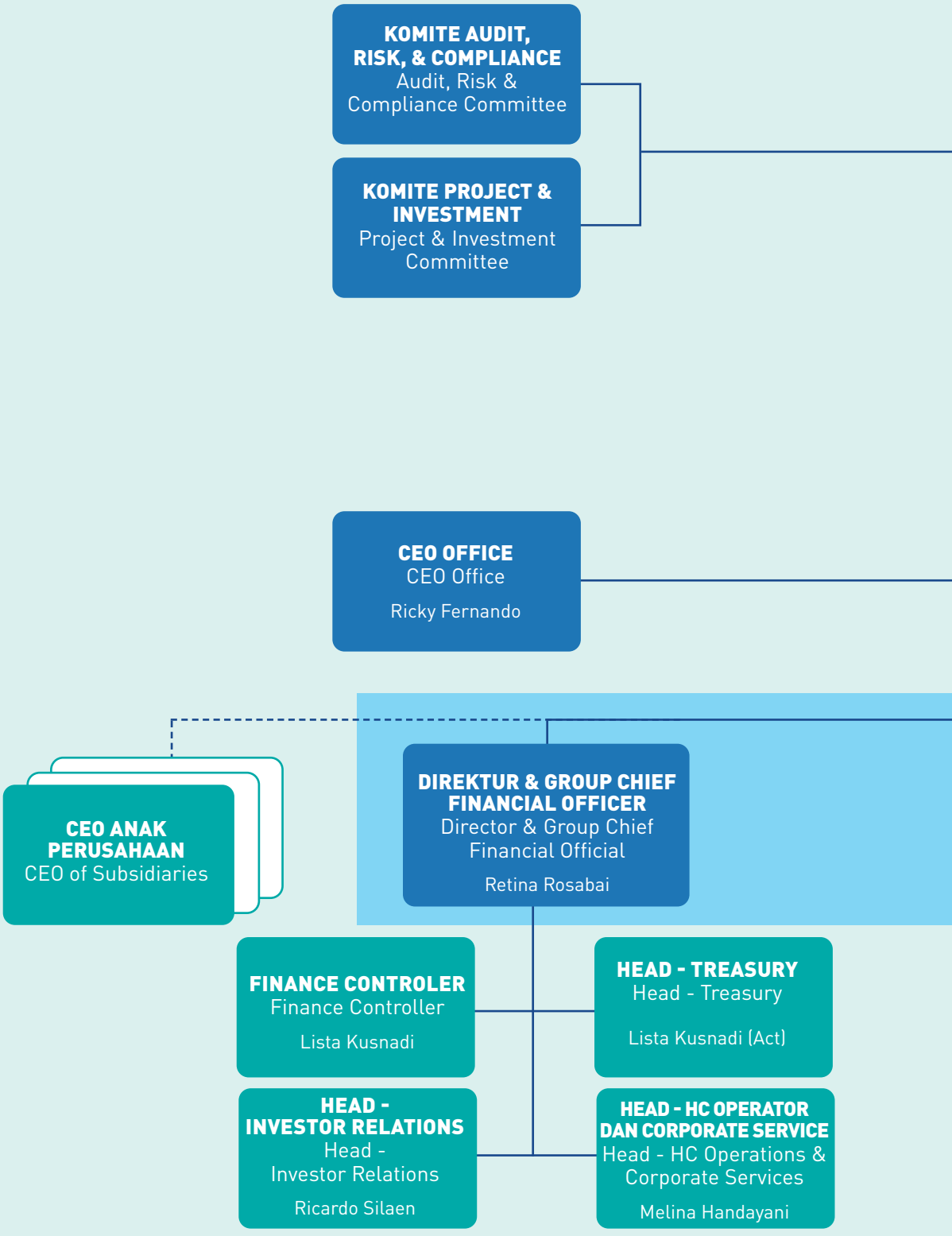
2020 Performance

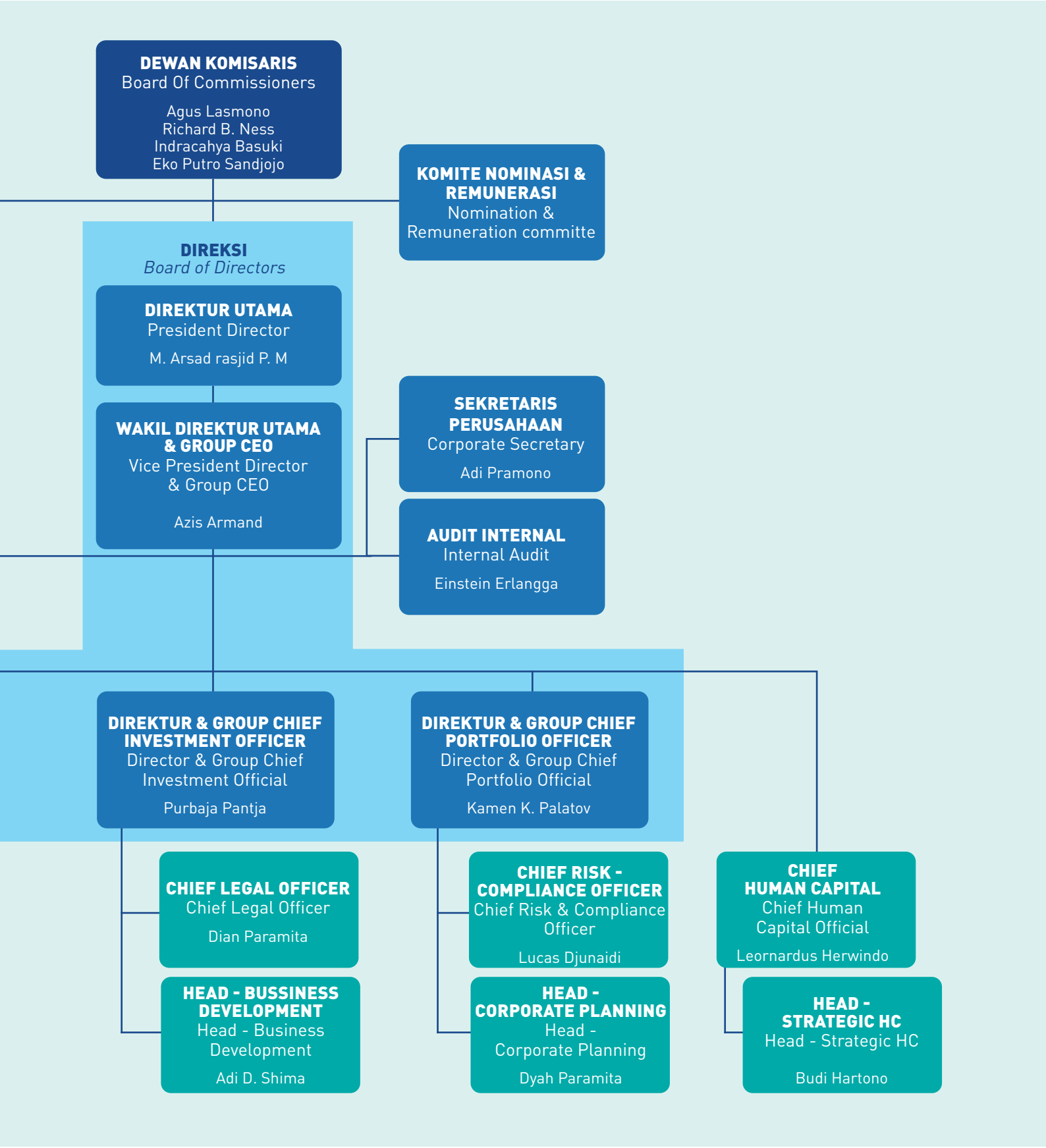
- Indika Energy Group: Female leaders on board management raised by 3.11%. to **8.24%**
- Indika Energy Holding: Female leaders on board management raised from 0% to **20%**



Code of Business Conduct

Governance Structure




DEWAN KOMISARIS
Board Of Commissioners
Agus Lasmono
Richard B. Ness
Indracahya Basuki
Eko Putro Sandjojo
KOMITE NOMINASI & REMUNERASI
Nomination & Remuneration committe
DIREKSI
Board of Directors
DIREKTUR UTAMA
President Director
M. Arsad rasjid P. M
WAKIL DIREKTUR UTAMA & GROUP CEO
Vice President Director & Group CEO
Azis Armand
SEKRETARIS PERUSAHAAN
Corporate Secretary
Adi Pramono
AUDIT INTERNAL
Internal Audit
Einstein Erlangga
DIREKTUR & GROUP CHIEF INVESTMENT OFFICER
Director & Group Chief Investment Official
Purbaja Pantja
DIREKTUR & GROUP CHIEF PORTFOLIO OFFICER
Director & Group Chief Portfolio Official
Kamen K. Palatov
CHIEF LEGAL OFFICER
Chief Legal Officer
Dian Paramita
HEAD - BUSSINESS DEVELOPMENT
Head - Business Development
Adi D. Shima
CHIEF RISK - COMPLIANCE OFFICER
Chief Risk & Compliance Officer
Lucas Djunaidi
HEAD - CORPORATE PLANNING
Head - Corporate Planning
Dyah Paramita
CHIEF HUMAN CAPITAL
Chief Human Capital Official
Leornardus Herwindo
HEAD - STRATEGIC HC
Head - Strategic HC
Budi Hartono

Ethics and Integrity

Why it matters

Compliance with prevailing laws and regulations is a critical part of doing business ethically. Business ethics and integrity are fundamental values at Indika Energy.

Approach and action

We maintain a culture of ethics and compliance throughout Indika Energy and do not simply perform the minimum required by laws and regulations. We uphold a robust, zero-tolerance stance on bribery and corruption, which includes a prohibition on political involvement by the company, subsidiaries or employees. That means no making political donations or endorsements, no lobbying or political expenses, and full transparency on all payments to the government, such as tax disclosure and royalties.

We regularly campaign on the code of conduct, and train and assess employees to nurture a corporate culture of ethical behavior. Employees at all levels of the Indika Energy organization are required to comply with these policies, and may be subject to disciplinary action, including termination of employment, for violations.

"We uphold a robust, zero-tolerance stance on bribery and corruption"

We also expect the same level of integrity from the companies with whom we do business. Our supplier code of conduct is meant to ensure that our business partners act professionally and ethically, or risk having the business relationship terminated.

As part of the ISO 37001: 2016 implementation related to the Anti-Bribery Management System (ABMS), the Anti-Bribery Compliance Function has roles in ensuring compliance with prevailing rules and regulations. Throughout 2020, Anti-Bribery Compliance Function members participated in self-development training in each position function and program provided by the company's human capital division. In 2020, the activities carried out by the Anti-Bribery Compliance Function included implementing ABMS in the company, socializing ABMS, and Anti-Bribery Compliance Function work program.

2020 Performance

- Indika Energy, Kideco, Indika Indonesia Resources, Petrosea, Tripatra, MBSS, IIR, Interport have obtained the ISO 37001 certificate - anti-bribery management system (ABMS).

bsi. British Standards Institution

INDIKA ENERGY

Congratulations
PT Indika Energy Tbk
for achieving

Anti-Bribery Management System Certification
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Stakeholder Governance

Our governance framework determines how we do business, which makes it a critical pillar of our sustainability commitments. Ethics, integrity, and our code of conduct are the foundation of that pillar.

It's through this prudent, far-sighted governance framework that we devise the policies and plans that inform our business decisions, ensure our compliance with laws and regulations, and keep us on track to improving our sustainability. Risk management is a core part of our corporate governance, helping us on issues ranging from achieving business continuity to preventing conflicts of interest.

As a publicly listed company, Indika Energy is fully accountable to shareholders and regulators. And as a good corporate citizen, we are also accountable to the community.

Customer satisfaction is the key to the success of Indika Energy Group's business sustainability. Therefore, we always strive to provide the best products and services according to the requirements of all our customers. To maintain customer satisfaction, our subsidiaries such as Petrosea implement policies that refer to the Quality Management System and procedures that are in accordance with the requirements of ISO 9001:2015, ISO 14001:2015 for Environmental Management Systems, ISO 45001:2018 for Occupational Health & Safety Management System and SMK3 at all company operational locations.

For Indika Energy as a sustainable company, good governance is about more than just ticking boxes and doing what's required. It's about doing the right things, and doing them right.

Supply Chain Management

Petrosea has a Supply Chain Management (SCM) Division to manage relationships with suppliers. The SCM Division is supported by the integrated Enterprise Resource Planning (ERP) system that has used SAP since 2014. The use of information technology-based systems can facilitate procurement processes, improve supply chain performance, and ensure company sustainability.

In managing its supply chain, an integrated process is required, starting from planning, implementation, and control to performance evaluation. In carrying its out its tasks, functions, and duties towards the supply chain within the Company, Petrosea's SCM unit implements the following work principles:

- **Reliability** – The reliability, accuracy and suitability of goods and services according to QCDS (Quality, Cost, Delivery and Safety, Health & Environment)
- **Flexibility** – The ability to work in an effective and flexible manner in order to keep up with every situational change and the requirements of business lines and clients
- **Efficiency** - The ability to work efficiently, optimizing available resources for maximum achievement results (lean and zero waste)
- **Sustainable improvement** - The ability to conduct continuous improvement, including improving business processes, developing technology in each business process (digitalization) and enhancing employee competencies.

STAKEHOLDERS	APPROACH & ENGAGEMENT METHODS	IMPACT ON THE IMPLEMENTATION OF SUSTAINABLE FINANCE
 **Workforce and contractors**	In addition to implementing good labor practices and conducting periodic performance evaluations, Indika Energy Group conducts periodic surveys, provides training and competency development.	It is an ongoing challenge to ensure that employees are prepared to optimally perform in today's dynamic business conditions. By attracting and retaining top talents, Indika Energy Group has been able to increase productivity and efficiency.
 **Governments**	Indika Energy Group complies with all applicable laws and regulations and supports government programs such as the Domestic Market Obligation (DMO) policy in the coal sector as well as the 'Making Indonesia 4.0' program through Indika Energy Group's companies in the ICT sector, as well as by making timely tax payments.	From time to time there are developments in the government's policies, so that Indika Energy Group needs to adjust its activities to remain compliant and optimally support the government.
 **Communities**	Indika Energy Group seeks to increase benefits felt by local communities by employing local residents, as well as through social programs that provide sustainable benefits.	The communities recognize that Indika Energy Group's presence benefits them and thus they welcome and support Indika Energy Group's activities in their operational areas.
 **Investor**	Indika Energy Group continues to foster relationships with shareholders in various ways including through information disclosure and holding General Meetings of Shareholders, in addition to that Indika Energy Group seeks to provide optimal returns to shareholders, among others through the distribution of dividends.	Indika Energy Group is able to maintain investor trust, and its business initiatives receive good response in the market.
 **Customers**	All Indika Energy Group activities ultimately aim to deliver customer satisfaction through good products and service.	By providing customer satisfaction, Indika Energy Group is able to better maintain and grow its customer base, ultimately supporting business continuity.
 **Business partners**	In addition to supporting local suppliers, Indika Energy Group is committed to treating partners and suppliers fairly and well.	By maintaining good relationships, Indika Energy Group is able to collaborate with third parties as well as safeguard its supply chain and obtain credit at favorable terms.
 **Nation**	Indika Energy Group supports the sustainable development of the nation by building energy-related infrastructure and services, and by promoting national tolerance and appreciation for diversity while also making efforts to preserve the environment and national biodiversity.	The dynamic business environment poses challenges, however Indika Energy Group has been able to continue building out national energy infrastructure which will benefit the nation.



Cyber Security

Why this matters

The risks of cyber attacks are on the rise for businesses. As we have increasingly incorporated digital technology in our operations, we recognize that we, too, have increasing levels of risk exposure to cyber attacks.

The work-from-home phenomenon exploded with the spread of the COVID-19 pandemic and lockdown rules across the world. While full lockdown was not implemented in Indonesia, there were still strict mobility restrictions that meant many employees had to work remotely. For Indika Energy, this posed a challenge in terms of ensuring employees could still work while also remaining safe from cyber attacks outside the secure environment of the office.

At the same time, we had to remain vigilant for the increasingly sophisticated threats posed by malicious parties, from phishing emails to ransomware attacks. Through Xapiens, our information technology services subsidiary, we established strict cyber security protocols, invested in updating our systems, and increased our monitoring and testing.

Going forward, cyber security is expected to increase in importance as a threat vector as more of our systems move online. While the growth of the Internet of Things holds great promise for how we live and work, it will also mean more entry points for potential attackers. That's the nature

Cyber Ninjas on the Lookout

The Cyber Ninja Task Force at Xapiens is responsible for day-to-day monitoring of cyber vulnerabilities across the subsidiaries. When potential cyber-attacks are detected, alerts or warnings are sent to the owner of the device or email address. Considering that 70-80% of cyber-security attacks are in the form of phishing, Xapiens also conducts phishing simulations to help Indika Energy Group employees recognize, avoid, and report potential threats. These phishing simulations are done regularly once a year, or more if requested.

In 2020, there was a major improvement in endpoint protection, thus further securing end-user devices such as computers and mobile devices. We also have a sophisticated backup system that is able to restore all the data in our system in the case of a major cyber-security attack.

We regularly conduct dark web monitoring for any information related to the Indika Energy Group or its management, which can be indicative of a security breach. The security team also conducts vulnerability assessments to identify and analyze vulnerabilities in the system/network.

Cybersecurity Threats in 2020

MONTH	NETWORK INTRUSION THREATS	ENDPOINT PROTECTION THREATS
January	291,270	3,188
February	385,804	1,454
March	973,671	23,068
April	633,222	2,323
May	77,545	1,547
June	63,141	3,684
July	84,736	2,306
August	66,463	2,333
September	56,551	2,433
October	71,819	1,570
November	78,485	3,870
December	138,400	2,974
TOTAL	**2,921,107**	**50,750**

of technological advancement: how we build on the positive and mitigate against the negative. Our data privacy and security policy and our data privacy program will ensure the safety of our digital property from these threat vectors.

Our approach and actions

- We regularly upgrade the security of our information technology systems and infrastructure, and back up important data
- We collaborate closely with governments, law enforcement and industry peers to understand and respond to new and emerging threats
- We also launched a cyber security program among our employees that covers topics such as email phishing and the correct classification and handling of our information, towards mitigating risk
- We maintain transparency and follow due process in handling data requests from the government, regulator or other stakeholders, in line with our data request management.

2020 Performance

All 50,750 endpoint protection security threats and almost 3 million network intrusion threats that Indika Energy Group received in 2020 were successfully blocked, dropped, and quarantined by the system set up by Xapiens. Therefore, we are glad to report that our business was not affected or damaged by cyber attacks in 2020.

Human Rights and Grievance Mechanism

We at Indika Energy take very seriously our commitment, as a responsible member of society, to respect human rights in everything we do. We understand that, around the world, extractives industries such as mining have a checkered track record in this regard, and we are determined that Indika Energy will remain an exception and a model for the industry.

We remain vigilant to the fact that the potential for human rights violations exists within our operations, which is why we plan for these risks to mitigate them. Our culture of respect for human rights is enshrined in our corporate code of conduct and human rights policy, and aligned with the Universal Declaration of Human Rights, to which Indonesia is a signatory. We also provide regular training for employees on respect for human rights.

We have a transparent and responsive mechanism for any concerns to be raised and addressed, and encourage anyone with knowledge of rights or ethics issues to come forward and report without fear.

"In 2020, we received zero reports through the whistleblowing system"

In addition to preventive measures, we also have a policy in place to address any potential violations and conflicts that may arise. In 2020, we received zero reports through the whistleblowing system. Our ultimate goal is for zero incidents, in line with our vision for social sustainability.

Ethics and integrity are fundamental values at Indika Energy, one that we instill in every new hire and emphasize at every opportunity and manifest in every engagement. These values are enshrined in our corporate code of conduct, which we uphold very seriously.

Compliance with prevailing laws and regulations are a critical part of doing business ethically. We always strive to go above and beyond mere compliance; for us, compliance is not just about ticking boxes, but about ensuring we're doing the right things for the right reasons. In 2020 we faced no compliance issues, thanks to our prudent and far-sighted risk management.

We also take very seriously our commitment to upholding human rights. We have a grievance mechanism in place where concerns from all relevant stakeholders, including employees and outside parties, can be addressed.

At Indika Energy, we maintain a robust, zero-tolerance stance on bribery and corruption. We strictly prohibit any of our employees engaging in government or commercial bribery of any kind, and impose strict sanctions for violations. We also prohibit political donations of any kind. Employees undergo regular training on the code of conduct and assessments to ensure they understand the importance of integrity in their work and uphold it at all times.

Since December 2013 we have also had a whistleblowing system in place to accommodate reports of alleged misconduct. It's important to have this system to address problems that could potentially lead to reputational damage for Indika Energy or companies within the group.

To ensure confidentiality and accessibility, the whistleblowing system is available via email, mail, telephone, fax, and a dedicated website. Employees are encouraged to submit information in good faith, with supporting evidence, and the company is obliged to follow up as well as provide legal protection.


WE ARE FAMILY

Statement of Members of the Board of Commissioners and Board of Directors regarding Responsibility for the 2020 Sustainability Report

We, as the Board of Commissioners and Directors of Indika Energy, have evaluated the contents of this Sustainability Report and state that the report covers all sustainability aspects that are relevant to Indika Energy. We are responsible for the accuracy of the contents of this Sustainability Report, including financial statements and other related information.

Jakarta, April 2021

Board of Commissioners

Richard Bruce Ness
Vice President Commissioner

Agus Lasmono
President Commissioner

Indracahya Basuki
Commissioner

Farid Harianto
Independent Commissioner

Eko Putro Sandjojo
Independent Commissioner

Board of Directors

Azis Armand
Vice President Director

Arsjad Rasjid P.M.
President Director

Retina Rosabai
Director

Purbaja Pantja
Director

Kamen Kamenov Palatov
Director



SDGs, ESG and GRI INDEX

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SDG 6 - Clean Water and Sanitation **SDG 7 - Affordable and Clean Energy** **SDG 12 - Responsible Consumption and Production** **SDG 13 - Climate Action** **SDG 14 - Life Below Water** **SDG 15 - Life and Land**	**ENVIRONMENT**	Materials
		Energy
		Water
		Effluents and Waste
		Biodiversity
SDG 3 - Good Health and Well Being **SDG 4 - Quality Education** **SDG 5 - Gender Equality** **SDG 8 - Decent Work and Economic Growth** **SDG 10 - Reduces Inequalities**	**SOCIAL**	Employment
		Labor and Management Relations
		Occupational Health and Safety
		Training and Education
		Diversity and Equal Opportunity
		Non-Discrimination
		Freedom of Association and Collective Bargaining
		Child Labor
		Forced or Compulsory Labor

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		Indirect Economic Impacts
		Strategy
		Governance
		Stakeholder Engagement
		Reporting Practice
		Anti Corruption
		Anti Competitive Behavior

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