

INDIKA ENERGY

Progressing Towards Sustainability

SUSTAINABILITY REPORT 2021

PT Indika Energy Tbk.

Sustainability Report 2021

Progressing Towards Sustainability

Cover Story

Tandarayan Arboretum is a conservation area developed by Kideco - spanning 105 hectares. It functions as a biodiversity conservation area, a feeding habitat for animals, and a site to collect natural seeds around the mining area. Its ecological functions include acting as a water catchment area or buffer, and in the future it is also expected to serve as a cultivation area. 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. One of the main objectives of this conservation area is to increase the diversity of mammal species, avifauna, herpeto fauna and insect species.

Indika Energy's journey is one that began about five decades ago with the simple goal of providing the power to help Indonesia grow. Over the years, we have remained faithful to this goal, in the process helping drive not just economic growth, but also human empowerment and well-being for individuals and communities throughout Indonesia.

In recent years, we have taken the pioneering position that this commitment to national and human development must also be sustainable if it is to be meaningful. Today, our goal remains the same, but our path to get there is one that is guided by our commitment to our Environmental, Social and Governance (ESG) principles and values.

Indika Energy has set the bold but necessary target of ensuring revenue from non-coal streams accounts for at least 50% of the Group's business by 2025. This is a milestone toward our longer-term aim of achieving net-zero greenhouse gas emissions by 2050 or sooner.

These are commitments that we have made not just as a company, but as a responsible global citizen and participant in sustainability initiatives ranging from the United Nations Global Compact to the Indonesia Business Council for Sustainable Development (IBCSD) to the Powering Past Coal Alliance (PPCA).

In 2021, with the cementing of our new purpose of "Energizing Indonesia for a Sustainable Future," we embarked on the latest leg of our journey — one that, we hope, will leave a brighter, greener, and fairer world for future generations of Indonesians.

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Environmental
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- Water and effluents
- Waste management
- Biodiversity and land use

Social
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- Occupational health and safety
- Community relations
- Human rights and grievance mechanism
- Tolerance

Governance
- Corporate governance
- Business ethics

BOC BOD statement
Assurance statement
Glossary
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Indika Energy at a glance

PT Indika Energy Tbk, referred to as "Indika Energy" throughout this report, began its journey five decades ago with the goal of providing the power that drives Indonesia's development [GRI 2-1]. Our journey still continues.

Today, we are a publicly listed company headquartered in Jakarta employing more than 7,500 people and impacting the lives of tens of thousands more across our wide range of operations and initiatives across Indonesia. Our commitment to empowering the Indonesian people and contributing to the nation's development is stronger than ever.

In 2018, we committed to making our journey a sustainable one. We have set ambitious yet necessary targets to achieve low-carbon outcomes, with the ultimate goal of being carbon neutral by 2050 or sooner. There is a better world ahead, and that is what we are helping to build. That is our destination.

Overview [GRI 2-6]

Indika Energy is Indonesia's leading diversified investment company. Our diversified portfolio comprises a wide range of businesses with strong growth opportunities, including renewable energy, nature-based solutions, electric vehicle ecosystem, logistics and infrastructure, minerals, and digital technology – all in line with our commitment to energize Indonesia for a sustainable future.

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 business diversification that will ensure at least 50% of our revenue in 2025 will come from non-coal streams, with the goal of achieving carbon neutrality by 2050 or sooner.

Our purpose

In 2021, with the vision of underscoring our commitment to sustainability, we formulated a Purpose statement: Energizing Indonesia for a sustainable future.

Our core competence

Providing energy has always been our core strength, and we will expand on that by energizing the people of Indonesia with new offerings, delivered with the same highest levels of integrity, trustworthiness and professionalism. We are a proud Indonesian company with the goal of serving the nation by making our contribution to the environment, community, and society in sustainable ways.

"We formulated a Purpose statement: Energizing Indonesia for a sustainable future."

Our vision

Highly trusted, innovative and enduring business partner for sustainable value creation.

Our mission

- To develop Indonesia in a sustainable way
- To be a robust diversified investment company
- To empower our people and actively develop next generation leaders
- To be socially responsible, embracing diversity and acting with integrity
- To create exceptional value for all our stakeholders

Our values (UnITAAS)

Our values reflect our purpose, our priorities and the beliefs by which we seek to conduct ourselves and carry out our business activities. They define what it means to work at Indika Energy, regardless of location or role.



Unity in Diversity

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



Integrity

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



Teamwork

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



Agility

Consistently demonstrating resilience and showing flexibility as well as adaptability through innovative entrepreneurship



Achievement

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



Social Responsibility

Highly concerned to the environment and community, and contributing added value to the society

Corporate identity [GRI 2-1]

Company name

PT Indika Energy Tbk.

We have been listed in the Indonesian Stock Exchange (IDX) with the ticker code of INDY back since 2008.

Date of establishment

19 October 2000

Company's activities, brands, products and services [GRI 2-6] [GRI 2-2]

Indika Energy has transformed into a diversified investment company, with key focus on developing new sustainable business. Our portfolio of businesses is ranging from the sectors of Energy, Logistics & Infrastructure, Minerals, Green Business to Digital Solutions, with the aim to energize Indonesia for a sustainable future.

The corporate entities under Indika Energy for which this sustainability report applies are:

- Kideco Jaya Agung ("Kideco"), Multi Tambang Jaya Utama ("MUTU"), Indika Energy Trading, Petrosea, Tripatra Engineers and Constructors and Tripatra Engineering ("Tripatra") in Energy.
- Interport Mandiri Utama ("Interport") in Logistics and Infrastructure.
- Nusantara Resources ("Nusantara") in Minerals.
- Empat Mitra Indika Tenaga Surya ("EMITS"), Electra Mobilitas Indonesia ("EMI"), and Indika Multi Properti ("IMP") in Green Business.
- Zebra Cross Teknologi ("ZebraX"), Xapiens Teknologi Indonesia ("Xapiens") in Digital.

Our business portfolio [GRI 2-6]

- **Energy**
  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. We also provide 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.
- **Logistics and Infrastructure**
  Indika Energy has a wide range of logistics and infrastructure, including roads, ports, and barges to transport the raw materials to both domestic and international power producers and other end users.
- **Minerals**
  Indika Energy involves in the development in the mineral sector such as gold mining.
- **Green Business**
  Indika Energy continues to invest in sectors ranging from renewable energy, Electric Vehicle (EV) mobility, and nature-based solutions.
- **Digital**
  Indika Energy increases its presence in the digital space, in line with a growing shift by business and society to online platforms for work and other interactions.

Legal form and ownership

Company status
Holding company

Shareholdings
PT Indika Inti Investindo 37.79%
PT Teladan Resources 30.65%
Board of Commissioners and Directors 0.28%
Public 31.28%

Legal basis of establishment
Deed of establishment of PT Indika Energy Tbk. dated 19 October 2000

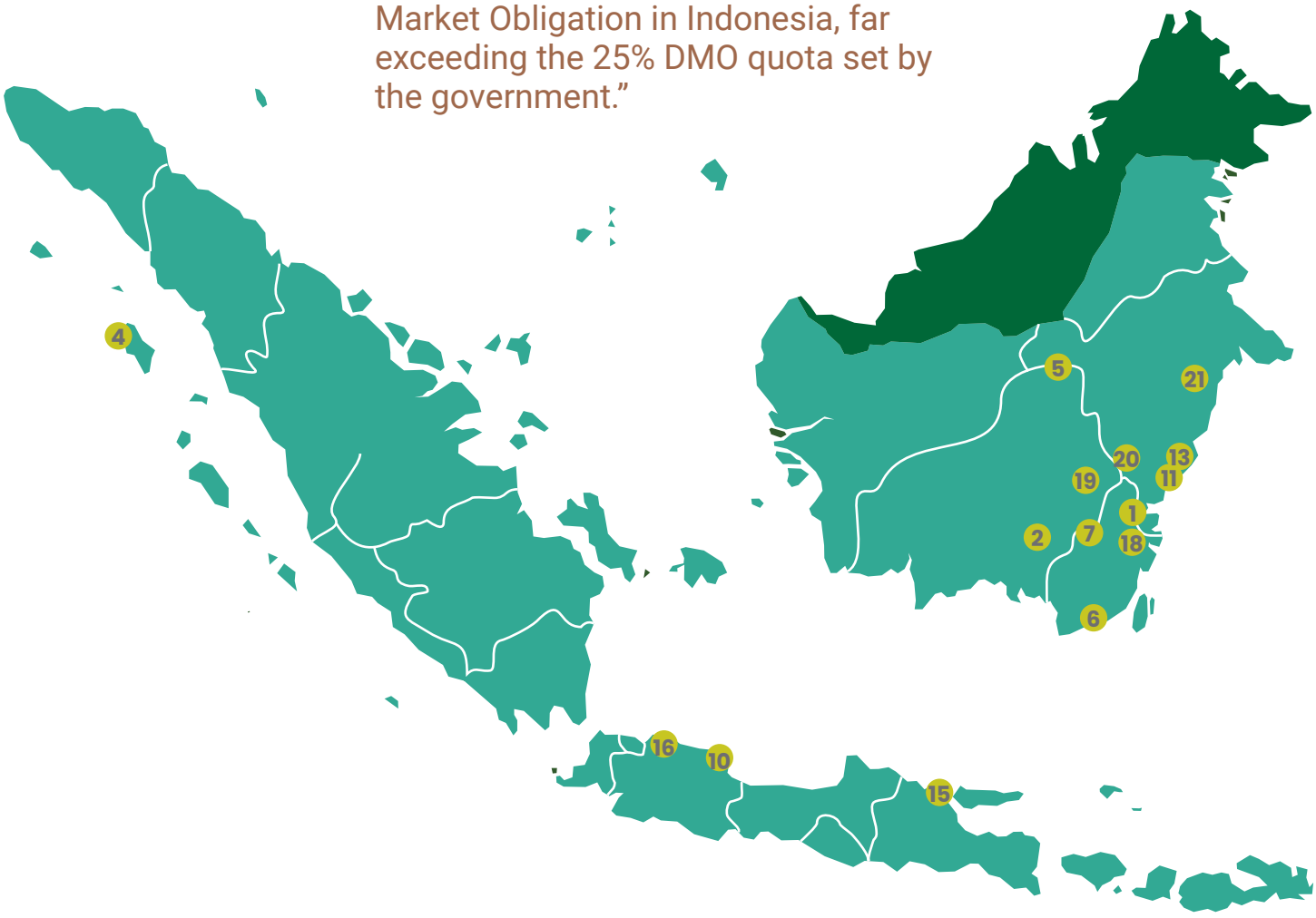
Head office

Graha Mitra
Jl. Jend. Gatot Subroto Kav. 21
Jakarta 12930, Indonesia
Phone: +62 21 25579888
Website: www.indikaenergy.co.id

Where we operate [GRI 2-1]

Indika Energy is headquartered at Jakarta with operational areas spread across Indonesia, including the islands of Sumatra, Kalimantan, Java, Sulawesi, and Papua. In 2021, the operational areas of the Company only covered Indonesia and there were no operational activities overseas.

"Kideco allocated 33.8% of its production to fulfill the Domestic Market Obligation in Indonesia, far exceeding the 25% DMO quota set by the government."



1	Kideco Jaya Agung	6	Petrosea - Indonesia Pratama
2	Multi Tambangjaya Utama	7	Petrosea - Kideco Jaya Agung
3	Tripatra - BP Tangguh	8	Petrosea - Freeport
4	Tripatra - PLN - Nias	9	Petrosea - Masmindo
5	Petrosea - Binuang Mitra Bersama	10	Cirebon Electric Power & Cirebon Energi Prasarana

Market share [GRI 2-6]

In 2021, the total amount of our coal production reached 37.4 million metric tons of coal – produced by our subsidiaries, Kideco and MUTU. Kideco allocated 33.8% of its production to fulfill the Domestic Market Obligation in Indonesia. The allocation percentage far exceeded the 25% DMO quota set by the government. Exports of coal produced by Kideco in 2021 went to China, South Korea, India, the Philippines, Malaysia, Japan, Taiwan and Singapore. We have never had any legal actions related to anti-competitive behavior and violations of anti-trust and monopoly practice [GRI 206-1].

Significant changes [GRI 2-6]

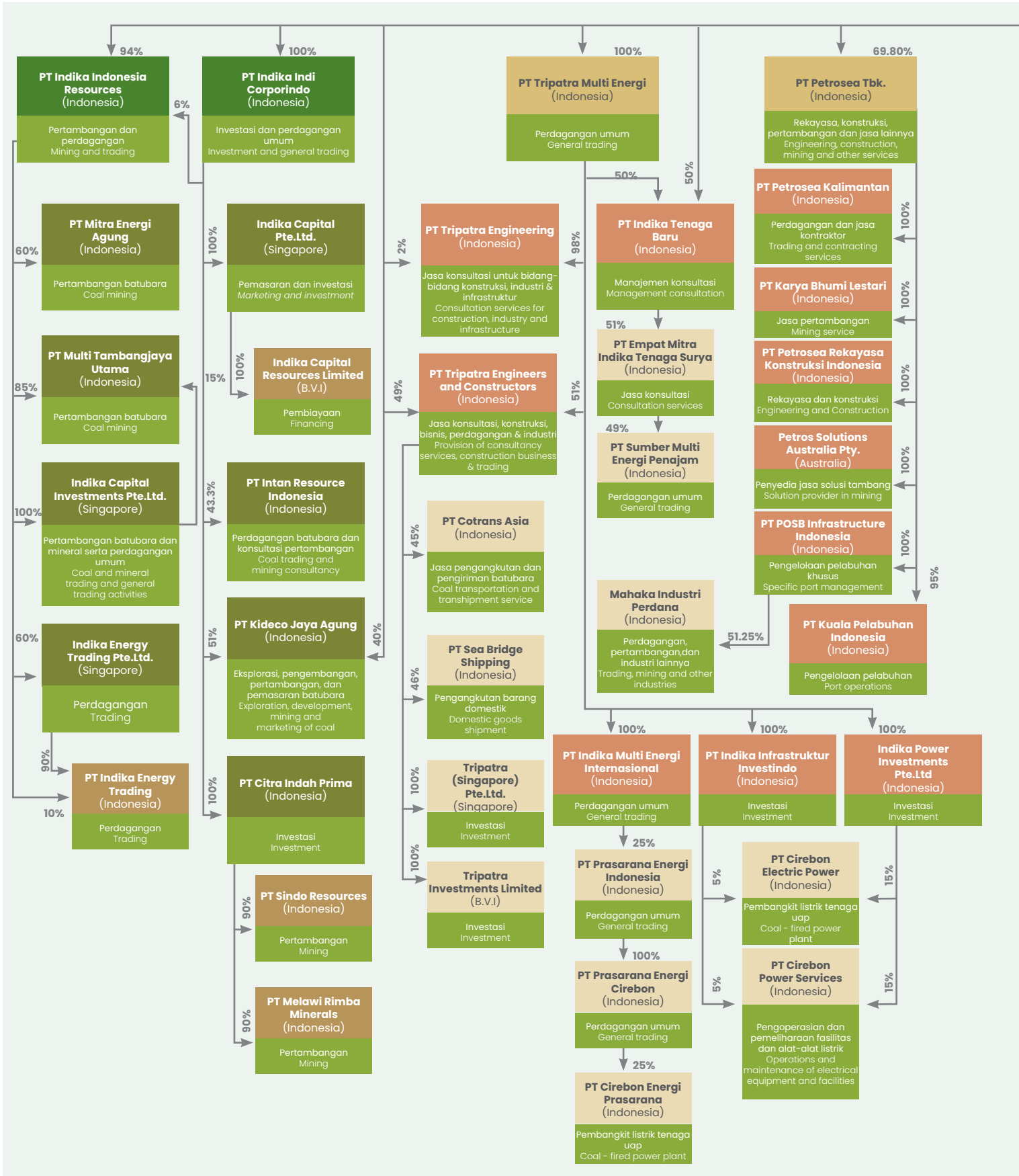
In 2021, there were several significant changes in the Company that affected the business trajectory of the Company. Indika Energy redefined its purpose: Energizing Indonesia for a Sustainable Future, to empower the nation through sustainable ways. We committed to increase our non-coal revenue to 50% by 2025 and to achieve net-zero emissions by 2050 or sooner.

Indika Energy also set its ESG baseline and developed Group ESG targets. We also refreshed and developed our policies on sustainability, health and safety, environmental, communications, anti-bribery, and their supporting standards, which will strengthen our governance for overseeing the implementation of these targets.



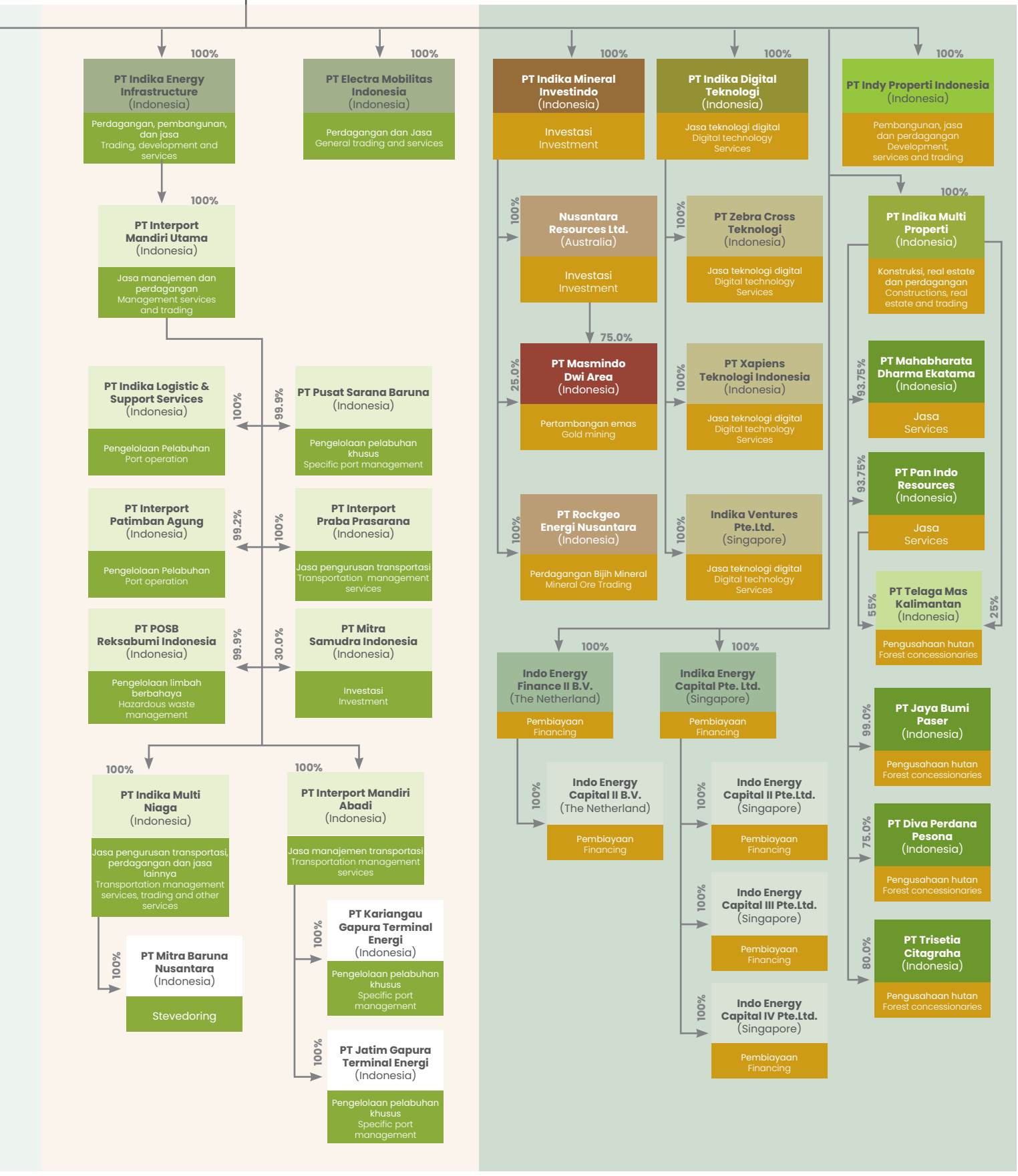
11 Petrosea Offshore Supply Base
12 Petrosea - Kuala Pelabuhan Indonesia
13 Interport - Fuel Tank Terminal
14 Petrosea Logistic & Support Services - Sorong
15 Petrosea Logistic & Support Services - Surabaya
16 Interport - Patimban Port
17 Masmindo Dwi Area
18 Indika Multi Properti - Jaya Bumi Paser
19 Indika Multi Properti - Trisetia Cita Graha
20 Indika Multi Properti - Telaga Mas Kalimantan
21 Indika Multi Properti - Diva Perdana Pesona

Company's corporate structure [GRI 2-1]



PT INDIKA ENERGY TBK. (Indonesia)

Note: *100% share ownership of Indonesian limited liability company (PT) held by 2 shareholders both which are PTIndika Energy Tbk. and or its subsidiaries.



Milestones and achievements in 2021

February

Indika Energy has been ranked first in the Basic Materials Sector of the 2020 Global Fixed-Income Investor Relations rankings in two categories: High Yield and Best Use of Debt

March

Indika Energy together with Fourth Partner Energy Limited establishes a joint venture company, PT Empat Mitra Indika Tenaga Surya (EMITS), to develop solar power business in Indonesia.

Indika Energy through Indika Multi Properti successfully acquires additional 5% shares in PT Telaga Mas Kalimantan (TMK), 75% shares in PT Diva Perdana Pesona (DPP), and 80% shares in PT Trisetia Cita Graha (TCG)

April

Indika Energy together with Indika Energy Infrastructure establishes PT Electra Mobilitas Indonesia (EMI) to develop a two-wheeler electric vehicle business in Indonesia

June

Indika Energy starts administering COVID-19 vaccinations for Indika Energy Group

Risk Rating 44.2 (severe risk category) is upgraded to 38.1 (high risk category) by Sustainalytics ESG Ratings

Kideco is awarded Gold PROPER Award for environmental performance from East Kalimantan Provincial Government

July

Indika Energy receives four awards voted by Alpha Southeast Asia in 11th Annual Institutional Investor Corporate Awards Poll 2021 for the following categories:

- Best Annual Report in Indonesia
- 3rd - Most Organized Investor Relations (Indonesia)
- 3rd - Strongest Adherence to Corporate Governance (Indonesia)
- 3rd - Best Strategic Corporate Social Responsibility (Indonesia)



August

Strengthening its corporate sustainability commitment, Indika Energy becomes a United Nations Global Compact (UNGC) signatory.

September

Indika Energy joins the Indonesia Business Council for Sustainable Development (IBCSD)

Kideco receives awards for The Top Leadership for SDGs, The Most Committed Corporate for SDGs on Social Pillar, The Most Committed Corporate for SDGs on Economy Pillar, and The Most Committed Corporate for SDGs on Environment Pillar at the Indonesian Sustainable Development Goals Award (ISDA).

October

Indika Energy through Indika Mineral Investindo completes the acquisition of the remaining 72.2% of shares in Nusantara Resources Limited

Indika Energy completes its divestment of all 51% of shares in PT Mitrabahtera Segara Sejati (MBSS)

Indika Energy receives ISO 37001 Anti Bribery Management System Certification Extension from British Standard Institution (BSI)

November

Indika Energy pledges during the historic COP26 climate summit in Glasgow to join the Powering Past Coal Alliance (PPCA)

December

Patimban port commences its car terminal operation with capacity of 216,000 CBUs

Interport Mandiri Utama acquired a 30% stake in PT Mitra Samudra Indonesia (PowerCommerce Asia). PowerCommerce Asia is a solution technology company focusing on e-commerce omni-channel and supply chain management.



Performance dashboard

Scope 1 GHG emissions
(TonCO2eq)

11.5%

2021	1,197,167	11.5%
2020	1,353,176	13.7%
2019	1,568,572	

Energy intensity
(Gigajoule/ton coal production)

6.1%

2021	0.39	6.1%
2020	0.41	4.6%
2019	0.43	

Reclamation area
(hectare)

11.5%

2021	5,054.73	11.5%
2020	4,532.35	13.7%
2019	3,985.39	

Scope 1 GHG emissions intensity
(TonCO2eq/ton coal production)

26.8%

2021	0.022	26.8%
2020	0.031	4.6%
2019	0.032	

Water withdrawal
(ML)

13.7%

2021	3,864.73	13.7%
2020	3,398.85	16.7%
2019	4,081.60	

Employee fatalities at managed operations
(lives)

Zero fatality record maintained

2021	0
2020	0
2019	0

Scope 2 GHG emissions
(TonCO2eq)

We started measuring scope 2 in 2021

2021	3,866

Water withdrawal intensity
(ML/kiloton coal production)

7.9%

2021	0.086	7.9%
2020	0.080	11.9%
2019	0.091	

Community investment spending [GRI 201-1]
(% of EBIT)

We started measuring community investment spending % of EBIT in 2021

2021	1.24%

Energy consumption
(Gigajoule)

13.7%

2021	20,938,258	13.7%
2020	18,421,604	13.4%
2019	21,262,675	

Waste reused and recycled
(ton)

26.7%

2021	3,616	26.7%
2020	2,854	55.1%
2019	1,840	

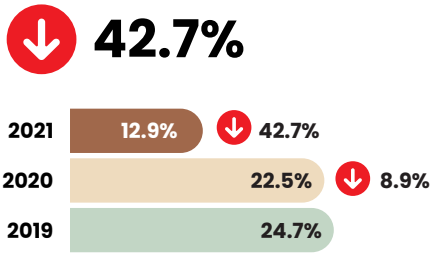
Community relations
(Number of lives impacted)

8.9%

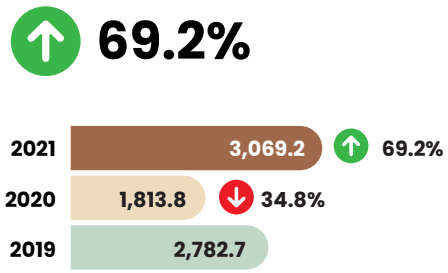
2021	195,880	8.9%
2020	179,821	

We take our responsibilities to our people, society and environment seriously, and align our activities with the relevant national and international standards, including the United Nations' Sustainable Development Goals (SDGs), the Ten Principles of the United Nations Global Compact (UNGC), and the WEF Stakeholder Capitalism Metrics (SCM).

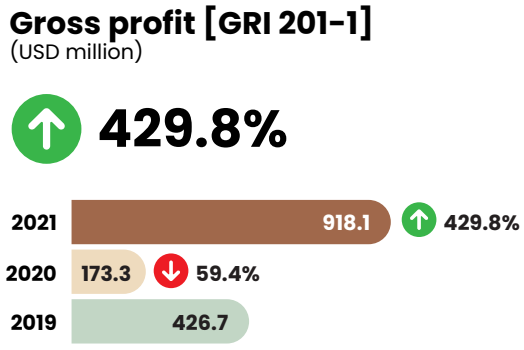
Revenue contribution from non-coal
(%)



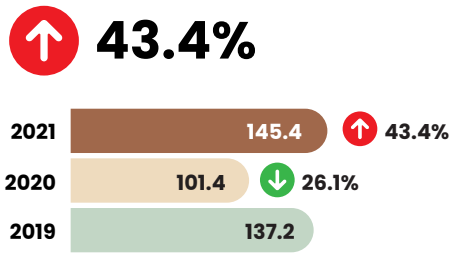
Revenues [GRI 201-1]
(USD million)



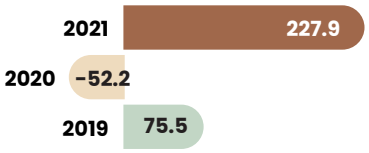
Gross profit [GRI 201-1]
(USD million)



Operating costs [GRI 201-1]
(USD million)

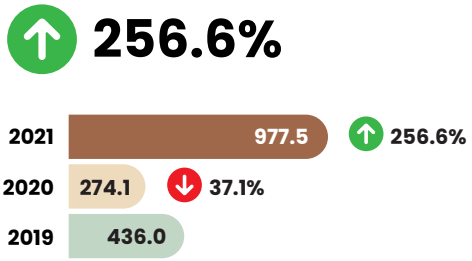


Core profit (loss)* [GRI 201-1]
(USD million)

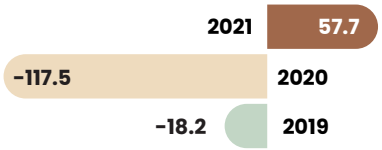


* Core Profit (loss) is defined as net profit (loss) attributable to Owners of the Company for the year excluding non-operational income or expense and the related tax, covering: 1) fair value changes on contingent consideration obligation related to acquisition of additional shares in Kideco; 2) amortization of intangible assets of Kideco and MUTU; 3) gain from refloat of Petrosea's shares in 2021; (4) loss recognized on acquisition of Nusantara in 2021; 5) impairment of assets in 2020; 6) gain from bargain purchase related to additional investment in Awakmas in 2020; and 7) acceleration of amortization of bond issuance cost in 2020.

Adjusted EBITDA [GRI 201-1]
(USD million)



Net profit (loss) [GRI 201-1]
(USD million)



Direct and indirect economic impact

The energy we produce at Indika Energy Group helps power economic growth and improves the quality of life for the people of Indonesia. This year, we supplied 37.4 million metric tons of coal and contributed USD 509.1 million in taxes paid to the government (including royalty).

Indika Energy Group complies with all applicable laws and regulations related to tax payments as a part of our efforts to support state financing and national development. In 2021, Kideco, Petrosea, and Tripatra received financial assistance from the Government through tax exemptions amounting to Rp 76.2 billion, taking advantage of the facilities provided by the Directorate General of Taxes as outlined in Income Tax Article 21, Income Tax on Import Article 22 and Income Tax Article 23 [GRI 201-4]. We did not experience any delays in tax payments and submission of annual and monthly Tax Return (SPT) documents to the regulatory agency [GRI 207-1].

We support local economic growth in the regions where we operate. This, in turn, creates jobs, drives economic development and social empowerment, and generates revenue for national and subnational governments. This year, we provided compensation and benefits for more than 7,500 employees across the nation.

We also transform communities through our community development programs, on which we spent more than Rp 137 billion in 2021. With this spending, we are able to empower our communities by providing access to health care and education, implementing environment conservation programs, and enhancing the community's financial independence. Kideco, our largest operation, has brought a positive economic impact to more than 168,000 lives in Paser, East Kalimantan, which accounts for 61% of the population in the area [GRI 203-2].



Economic benefit

37.4 million metric tons Total coal production

USD 509.1 million Tax contribution to the government

7,500+ lives impacted from employee wages and benefits

USD 51.9 million employee wages and benefits [GRI 201-1]

USD 57.7 million Net profit [GRI 201-1]





Indirect benefit

Skill enhancement and business opportunity creation in surrounding communities [GRI 203-2]

At Tripatra's operations, 21% of employees are local hires

Rp 137 billion Community investment spending [GRI 201-1]

168,000+ lives and 19 villages benefited from Kideco operations in Paser, East Kalimantan


“At Indika Energy, we have already defined what we aspire our new normal to be — sustainable, low-carbon, and socially responsible.”

A letter to all our stakeholders

In 2021, we witnessed the society-wide and industry-wide disruptions of the COVID-19 pandemic continue to reverberate. For many, it was still a time of trying to achieve a kind of "new normal". At Indika Energy, we have already defined what we aspire our new normal to be — sustainable, low-carbon, and socially responsible — so it was a time to buckle down harder and continue taking action on implementing the values we have always cherished.

Our journey, since it began some five decades ago, has always been driven by the desire to contribute to empowering Indonesia — its economy, its development, and above all its people. And our Environmental, Social and Governance (ESG) principles serve as the compass guiding us on that path. We remain strongly committed to our business diversification process as we break new ground on sustainable ways to continue serving the nation.

In 2021, we achieved several milestones along that journey. In addition to committing to the United Nations Global Compact — joining like-minded companies around the world in adopting sustainable and socially responsible policies — we also pledged during the historic COP26 climate summit in Glasgow to join the Powering Past Coal Alliance (PPCA). Domestically, we joined the Indonesia Business Council for Sustainable Development (IBCSD). These commitments put Indika Energy at the leading edge of companies for whom business and environmental interests are aligned: We all do better when the planet is doing better.

As we continue to work on these and other new and exciting initiatives, our end goal remains firmly in sight: To ensure at least 50% of our business comes from non-coal streams by 2025, and to achieve carbon neutrality by 2050 or sooner.

2021 was also the year we calculated our baseline and set our medium-term targets for a number of metrics across the ESG aspects. Furthermore, we also formulated our new purpose statement: "Energizing Indonesia for a Sustainable Future". Delivering energy has always been what we do best, and with this renewed purpose, we are expanding the scope of the empowerment that we offer, while maintaining the highest levels of integrity, trustworthiness and professionalism that have long been our hallmark. We also formed a Sustainability Committee, chaired by an independent board member who sets the strategic direction and oversees our sustainability strategy and implementation across the Group, and we have linked ESG performance to employee and management compensation.

Low-carbon businesses

At Indika Energy, our ESG principles are more than just an obligation; they are how we strive to do business as we transition to low-carbon outcomes. And sustainability is a key part of that: If what we are doing is not sustainable for nature, then it is not sustainable for business. This was the reason we focused heavily throughout 2021 on our diversification into nature-based solutions, clean power, and other forms of low- and no-carbon initiatives.

This includes moving forward on our electric vehicle (EV) goals through PT Electra Mobilitas Indonesia (EMI). While a major initial component of this project will be investing in EV, our goal is to look beyond the vehicles and encompass the entire EV ecosystem. This includes recharging stations, battery swap facilities, recycling, and the other infrastructure that will make zero-emission mobility a viable reality.

That electricity to power this future has to come from somewhere, and in 2021, we went all in on our efforts to tap into the significant potential of solar energy in Indonesia. We joined forces with India's Fourth Partner Energy Limited (4PEL), which is backed by The Rise Fund, the world's largest private markets social impact fund with over USD 5 billion in assets under management, to develop the PT Empat Mitra Indika Tenaga Surya (EMITS) joint venture as part of our endeavors to support Indonesia's energy transition. Our contribution to the solar photovoltaic (PV) installation project in various Indonesian ports and for national companies is one of the ways we will continue to manifest our commitment to support the country's journey in achieving its 23% renewable energy mix target by 2025.

Through PT Indika Multi Properti (IMP), we are also in the process of developing our biomass plantation in Jaya Bumi Paser, East Kalimantan, which will provide a renewable source of fuel that is carbon neutral.

More diversification

Beyond our new energy initiatives, Indika Energy's diversification push also extends to the Awak Mas gold mine in South Sulawesi. We have identified gold as a strategic sector and we believe that gold has good long-term prospects for the future. This is a strategic move to strengthen our business diversification in the non-coal sector.

We also increased our presence in the digital space, in line with a growing shift by business and society to online platforms for work and other interactions. Through our subsidiaries PT Xapiens Teknologi Indonesia and PT Zebra Cross Teknologi, we have focused on cybersecurity and ensuring data integrity and privacy, as well as implementing Industry 4.0 practices to drive the efficiency of digital processes in line with evolving technological developments, both across the Group and for external clients.

And divestment

In addition to entering new fields, Indika Energy is in the process of shifting away from fields that no longer align with the path it is on. We concluded our divestment from PT Mitrabahtera Segara Sejati Tbk. (MBSS), an energy shipping company. Prior to the divestment, we held a 51% stake in MBSS, which we acquired in 2011. Giving up this stake is a move we feel is necessary and justifiable over the long term as we make our transition toward a low-carbon trajectory. In addition, Indika Energy is in the process of divesting its ownership in PT Petrosea Tbk.

Moving forward, further divestments are not out of the question, as we seek to evaluate where we can continue intensifying the decarbonization of our operations, and where those efforts are no longer as effective in terms of achieving our strategic goals.

"Indika Energy is in the process of shifting away from fields that no longer align with the path it is on."

Staying safe

The lessons of 2020, prepared us for the disruptions caused by the COVID-19 pandemic in 2021. We strengthened our focus on preventive health protocols, testing and tracing, and continued to provide support for employees and communities affected by the ongoing health crisis. Hence, in the midst of the pandemic, we managed to sustain our productivity and carried out our operations with minimal interruptions.

We commend the Indonesian government for its unprecedented vaccination campaign that undoubtedly saved countless lives during this past year. We are also proud to have contributed to the vaccination efforts through the Gotong Royong vaccination program. Under this program, Indika Energy Group managed to vaccinate 15,306 employees and their family members to date.

"We reduced our Scope 1 GHG emissions by 11.5% from 2020"

We also supported the recovery of Indonesia through various COVID-19 relief initiatives such as Oksigen Untuk Negeri, where we donated 8,000 oxygen cylinders, 12 ISO tanks, and 26 tons of liquid oxygen, supported the construction of Rumah Oksigen - a semi-permanent health facility that is specially equipped with oxygen supply equipment and beds for patients with light and moderate symptoms, and conducted vaccination programs for communities in various locations.

On site, we are proud to once again report that in 2021, we recorded zero fatalities and lost-time injuries across the Group. Our culture of safety and a shift toward Industry 4.0 standards have helped minimize risks to our employees, and we will continue to strive for a zero-incident rate.

The journey continues

We are proud of the work that we did and the milestones that we achieved throughout 2021. Indika Energy's ESG score was upgraded by two independent global providers of ESG ratings: In June 2021, our score under Sustainalytics improved from 44.2 (Severe Risk) to 38.1 (High Risk). Meanwhile, MSCI maintained our rating at BBB in 2021 after previously having upgraded from BB in December 2020.

We have every reason to be proud of our achievements over the past year. We reduced our Scope 1 GHG emissions by 11.5% from 2020, and slashed our Scope 1 emissions intensity by more than 40%, demonstrating that we are well on track to meet our 2025 target. We also saw a 25% decrease in revenue-based water withdrawal intensity, thanks to our recycling and other efforts. We made a positive impact on the lives of our more than 7,500 employees, and the tens of thousands of family members who depend on them in what has been a trying economic climate. Beyond our workforce, we spent more than Rp 137 billion on community development efforts, touching the lives of more than 195,000 people. And our continued commitment to integrity means that, in 2021, we identified zero significant risks of corruption.

But this is only a part of our journey, one that began five decades ago and will continue long into the future. Our vision is to continue contributing to empowering the nation and the people of Indonesia, and we have every reason to be confident that we materialize it in a more sustainable and socially responsible way.

A key source of our optimism is the people of Indonesia, including our own employees — a group that is young, diverse, ambitious, and civic-minded. Together, we know that we can build on the milestones we have already laid down, and mark a new path toward the bright future that we are helping to build.

Our targets are ambitious, because they need to be. This is the journey that Indika Energy has embarked on for good. Our destination is a better world for all.

M. Arsjad Rasjid P. M.
President Director
Indika Energy

[GRI 2-22]

Sustainability approach, strategy and ESG targets

Our approach and strategy

Indonesia has taken concrete steps declaring the Sustainable Development Goals (SDGs) and actualizing its goals. The main objective of these goals is to maintain the improvement of the people's economic welfare in a sustainable manner, to maintain the sustainability of the community's social life, the quality of the environment, and inclusive development, and to implement governance that shall maintain the improvement of the quality of life from one generation to the next.

This aligns with Indika Energy's purpose of energizing Indonesia for a sustainable future. We strive to be a leader in enabling decarbonization of energy usage and help meet continued demand for the energy needs of today, and that includes playing a key role in Indonesia's national transition to renewable energy.

Indika Energy's long-term business strategies are reflected within the business pillars, boosting organic growth and expanding through acquisitions. We focus our efforts on strengthening resilience in the face of adverse effects from various global developments, such as the COVID-19 pandemic.

Indika Energy has committed to increasing the share of our non-coal revenue to at least 50% by 2025, and to achieving net-zero greenhouse gas emissions by 2050 or sooner. There are three principal ways in which we plan to do this:

1. **Investing in non-coal industries**

   As part of our wider energy transition, Indika Energy is diversifying and investing in sectors such ranging from renewable energy and nature-based solutions, to electric vehicles (EV) and EV infrastructure.

2. **Decarbonization of operations**

   Minimizing our carbon footprint is an important part of our strategic focus and our wider target of achieving net-zero emissions, and in turn contributes to Indonesia's greater decarbonization commitments as a nation.

3. **Divesting from high-carbon industries**

   The corollary to diversifying our portfolio is that we must also reduce our exposure to high-carbon businesses in our portfolio. We see this as a necessary part of our long-term vision to achieve our sustainability goals and contribute to a better planet for all.

Mid-term ESG goals [GRI 3-3]

Indika Energy's sustainability road map is clear: We know where we are headed, and we continue to assess the best ways to achieve that goal. For Indika Energy, the ultimate target is to achieve net-zero GHG emissions by the year 2050, in line with Indonesia's own targets for reducing emissions. A key milestone on the path to reaching this point is to grow our non-coal revenue streams to at least 50% of our total business by 2025.

	2025 Targets	Where we are today [GRI 3-3]	Next steps
Scope 1 emissions intensity	Reduced by 10% (baseline of 0.031 TonCO2eq/ton coal production in 2020)	On track - reduced by 26.8%	Maintain a significant pace of reduction in Scope 1 emissions intensity in the following years through innovative decarbonization initiatives
Land reclamation	Increased by 20% (baseline of 4.5 thousand Ha in 2020)	On track - increased by 11.5%	Continue expansion of land reclamation area
Occupational Health and safety	0 fatalities	On track - zero fatalities recorded	Strengthen our workplace protocols through digital approaches to health and safety to maintain zero fatalities in operations
Community development	1% EBIT	On track - 1.24% of EBIT was spent on community development	Create large-scale flagship CSR programs that demonstrate the synergies between subsidiaries within Indika Energy Group
Sustainability Committee	Form Sustainability Committee chaired by Independent Board Member	Achieved - Sustainability Committee has been formed in Indika Energy, Kideco, Petrosea, Tripatra, and Interport	Continue to maintain the involvement of the Sustainability Committee in our sustainability journey to gain insights on how to further improve sustainability programs and performance
Corporate governance	Incorporate ESG parameters into BOD and BOC KPIs	On track - ESG-related BOD KPIs have been set	Develop and monitor relevant ESG-related KPIs for the Board of Commissioners

Risk and mitigation

The environmental, social and governance aspects of our sustainability principles cover a range of risks that we work to mitigate against. It is these risks, and how we assess and address them, that inform our sustainability strategy, and thus our operational focus.



These are the ESG-related risks that we face as a leading diversified investment company and our approach in managing these risks: [GRI 3-3]

Risks and critical concerns	Potential Impacts of Our Activities	Mitigation Actions	Commitments
Risks related to emissions and energy consumption [GRI 201-2]	Physical risks, including extreme heat, drought, and water access as well as acute risks like wildfires, hurricanes, and flooding. Employees and community members getting injured or falling sick. Disruptions to supply chain, transport and distribution networks. Damage to assets, which may reduce productivity, increase costs, and delay project schedules.	Implement environmental management systems and comply with prevailing environmental regulations. Invest in research & development, as well as technologies to support efficient and environmentally friendly operational activities. Monitor and report emissions and energy performance data to Sustainability Committee quarterly.	Comply with the Indika Energy Sustainability Policy and Environmental Policy. Improve energy efficiency and reduce emissions by investing in renewable energy, low-carbon technologies and decarbonization efforts. Achieve medium-term and long-term targets: ▸ Net-zero emissions by 2050 ▸ 50% non-coal revenue by 2025 ▸ 10% reduction in Scope 1 GHG emissions intensity by 2025
	Transition risks ▸ Regulatory risks: Changes in policies and regulations, especially those related to carbon pricing and reporting. ▸ Market risks: Changes in consumer behavior, uncertainty through market signals ▸ Reputational risks: Stigmatization of the sector, shifts in consumer preferences, increased stakeholder concern.	Identify transition risks related to climate change Commit to manage regulatory, market, and reputational risks of climate change.	Comply with the Indika Energy Sustainability Policy and Environmental Policy. Integrate these transition risks into regular risk assessments and report these risks to the highest governance body.
Water stress	Lack of available water for operations and the local communities. Increased charges to access water, resulting in higher production costs.	Identify water risks and mitigation plans. Monitor data related to water management quarterly, which are then reported during the Sustainability Committee meetings.	Comply with the Indika Energy Sustainability Policy and Environmental Policy. Protect the water sources in our operational areas. Improve processes to reduce water withdrawal and consumption. Ensure compliance with national and local regulations related to water discharge and effluents.

Risks and critical concerns	Potential Impacts of Our Activities	Mitigation Actions	Commitments
Waste-related hazards	Potential threat of marine pollution resulting from leakage of discarded plastic packaging into water bodies Soil contamination Public health hazards	Identify waste-related risks and mitigation plans. Monitor and report data related to waste generation and management quarterly to the Sustainability Committee.	Comply with the Indika Energy Sustainability Policy and Environmental Policy. Minimize the amount of waste generated and maximize the amount of waste recycled and reused. Ensure compliance with national and local regulations related to waste disposal and management.
Biodiversity loss and land degradation	Reduction of species, especially those that are included in the IUCN Red List and the National Conservation List	Conduct biodiversity monitoring and risk assessments regularly Monitor and report data related to biodiversity and land use quarterly to the Sustainability Committee.	Comply with the Indika Energy Sustainability Policy and Environmental Policy. Proactively plan for closure and rehabilitation in the areas we operate in. Conduct impact mitigation measures and conserve the habitats of endangered species. Achieve medium-term target: 20% increase in land reclamation area by 2025
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 come from in the upcoming years.	Diversify business to renewable energy, gold mining, nature-based solutions, and technology sectors. Rehabilitation and land reclamation initiatives.	Comply with the Indika Energy Sustainability Policy and Environmental Policy. Proactively plan for closure and rehabilitation in the areas we operate in. Achieve medium-term targets: 50% non-coal revenue by 2025 20% increase in land reclamation area by 2025

Risks and critical concerns	Potential Impacts of Our Activities	Mitigation Actions	Commitments
Health and safety hazards	As the COVID-19 pandemic persists, our employees remain subject to the risk of infection. The higher the complexity of energy projects, the higher the associated safety risks.	Implement a work-from-home policy and group division, implement health protocols, and establish an isolation center facility for employees and their families. Implement digitalization and visualization technologies to make operational activities safer and more efficient. Conduct regular occupational health and safety training programs for all workers and OHS audits to identify points of improvement. Monitor and report health and safety performance data to Sustainability Committee quarterly.	Comply with the Indika Energy Sustainability Policy and Health & Safety Policy. Implement health and safety management systems and comply with regulations and standards. Maintain zero fatalities and zero lost-time injuries every year.
Community relations	Protests by local communities, e.g. due to lack of local employment opportunities or disruptions due to operational activities, leading to the possibility of losing our social license to operate.	Actively recruit and promote high-performance local hires. Community development programs related to education, health, environment and empowerment to enhance livelihood and community welfare. Accommodate and record complaints and feedback from the community through our Whistleblowing System. Monitor and report community relations performance data to Sustainability Committee quarterly.	Comply with the Indika Energy Sustainability Policy. Implement health and safety management systems and comply with regulations and standards. Maintain zero fatalities and zero lost-time injuries every year. Engage regularly with our local communities to ensure all their needs are fulfilled and concerns addressed. Achieve medium-term target: 1% of EBIT to be spent on community development each year

Risks and critical concerns	Potential Impacts of Our Activities	Mitigation Actions	Commitments
Health and safety protection for the community	Protests by local communities, e.g. due to lack of company's initiative to create safe and healthy workplace conditions leading to the possibility of losing our social license to operate.	Develop and implement OHS management and security based on the company's enterprise risk management principles. Manage the company's security system to create safe and healthy workplace conditions.	Comply with the Indika Energy Sustainability Policy and Health & Safety Policy. Implement health and safety management systems and comply with regulations and standards.
Violation of human rights and indigenous peoples' rights	Incidents of violations involving rights of indigenous peoples. Protests by employees and communities leading to high employee turnover and possibility of losing our social license to operate. Reputational damage and loss of trust from stakeholders.	Practice due diligence and assess risks of human rights violations at operational sites. Follow up and take concrete actions to handle grievances submitted through the Whistleblowing System. Conduct human rights training to all workers, including security personnel. [GRI 410-1] Empower indigenous communities and local communities.	Comply with the Indika Energy Sustainability Policy. Adopt programs in line with the UN Declaration of Human Rights. [GRI 2-23] Recognize and respect indigenous peoples' relationship with land, water, and the environment.
Employee dissatisfaction	Low productivity leading to lower revenues and profits. High employee turnover causing high costs to hire and train new employees.	Provide fair and merit-based compensation as well as benefits. Provide training and development programs to help employees advance their careers. Monitor and report human capital data, including gender equality and training parameters, to Sustainability Committee quarterly.	Comply with the Indika Energy Sustainability Policy. Promote a healthy, safe, and respectful working environment. Foster an environment that supports and encourages different backgrounds, cultures, beliefs.

Risks and critical concerns	Potential Impacts of Our Activities	Mitigation Actions	Commitments
Bribery and corruption	Financial damage due to legal fines. Reputational damage and loss of trust from stakeholders. Decrease in employee productivity due to loss of trust.	Implement Anti-Bribery Management Systems ISO 37001:2016. Conduct regular training and refresher sessions about anti-bribery management systems for employees.	Comply with the Indika Energy Sustainability Policy and the Anti-Bribery & Corruption Policy. Prohibit any form of bribery and corruption and conduct business in an ethical manner. Comply with requirements set out in ISO 37001:2016.
Cyber security attacks	Theft of funds as well as corporate and financial information. Operational disruptions and reputational damage.	Form a special Cyber Security Ninja task force with Xapiens Teknologi that is responsible for conducting outreach, monitoring and mitigating possible cyber attacks. Launch a cyber security training program among employees to cover topics such as email phishing and correct classification and handling of information. Regularly update security of IT systems and infrastructure and back up important data.	Implement Information Security Management Systems ISO 27001:2013. Conduct regular training for all employees to raise awareness on the prevention of cybersecurity attacks.
Decrease in revenue due to commodity price volatility	Lower revenues and profits. Low productivity of assets and employees. Inability to repay debt.	Set target for majority of revenue to come from non-coal businesses by 2025. Diversify and enter businesses other than coal.	Achieve mid-term target: 50% non-coal revenue by 2025.
Challenges to access capital or funding [GRI 201-2]	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 businesses by 2025. Diversify and enter businesses other than coal. Pledge commitment to ESG and take actions to mitigate ESG-related risks.	Achieve mid-term target: 50% non-coal revenue by 2025.

Stakeholder engagement

At Indika Energy, we engage with internal and external stakeholders across the Group to implement our strategy and operations and align our visions for sustainable business. Strong stakeholder engagement is key to improving our risk management, enhancing our reputation, and building as well as delivering business value.

As we progress on our path toward long-term sustainability, strengthening these relations further and maintaining responsiveness in addressing the needs and expectations of our diverse range of stakeholders will be key to our success.

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. Last year, of key interest to our stakeholders was the impact of the recovery we continued to make amid the global pandemic, the steps we took to protect our workforce and respond to our local communities, the support we showed for government initiatives, and our ability to meet our customers' requirements. [GRI 3-3]

The effects of the pandemic continue to be felt globally and we will continue to respond to our stakeholders' request for information and engagement on the issue.

We recognize that robust, respectful, and two-way relationships with our stakeholders are essential for our assets to continue to operate. 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 acknowledge feedback and take this decision making consideration. Through building constructive and transparent relationships with our stakeholders, we can strengthen our approach locally and globally and improve our operating processes and performance. [GRI 2-26, 3-3]

The stakeholders are identified in accordance with the 2015 AA1000 Stakeholder' Engagement Standard. Based on this standard, the Company has identified its stakeholders into five attributes: [GRI 2-29]

1. Dependency - Individuals or groups who have direct or indirect dependence on the company's activities
2. Responsibility - Individuals or groups to which the Company has legal, commercial, and/or ethical responsibilities.
3. Tension - Individuals or groups who need immediate attention from the Company related to economic, social, and environmental issues.
4. Influence - Individuals or groups who influence the strategies and policies of the Company or other stakeholders.
5. Diverse perspectives - Individuals or groups who have different views that can influence the situation and encourage action that was not planned.

Our stakeholders include our workforce, shareholders, contractors and suppliers, customers, governments and regulators, local communities, non-governmental organizations, labor unions, media, civil society, and industry peers.


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INDIKA
Vaksinasi
Merdeka!
POLRES METRO JAKSEL
BERSAMA INDIKA ENERGY GROUP
DAN KADIN INDONESIA
PERADI
POLRI
PLAZA
INDONESIA

1. **Workforce and labor unions**

   Through developing and building a cohesive workplace culture that encourages all of our people to focus on the same goals, we can deliver our strategic priorities. We have a Group-wide internal communications program for our safety initiatives and ensure all our employees and contractors have access to whistleblowing platforms to express grievances [GRI 3-3]. Unions play an active role, and we uphold our employees' rights to freedom of association. We uphold our workers' rights to freedom of association, to unionize and to collective representation, regardless of their location or duties. We take an honest and open approach to working with labor unions and undertake negotiations in good faith.

2. **Governments and regulators**

   We develop and maintain constructive relationships with national, and local governments in the countries where we operate and maintain regular dialogue 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 and our policies do not permit the use of our funds or resources as contributions to any political campaign, political party, political candidate or any such affiliated organizations [GRI 415-1].

3. **Communities**

   Our community engagement teams build relationships with local communities and decision-making authorities. They meet and engage with the communities living around our operations to share information about our activities that may affect them, key risks and control measures, and to help us understand their views and address any concerns raised. We adapt our approach to reflect the operational and cultural environment [GRI 3-3].

4. **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.



"New corporate members joined the Powering Past Coal Alliance (PPCA) committing to accelerate the move away from coal power and they include Indonesia's Indika Energy, Canada's TransAlta, and HSBC."

Alok Sharma
President of COP26

5. **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.

6. **Suppliers and customers**

   We maintain good relationships with our suppliers and customers, engaging regularly with them to understand their views, expectations and perspectives. We undertake risk-based due diligence on our supply chain, both for the goods and services we procure as well as the third-party commodities we purchase. We are active in many industry initiatives, where we work to promote the safe use and handling of our products. We share the specifications of our products and any associated risks with our customers.

7. **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 (KADIN Indonesia), Indonesian Coal Mining Association (APBI-ICMA), and Indonesia Renewable Energy Society (METI) to provide an opportunity to learn from best practice and to find industry-wide solutions to common challenges.

Participation in external initiatives and memberships [GRI 2-28]

Our business operations are based on trust. For that reason, we are dedicated to providing our stakeholders with meaningful information about our business in the public domain. Our approach to transparency is strongly grounded in our transparency principles of responsibility, openness, fairness and accountability.

We participate in a wide range of external initiatives, including global, national and regional organizations. Our participation supports our commitment to ongoing improvement in our approach and performance. Our activities in these organizations vary, ranging from reporting our progress to taking a role in driving strategic change. A number of external organizations assess and publicly report on our performance.

"We believe that long-term growth in the energy industry depends on good environmental management and community relationships development. Efforts made by Indika Energy are strongly in line with the essence of doing sustainable business. Its commitment to achieve net-zero emissions by 2050 places Indika Energy in a laudable position where we can inspire more companies to realize the goal of achieving a competitive, low-carbon Indonesian economy."

Shinta Kamdani,
President of Indonesia Business Council for Sustainability Development (IBSCD)



- United Nation Global Compact (UNGC)
- Indonesia Global Compact Network (IGCN)
- Indonesia Business Council for Sustainable Development (IBCSD)
- World Economic Forum (WEF)
- Powering Past Coal Alliance (PPCA)
- Masyarakat Energi Terbarukan Indonesia (METI)
- Asosiasi Emiten Indonesia (AEI)
- Kamar Dagang dan Industri (KADIN) Indonesia
- Asosiasi Pengusaha Indonesia (APINDO)
- Asosiasi Pertambangan Batubara Indonesia (APBI-ICMA)
- Indonesian Mining Association (API-IMA)
- Indonesian Contractors Association (AKI)
- Masyarakat Ketenagalistrikan Indonesia (MKI)

	Key concerns	Engagement form	Communications frequency
Workforce and labor unions	▸ Occupational health and safety ▸ Measures to protect the workforce from COVID-19 ▸ Career development and benefits	▸ Occupational health and safety policies and procedure ▸ Trainings, socialization ▸ Awareness campaign	▸ Quarterly town hall ▸ Biweekly internal publications
Governments and regulators	▸ Climate change ▸ Water and waste management ▸ Biodiversity and land use ▸ Community projects ▸ Occupational health and safety	▸ Official meetings ▸ Joint Program ▸ Performance reporting	▸ Annual report ▸ Annual sustainability report ▸ Annual environmental report
Communities	▸ Health, economic support ▸ Local employment ▸ Procurement opportunities ▸ Operational impacts	▸ Public consultation ▸ Community programs ▸ Publication of reports ▸ Community forum	▸ Annual report ▸ Annual sustainability report ▸ Regular discussion with local communities
NGOs and civil society	▸ Climate change ▸ Operational management ▸ Water and waste management ▸ Biodiversity and land use ▸ Socio economic projects	▸ Consultation ▸ Partnership	▸ Annual report ▸ Annual sustainability report
Financial community and media	▸ Financial performance ▸ Integration of sustainability ▸ ESG initiative alignment ▸ Anti-bribery and corruption	▸ Official meetings ▸ Joint program ▸ Performance reporting ▸ Public expose ▸ Media gathering	▸ Annual report ▸ Annual sustainability report ▸ Quarterly or ad hoc press release ▸ Quarterly company updates
Suppliers and customers	▸ Occupational health and safety ▸ Measures to protect the workforce from COVID-19	▸ Occupational health and safety policies and procedure ▸ Trainings, socialization ▸ Awareness campaign	▸ Ad hoc meetings ▸ Regular trainings for safety
Peer companies	▸ Climate change ▸ Energy transition ▸ Government policy on energy	▸ Forum discussion ▸ Collaboration program	▸ Ad hoc meetings

Sustainability governance

For Indika Energy, good corporate governance (GCG) is an important part of how we do business and is critical to ensuring the continuity and sustainability of the Group. 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.

To implement a sustainable business, we have to be a good business. As a member of society, we recognize that we do not operate in isolation and that it is important to collaborate with other stakeholders to generate positive impacts on society.

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

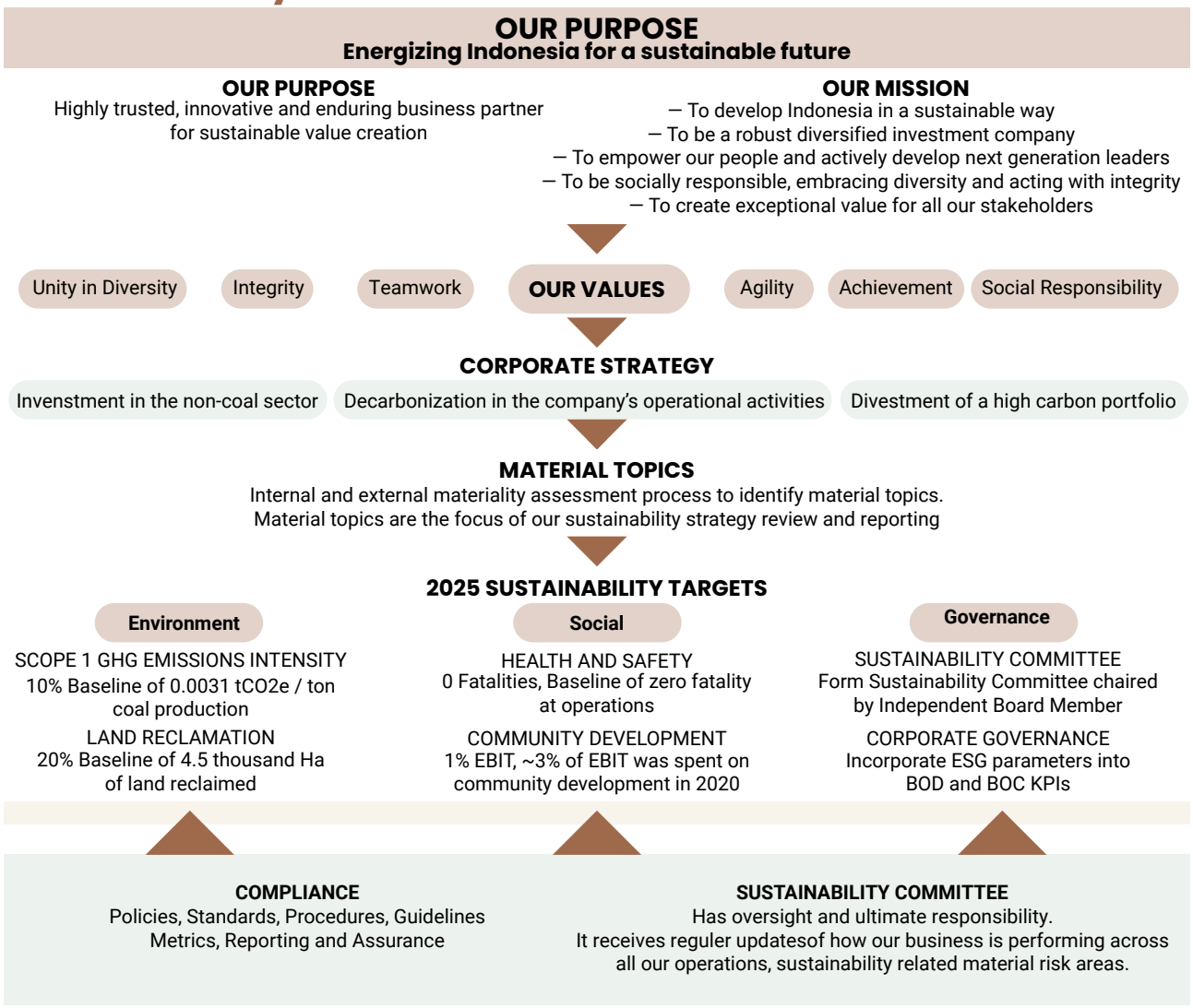
Our portfolio aligns with our purpose, Energizing Indonesia for a Sustainable Future, responsibly sourcing energy that advances everyday life and enabling the transition to a low-carbon economy, while meeting society's energy needs as it progresses through the transition.

Sustainability Committee

In 2021, we formed a Sustainability Committee that sets the strategic direction for our sustainability activities and oversees the development and implementation of programs related to all our material topics, including environment, health and safety, human capital, community relations, and corporate governance [GRI 3-3]. Oversight and ultimate responsibility for our Group sustainability strategy and framework as well as its implementation across



Sustainability Framework



the Group rests with our senior management team. They take a hands-on approach to monitoring and managing sustainability activities across the Group.

Our policies support the delivery of our values and Code of Conduct, which together detail the behavior and performance expectations for all assets and offices where we have operational control.

Development of Indika Energy Group ESG targets [GRI 3-3]

In 2021, Indika Energy committed to the empowerment of Indonesia through sustainable ways. We continued to make progress on our low-carbon transition to increase our non-coal revenue by 50% in 2025 and achieve net-zero emissions by 2050 or sooner.

We worked with all companies within the Group to set a baseline and develop Group ESG targets. We also refreshed and developed our policies on sustainability, health and safety, environmental, anti-bribery, communications, and their supporting standards, which will strengthen our governance for overseeing the implementation of these targets.

We tracked implementation progress quarterly through Sustainability Committee meetings, Sustainability Panel and regular discussions, including at working level, for gap analysis on each ESG aspect and ESG performance toward the 2025 target.

Sustainability framework

At the heart of Indika Energy's ESG commitment is the confluence of our corporate strategy, values, and sustainability practices. To be a sustainable business is to be sustainable in every sense: in our use of resources, in our relations with employees, communities and other stakeholders, and in our impact on society.

Policy Commitments [GRI 2-23, 2-24]

We are committed to navigating our firm's sustainability journey responsibly. We bring this commitment to life not only through our purpose, mission, vision and values, but also through our policies and our Code of Business Conduct.

In 2021, we refined existing policies and developed new ones that would play a crucial role in guiding our sustainability practices. Responsibility for implementing the commitments laid out in our policies is allocated across various departments of the company and across different levels within the organization.

The development of these policies was done in collaboration between the Sustainability team and the respective department in charge to ensure stewardship by the department responsible for managing the policy implementation. We have also established committees to oversee the working-level implementation of these policies and standard operating procedures, with the results to be reported to the Board of Commissioners.

In addition, we also implement management systems and adhere to international certification standards to ensure that our business conduct aligns with existing best practices. In 2021, after going through a rigorous process, Xapiens successfully obtained the ISO 27001:2013 certification, an international standard in implementing Information Security Management Systems (ISMS).

- ISO 9001 Quality Management System
- ISO 14001 Environmental Management System
- ISO 37001 Anti-Bribery Management System
- ISO 45001 Occupational Health and Safety
- ISO 50001 Energy Management System
- ISO 21500 Project Management System
- ISO 50001 Energy
- ISO 27001 Information Security Management System


ARBORETUM
TANDARAYAN

About this Sustainability Report

Indika Energy understands that sustaining a successful business over the long term is about more than just the business itself. The environmental, social and governance (ESG) aspects of what we do determine that sustainability. That is why we are committed to providing the big picture about our ESG commitments and progress through this annual reporting process.

Reporting guidelines

Indika Energy's Sustainability Report is published annually to communicate the management approach regarding sustainable development and disclose sustainability performance, covering ESG aspects to stakeholders [GRI 2-3]. For greater accessibility for all stakeholders, the report is prepared in Bahasa Indonesia and English versions, which can both be downloaded from our website www.indikaenergy.co.id.

This Sustainability Report was prepared in accordance with POJK No. 51/POJK.03/2017, the Global Reporting Initiative (GRI) 2021 [GRI 1] and Core Metrics of the WEF Stakeholder Capitalism Metrics. The content of this Report is also aligned with the United Nations' Sustainable Development Goals (SDGs) and the Ten Principles of the United Nations Global Compact (UNGC).

SGS Indonesia has independently assured this Report's GRI compliance (see the Assurance Statement in the Additional Information section) [GRI 2-5].

Indika Energy is a signatory to the principles of the United Nations Global Compact (UNGC), and this Sustainability Report outlines our support for its development objectives and our work on implementing the Compact's 10 principles.

At the start of 2022, we signed a letter of commitment to incorporate the World Economic Forum (WEF) Stakeholder Capitalism Metrics (SCM) into our ESG reporting, demonstrating our endeavors to increase transparency and accountability.

This Sustainability Report states the management approach, strategy, priorities and objectives, and explains how they relate to our 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.

This Sustainability Report assesses which ESG issues have become sufficiently important to investors and other stakeholders.

Boundaries and scope

This report covers Indika Energy's performance from January 1 to December 31, 2021 [GRI 2-3]. Unless otherwise stated, we report financial data and non-financial data, including environmental, social, and governance data from several Indika Energy subsidiaries, of which Indika Energy holds more than 50% of shares and has management control [GRI 2-2]. These include PT Kideco Jaya Agung (Kideco), PT Multi Tambangjaya Utama (MUTU), PT Petrosea Tbk. (Petrosea), PT Tripatra Engineers & Constructors and PT Tripatra Engineering (Tripatra), PT Interport Mandiri Utama (Interport), PT Xapiens Teknologi Indonesia (Xapiens), PT Zebra Cross Teknologi (ZebraX), PT INDY Properti Indonesia (IPI) and Yayasan Indika Untuk Indonesia (Indika Foundation) [GRI 2-2].

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 they are currently in the process of being developed, while the Awak Mas gold mine is still in the project development stage and is not yet operational. Indika Energy expects to disclose the performance data for these lines of business in future Sustainability Reports as and when they become operational.

The topics presented in this report have been carefully formulated and stipulated by an internal team. To ensure stakeholder inclusiveness, representatives of all divisions and work units that manage operational aspects, governance, human resources and sustainability have been consulted for their input. The aim is to ensure that the report's content is relevant within the context of sustainability, covering environmental, social and governance aspects.

The externally assured Sustainability Report data was compiled for the period of January 1 to December 31, 2021. Our financial performance was verified by a public accountant, based on the 2021 Indika Energy Annual Report.

Material topics and boundary of the report [GRI 2-2]

Material topics	Disclosure in accordance to GRI 2021	Boundary		
		Kideco	MUTU	Petrosea
Environmental				
Energy and emissions	GRI 302, 305	✓	✓	✓
Water and effluents	GRI 303	✓	✓	✓
Waste management	GRI 306	✓		✓
Biodiversity and land use	GRI 304	✓	✓	✓
Social				
Our people	GRI 401, 404, 405	✓	✓	✓
Occupational health and safety	GRI 403	✓	✓	✓
Community relations	GRI413	✓	✓	✓
Human rights and grievance mechanism	GRI 407,408	✓	✓	✓
Tolerance	GRI 405			
Governance				
Corporate governance	GRI 1, 2, 3	✓	✓	✓
Business ethics	GRI 205, 206	✓	✓	✓

	Tripatra	Interport	Xapiens	ZebraX	IPI	Indika Foundation
	✓	✓				
	✓	✓				
	✓	✓				
	✓	✓	✓	✓	✓	✓
	✓	✓				
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TARGET ZERO

Our materiality assessment

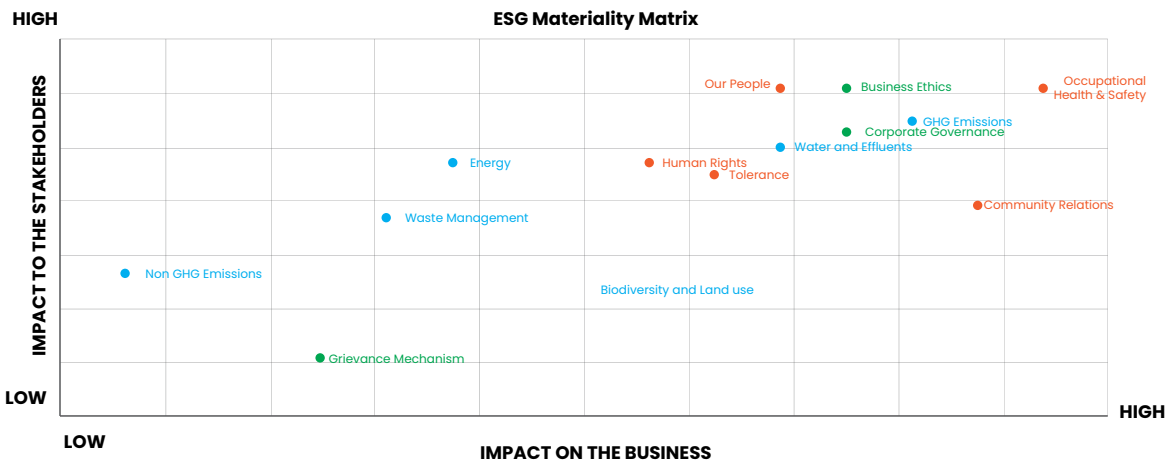
Our approach to reporting on our sustainability performance and progress focuses on the topics identified as being material to Indika Energy Group's development, performance, position and/or future prospects. [GRI 3-1]

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 the material aspects identified in terms of scope, boundary and time. [GRI 3-1]

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 2021.

Materiality assessment results [GRI 3-1, 3-2]



Energy and emissions

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



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.



Waste management

Our operations generate waste that can affect the environment and nearby communities. We monitor all material emissions and constantly 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.





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.



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.



Occupational health and safety

The success of our business is dependent on a safe and healthy workforce, and this is our top priority, especially during the ongoing COVID-19 pandemic. We take a proactive, preventive approach toward health and safety to establish a positive safety culture.

Community relations

Our activities can make a significant contribution to the national and local economies where we operate. We recognize our responsibility to minimize any negative impact from our activities and to support sustainable development and growth.



Human rights

At Indika Energy, we take very seriously our commitment as a responsible member of society to respect human rights in everything we do. We remain vigilant to the fact that the potential for violations exists within our operations, which is why we plan for these risks to mitigate them.



Tolerance

Tolerance helps employees build bridges and capitalize on the differences present in the workplace, such as those related to diverse cultural backgrounds. Demonstrating tolerance in the workplace requires a concerted effort to develop an understanding of one another's background, experiences and beliefs. At Indika Energy, tolerance is an important part of driving the creative solutions to achieve company goals.







Corporate governance

Good governance is fundamental to economic growth, political stability, and security. It underpins the performance of our business, helps us become more stable and productive, and unlocks new opportunities.

Business ethics

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

In this report, we also identified Cybersecurity, which was previously a material topic in previous reporting, as one of our risks that we mitigate. However, it is no longer considered material, based on the results of our materiality assessment. [GRI 3-2]

In addition, we also report several restatements, which include [GRI 2-4]:

- This year we restate data from previous years with regards to water management, including water withdrawal, water consumption, and water discharge, due to a change in units from cubic meter (m3) to megaliter (ML) in order to fully comply with requirements outlined in the GRI Standards 2021.
- A change in the 2019 and 2020 data for Fauna Biodiversity by Conservation Status has been made due to an error in calculation. The data displayed in the 2020 Sustainability Report only included species categorized as mammals.
- A change in the cumulative reclamation data for 2019 and 2020 has been made due to an error in calculation. The data displayed in the 2020 Sustainability Report did not take into account disturbance in reclamation activities.
- A change in 2020 Scope 1 GHG emissions data due to a change in methodology. The 2020 GHG emissions data in previous reporting included emissions that are now included in Scope 2 GHG emissions. The 2020 GHG emissions data in previous reporting also did not include Interport data



Our external commitments

Commitment to the United Nations Sustainable Development Goals (SDGs)

Indika Energy's values and purpose have long been aligned with the United Nations Sustainable Development Goals (SDGs) agenda. Each element of our work impacts one or more of the SDGs, with a special focus on those we believe align most closely with our strategic priorities. Achieving the SDGs is a commitment of the Indonesian state to its people. As a proud Indonesian company dedicated to the empowerment of all Indonesian citizens, we share the understanding of the importance that the SDGs hold for the betterment of the nation and its people.

Environment



Social



Governance



Our commitment to World Economic Forum (WEF) Stakeholder Capitalism Metrics (SCM)

Businesses across the energy industry face increasing pressure to deliver sustainable prosperity while minimizing climate impact, engaging a diverse workforce, and many other deliverables. We believe that increasing our accountability and transparency to all of our stakeholders is also a crucial part of delivering sustainable value creation. With our goal of working toward a more prosperous and fulfilled society and a more sustainable relationship with our planet, we have pledged our commitment to incorporate the World Economic Forum's (WEF) Stakeholder Capitalism Metrics (SCM) into our ESG reporting.

In this Sustainability Report, we report against the 21 core metrics that make up the SCM. Among the key measures:

People



100% of colleagues receiving regular performance reviews and learning opportunities [GRI 404-3]

270,000+ hours of training

Zero fatalities in managed operations

Prosperity

7,500+ employees

1,000+ new hires

USD 3,069 million revenue

Rp 137 billion community development spending



Planet

11.5% reduction in Scope 1 GHG emissions

11.5% increase in cumulative area of land reclaimed

3.3+ million trees planted since 2010

23.5% water recycling rate



Governance



Zero incidents of corruption

100% of employees having access to Whistleblowing System

Our commitment to the United Nations Global Compact (UNGC)

In 2021, Indika Energy pledged support for the Ten Principles of the United Nations Global Compact on human rights, labor, environment and anti-corruption. These principles align with our own commitments on the environmental, social and governance aspects of our operations. We are committed to making the U.N. Global Compact and its principles part of the strategy, culture and day-to-day operations of the company, and to engage in collaborative projects that advance the broader development goals of the U.N., particularly the Sustainable Development Goals.

Our commitment to the Indonesia Business Council for Sustainable Development (IBCSD)

Indika Energy is a proud member of the Indonesia Business Council for Sustainable Development (IBCSD), which brings together companies and leaders from across a wide range of industries. We are part of a diverse group that is united in our vision for sustainable development that furthers Indonesia's progress on meeting the SDGs. Through this platform, we are in a position to share best practices, help guide the national conversation on sustainability, and build consensus at the industry and policy levels about the importance of grounding growth in sustainable practices.

Our commitment to the Powering Past Coal Alliance (PPCA)

In one of the strongest demonstrations to date of Indika Energy's commitment to transitioning toward a low-carbon business path, we are proud to be the first, and to date only, Indonesian company that is a member of the Powering Past Coal Alliance (PPCA). Announced at the COP26 climate summit in Glasgow in 2021, the PPCA brings together national and subnational governments, the private sector and other organizations that are driving the phase-out of coal and accelerating the transition to clean energy. Indika Energy's own commitment is to ensure the majority of our revenue comes from non-coal streams by 2025, and transition to net-zero greenhouse gas emissions by 2050 or sooner.


TARGET ZERO
AGILE
Panguin

Environmental

Indika Energy's commitment to the environment in 2021 can best be summed up from the landmark COP26 climate summit in Glasgow. There, we joined the Powering Past Coal Alliance (PPCA), a group of 165 countries, cities, regions and businesses committed to making the transition to clean energy. This is part of our wider focus on boosting the share of our non-coal business to 50% by 2025, and achieving net-zero emissions by 2050 or sooner.

As we continued to wind down our exposure to coal in 2021, we also innovated and implemented solutions to keep both our emissions and environmental impact at a minimum. From project planning to operational closure, we focus on reducing our physical footprint on the land, identifying, managing and addressing our potential impacts by applying the principles of the mitigation which include avoid, minimize, restore and offset. We continue to develop and implement robust environmental management systems for key aspects such as energy, water, air emissions, waste, land, and biodiversity.

At the same time, we engaged closely with employees to generate new ideas to help us achieve our targets on environmental conservation through the group wide competition "Ajang Kreasi Inisiatif Hijau" to celebrate our 21st anniversary. Employees from all our subsidiaries participated in "Ajang Kreasi Inisiatif Hijau" to come up with ideas on how to help achieve the Group's net-zero target by 2050.



GRI:	302-1, 302-2, 302-3, 302-4, 302-5, 3-3, 303-1, 303-2, 303-3, 303-4, 303-5, 304-1, 304-2, 304-3, 304-4, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5
Global Compact:	Principle 7, Principle 8, Principle 9
WEF SCM:	Planet pillar

Energy and emissions

Successive reports from the Intergovernmental Panel on Climate Change (IPCC), authored by leading scientists, make the case that humanity must embrace a transition toward cleaner energy sources. At Indika Energy, this is already part of our long-term vision. And while our role in contributing to Indonesia's empowerment means being a dependent supplier of affordable and reliable energy for now, we are also doing everything we can to ensure that we minimize greenhouse gas (GHG) emissions throughout the process. At the same time, we continue to explore new avenues for carbon mitigation and decarbonization.

Indika Energy is also exploring the next steps to becoming a supporter of the Task Force on Climate-Related Financial Disclosure (TCFD) and to start implementing its recommendations, which are in line with our own goals of transparency and accountability.

Our approach [GRI 3-3]

Earlier this year, we announced our commitment to become a company with net-zero emissions by 2050 and also communicated our target to achieve 50% revenue from the non-coal sector by 2025.

We are implementing 3 strategies to meet the targets we have established:

Diversification of portfolio

Since 2018, Indika Energy has diversified beyond our core sectors of mining and energy, as we pursue a sustainable vision of growth based on decarbonization. Last year, we committed to a target of at least 50% of our revenue coming from non-coal businesses by 2025. In order to achieve the target, we invest in low-carbon businesses from different sectors, ranging from nature-based solutions to electric vehicles.

- **Empat Mitra Indika Tenaga Surya (EMITS)**

  In 2021, Indika Energy launched a joint venture with Fourth Partner Energy (4PEL), a leading Indian solar developer. The joint venture, PT Empat Mitra Indika Tenaga Surya (EMITS), provides a one-stop renewable energy solutions platform for Indonesia's commercial and industrial sectors, and will contribute to Indonesia's efforts to increase the renewable component in the national energy mix. Fourth Partner Energy is majority-owned by The Rise Fund, the world's largest private markets social impact fund, with more than US$5 billion in assets under management. The Rise Fund focuses on investments in private companies that have a measurable, positive social and environmental impact that generate competitive financial returns.

- **Electra Mobilitas Indonesia (EMI)**

  Through PT Electra Mobilitas Indonesia (EMI), Indika Energy plans to be an integral part not just of electric vehicles, but of the entire ecosystem around EVs. Starting with two-wheeled EVs, and going into battery swap facilities, recharging stations, and recycling centers. EMI is expected to launch its first product, a two-wheeled EV, in 2022. Our vision is for EMI to be a key contributor to Indonesia's decarbonization efforts in the transportation sector.

- **Indika Multi Properti (IMP)**

  IMP provides services in forestry asset management, infrastructure development and construction, land reclamation, and rehabilitation. With a mission of being a nature-based solutions company with well-established principles of production and environmental conservation, IMP manages more than 160,000 hectares of Natural Production Forest and Industrial Tree Plantation concessions across Indonesia. IMP uses these forest concessions for three main business segments: agroforestry, energy forestry, and carbon offsets, all of which contribute to Indika Energy and Indonesia's low-carbon goals in the land use and power sectors.

- **Indika Mineral Investindo (IMI)**

  In 2021, through its subsidiary PT Indika Mineral Investindo



Get on the bus

Transportation around the world is going electric, and that is also true at Kideco's mine site in Paser, East Kalimantan. We are collaborating with PT Mobil Anak Bangsa (MAB), an Indonesian electric vehicle (EV) startup, to roll out a fleet of electric buses for employee transportation at our site.

This makes Kideco one of the first companies in Kalimantan to start using electric buses for operations, and is one of several ongoing efforts to decarbonize in line with our sustainability commitments and our wider goal of achieving net-zero emissions by 2050.

The MAB type MD 12E NF buses can travel up to 250 kilometers on a single charge. Recharging time ranges from 20 minutes up to 3 hours for a full charge.

The buses, which will ply the route between the basecamp to the office and back, are expected to reduce emissions by 160 TonCO2eq per year.

160 TonCO2eq emission reduction per year

(IMI), Indika Energy fully acquired Nusantara Resources Ltd., a gold mining company whose subsidiary manages and holds the Contract of Work for the Awak Mas gold mine in Luwu, South Sulawesi. Through this transaction, Indika Energy has boosted its presence in the gold mining sector. The Awak Mas project has potential resources of 2.29 million ounces of gold and potential reserves of 1.45 million ounces of gold, representing a valuable revenue stream in our transition away from coal.

➔ **Interport Mandiri Utama (IMU)**

Through Interport Mandiri Utama subsidiary Kariangau Gapura Terminal Energy, Indika Energy builds and operates fuel storage facilities exclusively for ExxonMobil Lubricants Indonesia. And through Indika Logistic and Support Services (ILSS), another subsidiary of IMU, Indika Energy joined the Patimban Consortium that operates Patimban Port, the

Building the electric highway

Indika Energy is working with several partners to develop an electric vehicle (EV) ecosystem that goes beyond just putting more EVs on the road.

Through the venture PT Electra Mobilitas Indonesia (EMI), we plan to start with production of two-wheeled EVs, in light of the continued strong growth and high demand from the motorized two-wheeler market in Indonesia. EMI aims not just to be a maker of EVs that are attractive to the Indonesian market, but also to be a mobility solutions provider.

Over the long term, we hope to grow beyond EVs and shape the ecosystem that they depend on: from production to battery charging stations, and battery swap facilities to recycling services.

Our vision under the twin goals of decarbonization and diversification is that EMI can contribute to the government's efforts to push for a low-carbon shift in the transportation sector, and to build the foundation for a national EV industry.



first integrated supply chain port in West Java. These projects are a manifestation of Indika Energy's expansion into the logistics and infrastructure sector, a key step in our low-carbon diversification journey.

Divestment from coal-related operations

In 2021, Indika Energy divested its 51% stake in PT Mitrabahtera Segara Sejati Tbk. (MBSS), an energy shipping company equipped with complete facilities and fleets. This divestment is part of wider efforts to drive Indika Energy's transition toward non-coal businesses and accelerating our decarbonization toward our net-zero goal by 2050. Indika Energy is also in the process of divesting its ownership in PT Petrosea Tbk.

Decarbonization of operations

We strive to reduce our emissions through a range of initiatives aimed at improving operational efficiency.

In compliance with the Indonesian government's policy, we have adopted the use of B30 biodiesel, a blend of 30% palm oil-derived fuel to reduce fossil fuel emissions. In 2021, we started to calculate emissions and energy consumption savings from switching to B30 versus the business-as-usual projection of using B0, or fully fossil diesel. Our analysis shows that the switch

Highlighted numbers

Solar PV at Kideco's basecamp:

100 TonCO2eq emissions reduction

1,765 GJ energy efficiency

Kideco's use of slurry pump for mud handling:

3,925 TonCO2eq emissions reduction

69,412 GJ energy efficiency

Kideco's replacement of lighting system for digging and loading activities:

1,548 TonCO2eq emissions reduction

27,377 GJ energy efficiency

Kideco's use of bottom plug stick for blasting activities:

3,818 TonCO2eq emissions reduction

67,515 GJ energy efficiency

Solar PV at INDY Bintaro:

313 kWp or 14% of INDY Bintaro's electricity needs per day supplied by solar PV

Carbon offset initiatives:

392 TonCO2eq carbon offset as a result of Interport's hydroseeding initiative

3.3 million trees planted to date since 2010

Notes for highlighted numbers:

- *Type of gas covered in emissions reduction calculation: CO2.*
- *Emissions reduction and energy efficiencies are calculated quarterly and compiled through the use of an internal ESG Dashboard. These numbers display the reductions achieved as a result of the implemented initiatives.*

Our ambition

Net-zero emissions by 2050.

10% reduction in Scope 1 GHG emissions intensity by 2025 against 2020 baseline.



Powered by the sun

In 2020 we set up a joint venture, PT Empat Mitra Indika Tenaga Surya (EMITS), a solar solutions provider, with Fourth Partner Energy Limited (4PEL), a leading developer from India. Through EMITS, we envision to provide a one-stop renewable energy solutions platform for commercial and industrial users throughout Indonesia, and contribute to Indonesia's efforts to increase the renewable component in the national energy mix.

To that end, in 2021 EMITS reached agreements with key companies in several sectors on building solar PV infrastructure for their own operations. EMITS also signed a partnership to develop green sustainable ports in Sabang, Aceh, and at the Krakatau International Port in Banten.

Within the Indika Energy Group, we have increased our adoption of solar PV across our operations, for both energy savings and emissions reductions. At Kideco's mine site, a 409 KWP solar PV array with 100 KWH battery is helping save 132,755 liters in diesel use per year. At INDY Bintaro Office Park, our installed rooftop solar array is expected to generate 313 KWP of electricity, or 14% of INDY Bintaro's electricity needs per day.

In 2021, Kideco achieved efficiency of 1,765 GJ as a result of its solar power system, which translates to an emissions reduction of approximately 100 TonCO2eq.

132,755 liters per year, Kideco savings in diesel consumption

1,765 GJ energy efficiency in 2021

100 TonCO2eq emissions reduction in 2021

translates into immediate and significant impacts: 24% lower GHG emissions.

Our decarbonization efforts extend across the entire range of our operations. Kideco has for many years now been implementing good mining practices, such as the use of bottom plug sticks for blasting activities, the installation of slurry pumps in excavators for mud handling, and replacement of lighting systems for digging and loading activities, all of which bring incremental emissions savings that add up to a meaningful difference.

Another key part of our decarbonization effort is the transition to renewable energy usage in our operations. At Kideco's Batu Kajang basecamp, we are operating a solar photovoltaic (PV) system with a capacity of 409 kilowatts peak that we started developing in 2020. The system includes a 100-kilowatt-hour battery for storage, and is designed to reduce our use of diesel-powered generators. We are also installing a rooftop solar PV system at our group headquarters at INDY Bintaro Office Park outside Jakarta where we installed a rooftop solar panel. The system, once fully operational in early 2022, will provide 14% of peak demand during office hours, without the need for storage.

Providing community access to renewable energy

Along with other companies, Indika Energy fully supports the Patriot Energi program administered by the Ministry of Energy and Mineral Resources. The program aims to encourage greater youth involvement in mentoring, developing, constructing and managing community-scale renewable energy plants in a sustainable manner for remote and rural communities that are not connected to the national grid.

This means empowering these communities throughout Indonesia to use their local renewable energy potential to generate clean, reliable electricity that's accessible to the whole community. One hundred "patriots" were sent to 237 villages all across the country for periods of five to 12 months to identify the local energy potential and help educate and empower the communities on management and maintenance issues. The ultimate aim of the program is to help these communities develop energy independence, which is in line with Indika Energy's own mission of contributing to empowering the nation.

237 villages benefited from Patriot Energi program



We also recognize the importance of digitalization and constant innovation to achieve significant emissions reductions. In 2021, Petrosea's Minerva project was one of the major decarbonization initiatives we take pride in. This project employs Industry 4.0 technologies and applications, such as optimized truck dispatch, real-time monitoring, and drone surveys, to vastly improve business processes and efficiency, and thereby minimize our carbon footprint.

We strive not only to reduce emissions at our project sites, but also at our head offices through electricity-saving initiatives. For example, the Petrosea head office uses motion sensors to turn off lights when not needed. At most of our head offices across the Group, we implement various technologies that best fit our power-savings goals. For example, at INDY Bintaro Office Park, we installed air conditioners that use the refrigerant that is much more energy efficient than other commercial refrigerants. We also use "smart elevators" that can optimize trips based on passenger distribution to reduce waiting times, thereby requiring fewer elevators, and hence less energy consumption.

Indika Energy realizes that there are very high environmental risks associated with the use of goods with ozone-depleting substances (ODS), such as air-conditioning machines, refrigerators, and fire extinguishers. The use of these goods will lead to depletion of the ozone layer resulting in environmental degradation, limited sources of clean water, damage to the food chain at sea, decreased agricultural production and so on. Indika Energy does not produce, import or export ODS, which is why we do not measure ODS emissions onsite. However, in our efforts to reduce these emissions, we have started to implement the use of air conditioners that no longer use the 410a refrigerant that depletes the ozone in INDY Bintaro Office Park. [GRI 305-6]

We realize that our efforts to reduce emissions would be far more difficult without the cooperation of the third parties we work with. Kideco continues to encourage contractors to make sure that they are also implementing good mining practices and limiting emissions. For example, throughout 2021, Kideco worked with Petrosea and other contractors to identify and implement fuel efficiency initiatives, including training



operators to lessen fuel burn, improving road and equipment conditions to reduce fuel consumption, and ensuring fuel cleanliness across operations.

While all of these measures make an impact on emissions, there are some emissions that cannot be avoided or reduced further, for which Indika Energy uses offset through reforestation and restoration projects. Our flagship program in 2021 was a collaboration between Kideco, Petrosea, Interport, Tripatra, IIR and IMP. Under the program, we planted more than 21,000 mangrove trees in celebration of Indika Energy's 21st anniversary, covering a total area of 4 hectares in East and Central Kalimantan, West Papua, and Banten provinces.

Separately, Kideco planted 340,045 trees in 2021 as a part of its reclamation and revegetation program, while Tripatra donated 1,000 seeds to be planted in the Buru Masigit Kareumbi Park area in Bandung. The tree planting and conservation was carried out in collaboration with the West Java Conservation Trust Fund and Wanadri. Interport also carried out a hydroseeding initiative in an area of 7.5 hectares at the Interport Business Park in Balikpapan. This initiative is aimed at covering a large area that needs to be revegetated in a short amount of time.

Performance

GHG emissions performance in Indika Energy [GRI 305-1, 305-2, 305-4, 305-5]

Description	Unit	2021	%	2020	%	2019
Scope 1						
Absolute emissions	TonCO2eq	1,197,167	-11.53%	1,353,176	-13.73%	1,568,572
Emissions intensity	TonCO2eq / ton coal	0.022	-26.81%	0.031	-4.55%	0.032
	TonCO2eq / USD mn revenue	396.64	-41.87%	682.32	23.97%	550.38
Scope 2						
Absolute emissions	TonCO2eq	3,866	16.55%	3,317	13.66%	2,919
Emissions intensity	TonCO2eq / USD mn revenue	1.28	-23.42%	1.67	63.33%	1.02

Note:

- Data on Scope 1 and 2 GHG emissions in Indika Energy Group is compiled based on Kideco, Petrosea, Tripatra, MUTU, and Interport data, using the operational control to consolidate emissions data. Indika Energy consolidates the data from the aforementioned subsidiaries quarterly through the use of an internal ESG Dashboard [GRI 305-1].
- *Gas included in the calculation of Scope 1 and 2 absolute emissions and emissions intensity is only CO2 [GRI 305-1, 305-2, 305-4].*
- *The year 2020 is chosen as our base year for Scope 1 and 2 emissions calculations, because 2020 data was used in the process of redefining our purpose, as well as creating our mid-term and long-term sustainability strategy and ESG targets [GRI 305-1].*
- *Calculations of Scope 1 emissions refer to the method outlined in IPCC 2006 2nd vol: https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol2.html and calculations of Scope 2 emissions refer to the method outlined by the Ministry of Energy and Mineral Resources: https://gatrik.esdm.go.id/assets/uploads/download_index/files/96d7c-nilai-fe-grk-sistem-ketenagalistrikan-tahun-2019.pdf*
- *Conversion factors:*
  - *GWP rates used for calculating Scope 1 and 2 emissions are based on IPCC 2007 and IPCC 2013 the Physical Science Basis: CO2 = 1*
  - *Emission factors for Scope 1 emissions are based on Guidelines for Calculation and Reporting of Greenhouse Gas Inventories for the Energy sector from the Ministry of Energy and Mineral Resources as follows:*
    - *CO2 emission factor for diesel fuel / IDO = 74,100 kg/TJ*
    - *Calorific value for diesel fuel / IDO = 0.000038 TJ/liter*
    - *Emission factors for Scope 2 emissions are based on Technical Guidelines for Monitoring, Evaluating and Reporting on the Implementation of RAD-GRK for Java-Madura-Bali; Sumatera; East Kalimantan; West Kalimantan; Central Kalimantan and South Kalimantan; North Sulawesi; Central Sulawesi; Gorontalo; South Sulawesi; West Sulawesi; South-East Sulawesi.*
- *There is a restatement for 2020 Scope 1 GHG emissions data due to a change in methodology. The 2020 GHG emissions data in previous reporting included emissions that are now included in Scope 2 GHG emissions. The 2020 GHG emissions data in previous reporting also did not include Interport data.*

Exhaust gas emissions performance in Indika Energy [GRI 305-7]

Description	Unit	2021	%	2020	%	2019
CO	Tons	110.27	18.62%	92.96	37.68%	67.52
NOx	Tons	740.03	13.43%	652.39	180.96%	232.2
SOx	Tons	80.9	4.15%	77.68	-52.84%	164.73
Particulate	Tons	6.63	-46.88%	12.48	26.06%	9.90

Note:

- *The formula used to calculate exhaust gas emissions is concentration (mg/Nm3) x debit (m3/second) x no. of operational hours (hours/year) x 0.0036 (seconds/hour). Calculations are done based on emissions testing conducted in the laboratorium.*
- *Other categories of air emissions, e.g. persistent organic pollutants (POP), volatile organic compounds (VOC), etc. are not calculated yet in 2021, because they are not included in the requirements of the aforementioned Ministerial Regulation.*

We reduced our Scope 1 absolute emissions by 11.53% and the production-based intensity ratio by 26.81% in 2021 from the previous year, thereby demonstrating that we are on track to meet our 2025 target. In 2021, we also started to calculate our Scope 2 emissions. Both Scope 1 and 2 emissions are calculated with reference to the IPCC 2006 document and the Guidelines for Calculation and Reporting of Greenhouse Gas Inventories for the Energy sector from the Ministry of Energy and Mineral Resources [GRI 305-1, 305-2]. Meanwhile, as of 2021, Indika Energy has not started calculating Scope 3 emissions due to the complexity of data and the lack of access to data sources that are not under the Company's control [GRI 305-3]. Indika Energy also does not produce emissions from biogenic or biomass, therefore we do not report this data.

For the calculation of emissions intensity ratios, we used two denominators: ton coal production and revenue. Ton coal production is used to represent the mining business units, Kideco and MUTU. Meanwhile, revenue is used for measuring the emissions intensity of all the businesses (Kideco, Petrosea, Tripatra, MUTU, and Interport) because revenue can represent the different natures of these businesses most accurately. [GRI 305-4]

Indika Energy regularly measures and calculates the exhaust gas emissions originating from our diesel generators, in accordance with Ministerial Regulation (Peraturan Menteri LHK No. 11/2021). In 2021, we managed to reduce particulate matter by nearly 47%, but recorded an increase in the three other types of gas. We are in the process of analyzing reasons for this increase and examining ways to reduce these emissions.

Energy consumption performance in Indika Energy [GRI 302-1, 302-3, 302-4]

Description	Unit	2021	%	2020	%	2019
Energy consumption	GJ	20,938,258	13.66%	18,421,604	-13.36%	21,262,675
Energy intensity	GJ / ton coal production	0.39	-6.06%	0.41	-4.55%	0.43
	GJ / USD mn revenue	6,937.24	-25.32%	9,288.83	24.51%	7,460.59
Fuel consumption	GJ	20,254,526	5.54%	19,190,815	-12.49%	21,931,097
Electricity consumption	GJ	653,437	3286.39%	19,296	-79.11%	92,391
Cooling, heating, and steam consumption	GJ	0	0.00%	0	0.00%	0

Note:

- *Data on energy consumption in Indika Energy Group is compiled based on Kideco, Petrosea, Tripatra, MUTU, and Interport data. Indika Energy consolidates the energy consumption data from the aforementioned subsidiaries quarterly through the use of an internal ESG Dashboard.*
- *The year 2020 is chosen as our base year, because 2020 data was used in the process of redefining our purpose, as well as creating our mid-term and long-term sustainability strategy and ESG targets. [GRI 302-4]*
- *Conversion factors [GRI 302-1]:*
  - *1 Liter of diesel fuel and biofuel = 9,100 Kcal*
  - *1 cal = 4,184 Joule*
- *The types of energy included in the energy intensity ratio are biodiesel fuel, solar power, diesel fuel, and electricity.*
- *Indika Energy has not calculated energy usage outside the Company as well as reductions in energy requirements of sold products and services, because there are complexity and data sources that are not under the Company's control, and there are not enough resources to perform calculations and validate the data. [GRI 302-2, 302-5]*
- *Energy intensity ratios use energy consumption within the organization in the calculation, and cover fuel and electricity only, as Indika Energy does not have consumption from heating, cooling, and steam [GRI 302-3].*

Energy consumption performance by type of energy [GRI 302-1]

Description	Absolute energy consumption (GJ)	Energy intensity (GJ / USD mn revenue)
Renewable energy sources		
Biofuel (B30)	20,251,179	6,710
Solar power	30,295	10
Total renewable energy consumption	20,281,474	6,720
Non-renewable energy sources		
Diesel fuel (BBM)	3,347	1
Electricity	653,437	216
Total non-renewable energy consumption	656,784	218

In 2021, despite implementing various energy saving initiatives, the total energy consumption in Indika Energy increased by 13.66% from 2020. This increase is attributed to the significant rise in coal production as well as the return to normal business activities after several operational slowdowns due to the COVID-19 pandemic that started in 2020.

Indika Energy calculates energy consumption performance in reference to Guidelines for Calculation and Reporting of Greenhouse Gas Inventories for the energy sector outlined by the Ministry of Energy and Mineral Resources [GRI 302-1]. The energy intensity ratios are calculated based on two denominators, ton coal production and revenue, for the same reasons that we selected the denominators for the emissions intensity ratios [GRI 302-3].

We are proud to report a decrease in both energy intensity ratios, which show that we have achieved efficiencies in our energy usage. For example, the intensity ratio we calculated based on coal production for our mining business units decreased from 0.41 GJ / ton coal production in 2020 to 0.39 GJ / ton coal production in 2021. The 25% decrease in revenue-based intensity performance also demonstrates the efficiency we achieved in all our business units.



Mangroves to the max

Indonesia has the largest area of mangrove forests of any country in the world. But in many parts of Indonesia, these important coastal ecosystems are being lost due to various factors. At Indika Energy, we have long been committed to replanting and restoring mangroves in the areas where we operate, in recognition of their services to the environment, including carbon sequestration, and to the local communities that depend on them.

So as part of our 21st anniversary celebrations, we planted more than 21,000 mangrove trees in areas spanning a combined 4 hectares near our sites in East Kalimantan, Central Kalimantan, West Papua, and Banten provinces. On this and other replanting and reforestation activities, we work closely with local communities to ensure their ownership in the initiatives. We mentor Joint Business Groups (KUBE) who ensure that the mangroves are properly rehabilitated and cared for over the long term.

21,000+ mangrove trees in 4 hectares area

Taking action on carbon accounting

As part of our efforts to improve the robustness of our emissions measurement, Kideco engaged a consultant to better understand how our Scope 1 emissions, which are a direct result of our activities, are calculated. We broke down the analysis by activity, for instance mobile and stationary combustion, fugitive and process emissions. From the results from the study, we were able to identify and focus on ways to maximize our decarbonization efforts by optimizing the activities that produce the highest amount of emissions.

In 2021, we also made significant progress by starting our Scope 2 emissions measurement and reporting, which cover the emissions associated with the energy that we purchase.



Next steps [GRI 3-3]

- ➔ Expansion of solar PV installation in Kideco basecamp offices (2022)
- ➔ Solar PV in INDY Bintaro Office Park (2022)
- ➔ Exploration of Scope 3 measurement
- ➔ Monitor policy development on B40 biodiesel



Water and effluents

Access to clean water is a human right, but water management in any context is a complex issue. Indika Energy's approach is to ensure that our use of water does not deprive anyone else of this precious resource, which is why we focus on solutions such as recycling used water and harvesting rainwater. We also closely monitor our water usage, treatment and discharge processes, to ensure that the water that we put back into the ecosystem is at least as clean as when we took it out. [GRI 303-1]

While our operations are water intensive in nature, none of our operating locations are classified as being of high or extremely high baseline water stress, per the WRI (World Resources Institute) Aqueduct Water Risk Atlas.

Our approach [GRI 3-3, 303-1]

From rainwater collection to reuse of water, we constantly innovate to use less. Across the Group, we monitor water withdrawal, consumption, and discharge performance regularly. We also evaluate the impacts of these water-related processes to identify the most effective risk mitigation plans and ways to address water stress in our operational areas.

We have also internally calculated the baseline and set medium-term targets for water withdrawal reduction in 2021 and all companies within Indika Energy Group are required to report water management performance quarterly to their respective Sustainability Committees. We realize that achieving our targets will require cooperation from all parties, so we involve our business partners, such as vendors and subcontractors, in the development of new initiatives and strategies to reduce water usage.

Indika Energy utilizes water sourced from groundwater, surface water, seawater and PDAM (water utility company) water. We also use recycled water in our operations and supporting activities. Surface water is taken from rivers, for instance the Samurangau, Kasungai, Seratai, Busui and Biu rivers as well as the Embung Tandarayan, Kolam Tadah Hujan Desa Lolo, and Kolam KM4 Desa Janju ponds in Kalimantan. Meanwhile, for activities in the Jakarta head office, many of our subsidiaries are served by the local water utility, PDAM Bintaro.

For many years, Kideco has implemented various water efficiency programs, ranging from road paving for reducing use of water spray, reuse of water in the washing bay, installation of nozzle automatic sensors in the unit washing facility, to the use of big gun sprinklers and fog cannons in stockpile areas. Kideco also recycles water from mine dewatering activity, which then gets used to water unpaved roads for dust management.

However, the most significant initiative is the use of a looping method from the settling ponds to reduce the need to withdraw water from surrounding areas. The water, used for various purposes, goes into a compartment in a settling pond, is treated, and is eventually reused for the same purpose. This not only applies to Kideco's operations, but also for contractors' activities.

Interport also implements a rainwater harvesting system to capture and store rainwater for later use in order to reduce its water withdrawal from surrounding areas, while Tripatra ensures full compliance with environmental regulations on effluent standards as mandated by the Ministry of Environment and Forestry.

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. We are committed to managing our effluents and wastewater properly because we recognize the risk of negative impacts to the destination water bodies and, hence, to the quality of available water supply for surrounding local communities [GRI 3-3]. Therefore, our water treatment processes are strictly monitored and reported monthly to ensure acceptable standards of water quality — from pH level to turbidity — before release, as outlined in the following regulations [GRI 303-2]:

- PERMENLH No. P.68/Menklhk/Setjen/Kum.1/8/2016 for liquid domestic waste
- PERMENLH No.5 /2014 for effluents from Office areas
- Local government regulation of East Kalimantan No. 2/2011
- Government regulation No. 22/2021

Highlighted numbers

603.8 ML saved through Kideco's water recycling initiative

28.6 ML rainwater captured through Interport's rainwater harvesting system

Kideco, for example, strictly monitors the 10 rivers that receive its water discharge, namely the Kandilo, Samurangau, Popor, Melas, Kamarayun, Kuaro, Uko, Kenyan, Busui, and Biu rivers. Runoff water is collected and treated in settling ponds to protect the rivers from pollution. [GRI 303-2]

Performance

Water withdrawal and recycling performance in Indika Energy [GRI 303-3]

Source	Unit	2021	%	2020	%	2019
Total water withdrawn	ML	3,864.73	13.71%	3,398.85	-16.73%	4,081.60
Water withdrawal intensity	ML / kiloton coal production	0.086	7.93%	0.080	-11.86%	0.091
	ML / USD mn revenue	1.28	-25.29%	1.71	19.67%	1.43
Water recycled	ML	909.30	-30.60%	1,310.27	-23.12%	1,704.30
Water recycling rate	%	23.53%	-15.02%	38.55%	-3.21%	41.76%

Note:

- *Data on water management in Indika Energy Group is compiled based on Kideco, Petrosea, Tripatra, MUTU, and Interport data. Indika Energy consolidates the data from the aforementioned subsidiaries quarterly through the use of an internal ESG Dashboard.*
- *There is a change in data reporting from previous years. Whereas previously we used cubic meters (m3), we now use megaliters (ML) in order to comply with the requirements outlined in the GRI Standards.*

Water withdrawal by source in Indika Energy [GRI 303-3]

Source	Unit	2021	%	2020	%	2019
Surface water	ML	3,312.44	16.17%	2,851.37	-18.50%	3,498.71
Ground water	ML	14.98	115.32%	6.96	-2.21%	7.12
Seawater	ML	34.57	-21.63%	44.11	-11.79%	50.01
Produced water	ML	0.00	0.00%	0.00	0.00%	0.00
Third-party water	ML	0.34	100.00%	0.00	0.00%	0.00

Note:

- *The water withdrawal by source data only includes numbers from Kideco, Petrosea, MUTU, and Interport, and excludes numbers from Tripatra. Tripatra has only started measuring the breakdown of water withdrawal by source in 2021, therefore displaying the 2021 breakdown without the 2020 and 2019 breakdown would make the data incomparable.*
- *There is a change in data reporting from previous years. Whereas previously we used cubic meters (m3), we now use megaliters (ML) in order to comply with the requirements outlined in the GRI Standards.*
- *We do not provide a breakdown of water withdrawal data by the categories: Freshwater (≤1,000 mg/L Total Dissolved Solids) and Other water (>1,000 mg/L Total Dissolved Solids), because most of our subsidiaries measure water withdrawal using Total Suspended Solids (TSS) parameter instead of Total Dissolved Solids (TDS) parameter*

Indika Energy measures and calculates water withdrawal by monitoring the flow meter, which is recorded daily and monthly from all sources [GRI 303-3]. In 2021, our total water withdrawal was 3,864.73 megaliters, which is a 13.71% increase compared to 2020. The most significant increase in water withdrawal is from Kideco. Since the production-based water withdrawal intensity is calculated based on Kideco and MUTU data only, it shows an increase from 0.080 ML per kiloton coal in 2020 to 0.086 ML per kiloton coal in 2021. However, as all the subsidiaries are reflected in the revenue-based water withdrawal intensity, the number declined significantly by 25%, showing that we are withdrawing less water for the scale of our production and business activities as a whole.

Similar to the energy and emissions intensity ratios, all intensity ratios related to water management are calculated based on two denominators, ton coal production and revenue, for the same reasons that we selected the denominators for the other intensity ratios.

Water consumption performance in Indika Energy [GRI 303-5]

Description	Unit	2021	%	2020	%	2019
Total water consumption	ML	3,851.04	14.19%	3,372.53	-16.69%	4,048.04
Water consumption intensity	ML / kiloton coal production	0.086	7.93%	0.080	-11.86%	0.091
	ML / USD mn revenue	1.28	-24.97%	1.70	19.73%	1.42

Note:

- *Data on water management in Indika Energy Group is compiled based on Kideco, Petrosea, Tripatra, MUTU, and Interport data. Indika Energy consolidates the data from the aforementioned subsidiaries quarterly through the use of an internal ESG Dashboard.*
- *There is a change in data reporting from previous years. Whereas previously we used cubic meters (m3), we now use megaliters (ML) in order to comply with the requirements outlined in the GRI Standards.*

Like water withdrawal, water consumption is also measured through the monitoring of the flow meter. Similar to the trend in water withdrawal, we also recorded an increase in water consumption as well as the production-based water consumption intensity, but a decrease in the revenue-based water consumption intensity. This is because of the significant increase in Kideco's water consumption due to the rise in coal production.



Water discharge performance by destination [GRI 303-4]

Destination	Unit	2021	%	2020	%	2019
Surface water	ML	301,008	-13.82%	349,282	-12.04%	397,075
Ground water	ML	14	-22.08%	18	-7.72%	20
Seawater	ML	4	192.90%	1	54.84%	1
Third-party water	ML	0	0.00%	0	0.00%	0
Total water discharged	**ML**	**301,025**	**-13.82%**	**349,301**	**-12.04%**	**397,096**

Note:

- *The water discharge by destination data displayed in the table only includes numbers from Kideco, Petrosea, MUTU, and Interport, and excludes numbers from Tripatra. Tripatra has only started measuring the breakdown of water discharge by destination in 2021, therefore displaying the 2021 breakdown without the 2020 and 2019 breakdown would make the data incomparable. Tripatra recorded water discharge of 502.4 ML in 2021.*
- *There is a change in data reporting from previous years. Whereas previously we used cubic meters (m3), we now use megaliters (ML) in order to comply with the requirements outlined in the GRI Standards.*
- *We do not provide a breakdown of water discharge data by the categories: Freshwater (≤1,000 mg/L Total Dissolved Solids) and Other water (>1,000 mg/L Total Dissolved Solids), because most of our subsidiaries measure water discharge using Total Suspended Solids (TSS) parameter instead of Total Dissolved Solids (TDS) parameter.*

Indika Energy also regularly measures the volume and quality of its water discharge to ensure compliance with applicable quality standards. Aside from calculating the water discharged through a pipe by measuring the cross-sectional area of the pipe and the flow rate, Kideco has also started to monitor water discharge through the use of an automatic water quality monitoring system called “SPARING” established by the Ministry of Environment and Forestry. In 2021, we managed to reduce the volume of water discharged by 13.82% compared to the previous year.

Alternative water usage in Indika Energy

Description	Unit	2021	%	2020	%	2019
Brackish water	ML	0.00	0.00%	0.00	0.00%	0.00
Rain water	ML	28.60	164.64%	10.81	-77.37%	47.75
Gray water	ML	14.06	-22.08%	18.04	-7.72%	19.55
Settling ponds	ML	907.75	14.45%	793.15	-36.81%	1,255.24



Bringing water, bringing life

Maintaining proper hygiene is one of the most important ways of tackling the COVID-19 pandemic. But in water-scarce areas, this can be a challenge.

The province of Nusa Tenggara Timur has historically been one of the driest in Indonesia, and in recent years this problem has been compounded by a prolonged drought. The water crisis there means community members have to walk several kilometers to fetch clean water, or wait for tanker trucks to bring in limited supplies.

Working with the Indonesian Military's regional command, Pangdam IX/ Udayana, Indika Energy is helping address the clean water shortage in the province. We identified, through an earlier study, 16 key sites where wells can be built, and helped to dig them. We also helped develop supporting infrastructure, including public bathing facilities and water troughs. In all, our efforts have helped more than 10,500 people from 1,674 households gain access to clean water.

Our community empowerment efforts there also extend to providing more than 2,500 broiler chickens to five villages to help support the communities' efforts at building a sustainable livelihood. We also built infrastructure such as chicken coops and lighting, and provided chicken feed to support this program.

10,500 lives impacted

Next steps [GRI 3-3]

- ➔ We recognize that water is a finite source that is shared with our surrounding communities. This is why we continue to innovate and seek ways to manage water stress and reduce 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.


0,5
0,4

Waste Management

Waste is an inevitable byproduct of most processes, but if managed well, it can have minimal to no impacts on the environment. At Indika Energy, that is the goal we strive for, through initiatives such as waste reduction, reuse, and recycling. We closely monitor all the different kinds of waste being generated and treat each type appropriately to minimize risk to our employees, our facilities, and our environment. [GRI 306-1]

Highlighted numbers

1,965 tons of old tires reused in 2021

346 tons of waste avoided as a result of heavy duty (HD) tire retreading

460 tons of used oil reused as explosives in 2021

Based on Kideco data

Our approach [GRI 3-3, 306-1, 306-2]

Indika Energy's business activities generate waste that can be categorized as hazardous and non-hazardous. The generated hazardous waste comes in different forms, ranging from used lubricants, used filters, to used batteries. Non-hazardous waste generated includes scrap metals, scrap tires, and domestic waste. We recognize that there are various risks related to the potential negative impacts our waste - whether hazardous or non-hazardous - could bring to the environment and society, such as the potential threat of marine pollution resulting from leakage of discarded plastic packaging into water bodies, soil contamination, and public health hazards.

Across the Indika Energy Group, we recognize the importance of careful project planning to minimize the amount of waste generated at project sites as well as head offices. For example, at Kideco and Petrosea, we minimize the number of scrap tires by ensuring we get the most use out of each tire. This includes retreading worn tires, and in the case of those that cannot be retreaded, we repurpose them. This includes for community use, where the tires serve as road markings, and to prevent erosion in the settling ponds in Kideco's site and in coastal areas.

At Kideco, we also implement a waste management initiative in the mining process. Most mining companies use diesel oil as an ingredient in their explosives used for blasting activity. But to be more environmentally friendly, Kideco replaces this diesel with used oil.

At Interport, we deal with domestic solid waste generated at the project site in Sorong by sending it to a third party for recycling. This includes plastics from water bottles and material packaging, as well as wood from equipment packaging and broken pallets.

Handling and managing hazardous waste is a serious business with serious consequences, because this type of waste can create immediate health hazards to anyone who may come into contact with them. Therefore, we make sure any hazardous waste that cannot be reused is handled and disposed of by a professional third-party waste disposal company that has complete permits in accordance with applicable regulations.

Performance

Waste generation by composition in Indika Energy [GRI 306-3]

Description	Unit	2021	%	2020	%	2019
Hazardous waste	Tons	5,867	36.93%	4,285	-25.23%	5,731
Non-hazardous waste	Tons	11,366	85.91%	6,114	-9.20%	6,733
Total waste generated	**Tons**	**17,233**	**65.73%**	**10,398**	**-16.57%**	**12,464**

Note:

- *Data on waste generation in Indika Energy Group is compiled based on Kideco, Petrosea, Tripatra, MUTU, and Interport data. Indika Energy consolidates the data from the aforementioned subsidiaries quarterly through the use of an internal ESG Dashboard.*
- *In most of our subsidiaries, the data is sourced from direct measurements done by third parties hired for waste collection, reutilization and management.*

In 2021, the amount of generated waste, both hazardous and non-hazardous, increased significantly due to the increase in production activities as well as additional significant project locations in Petrosea and Tripatra.

Hazardous waste performance by management method [GRI 306-4, 306-5]

Waste Managed	Unit	2021	%	2020	%	2019
Reused	Tons	665.74	30.23%	511.21	75.01%	292.10
Recycled	Tons	75.80	7795.83%	0.96	-89.88%	9.49
Composted	Tons	0.00	0.00%	0.00	0.00%	0.00
Total waste diverted from disposal	**Tons**	**741.54**	**44.78%**	**512.17**	**69.82%**	**301.59**
Incinerated (without energy recovery)	Tons	85.00	37.10%	62.00	-16.22%	74.00
Landfilled	Tons	0.00	0.00%	0.00	0.00%	0.00
Brought to a third party	Tons	5,040.43	35.85%	3,710.35	-30.71%	5,355.01
Total waste directed to disposal	**Tons**	**5,125.43**	**35.87%**	**3,772.35**	**-30.51%**	**5,429.01**

Note:

- *Data on waste management in Indika Energy Group is compiled based on Kideco, Petrosea, Tripatra, MUTU, and Interport data. Indika Energy consolidates the data from the aforementioned subsidiaries quarterly through the use of an internal ESG Dashboard.*
- *Data of waste reused and recycled refers to the amount of waste with onsite recovery operations, while waste with offsite recovery operations are included in the waste brought to a third party data.*

Non-hazardous waste performance by management method [GRI 306-4, 306-5]

Waste Managed	Unit	2021	%	2020	%	2019
Reused	Tons	2,801.60	24.63%	2,248.01	51.96%	1,479.30
Recycled	Tons	73.01	-22.49%	94.2	58.08%	59.59
Composted	Tons	4,072.64	1768.18%	218	20.16%	181.42
Total waste diverted from disposal	**Tons**	**6,947.25**	**171.35%**	**2,560.21**	**48.82%**	**1,720.31**
Incinerated	Tons	680.33	31.51%	517.34	10.17%	469.6
Landfilled	Tons	3,047.51	17.25%	2.599.13	-18.52%	3,190.09
Brought to a third party	Tons	691.4	58.15%	437.18	-67.70%	1,353.49
Total waste directed to disposal	**Tons**	**4,419.24**	**24.36%**	**3.553.65**	**-29.11%**	**5,013.18**

Note:

- *Data on waste management in Indika Energy Group is compiled based on Kideco, Petrosea, Tripatra, MUTU, and Interport data. Indika Energy consolidates the data from the aforementioned subsidiaries quarterly through the use of an internal ESG Dashboard.*
- *Data of waste reused and recycled refers to the amount of waste with onsite recovery operations, while waste with offsite recovery operations are included in the waste brought to a third party data.*

Waste recycled and reused by composition [GRI 306-4]

Description	Unit	2021	%	2020	%	2019
Hazardous waste	Tons	741.54	44.78%	512.17	69.82%	301.59
Non-hazardous waste	Tons	2,874.61	22.73%	2,342.21	52.20%	1,538.89
Total waste recycled and reused	**Tons**	**3,616.15**	**26.69%**	**2,854.38**	**55.09%**	**1,840.48**

Note:

- *Data on waste management in Indika Energy Group is compiled based on Kideco, Petrosea, Tripatra, MUTU, and Interport data. Indika Energy consolidates the data from the aforementioned subsidiaries quarterly through the use of an internal ESG Dashboard.*
- *Data of waste reused and recycled refers to the amount of waste with onsite recovery operations, while waste with offsite recovery operations are included in the waste brought to a third party data.*

Significant spills in Indika Energy

Type of Spill	Unit	2021	%	2020	%	2019
Oil spill	m3	0.08	60.00%	0.05	-43.18%	0.09
Fuel spill	m3	0.37	640.00%	0.05	-94.38%	0.89
Spills of waste	m3	0.00	0.00%	0.00	-100.00%	0.10
Spills of chemicals	m3	0.02	100%	0.00	-100.00%	0.05
Total		**0.47**	**370.00%**	**0.10**	**-91.14%**	**1.13**

Note:

- *Data on significant spills in Indika Energy Group is compiled based on Kideco, Petrosea, Tripatra, MUTU, and Interport data. Indika Energy consolidates the data from the aforementioned subsidiaries annually through the use of an internal ESG Dashboard.*

Plastic not fantastic [GRI 306-2]

Single-use plastics may epitomize convenience, but with the damage they cause through production, distribution, and waste, it is important to find ways to reduce, recycle, and reuse them.

At Indika Energy, we reduce our use of single-use plastics by mandating employees to bring their own tumblers and water bottles to the office. Kideco also introduced a campaign called Beat Plastic Pollution to encourage employees to bring food containers from home. Our efforts to eliminate plastic product pollution do not stop there.

At Kideco, we have an innovative way of reusing 1.5-liter plastic water bottles in blasting activities. The discarded bottles can be inserted in between the explosive column to provide an air deck, which is an accepted technique used all over the world to reduce explosive consumption and to improve blast results in mine sites.





Not going to waste

At Indika Energy, we make every effort to reuse non-hazardous waste, both as a way of operational savings and as part of our wider efforts to become more sustainable.

We take used tires, for example, and use them to make drop structures at reclamation locations and bund walls on roadsides such as at Kideco Jaya Agung's site.

At Petrosea, we collaborate with third parties to collect and reuse scrap metal, usually by melting it down. These billets can then be cycled back into the metal production process, thereby contributing to a more circular economy.

Next steps [GRI 3-3]

➔ Waste minimization will continue to be a key focus in our operations going forward, especially as we transition 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.



Biodiversity and Land Use

Indonesia is one of the most biodiverse countries on Earth, with the third-largest expanse of tropical rainforest, largest area of tropical peatland, largest area of mangroves, and much, much more. Many of these important ecosystems also overlap with the resources necessary to drive Indonesia's growth and development, so as an Indonesian company dedicated to the long-term welfare of the country, it is Indika Energy's duty to find a healthy balance between our operations and the well-being of the environment.

A key part of our environmental focus has always been to minimize our impact and reduce harm wherever possible. This is a process that begins before operations even start, through impact assessments and mitigation measures, and continues long after operations have wound down, through reclamation and monitoring.

Our approach [GRI 304-1, 304-2, 304-3, 3-3]

Indika Energy recognizes that its business operations, especially open-pit mining, hauling and barging activities that occur in Kideco and MUTU, may directly impact local biodiversity and ecosystems. Negative impacts that we anticipate and look out for include pollution, the existence of pests, as well as reduction of species. Therefore, managing and reducing negative impacts on biodiversity is one of our greatest concerns.

Kideco's mining permit area of 11,975 hectares is located in Paser, East Kalimantan; it covers Roto Samurangau and Susubang Uko, which is mainly a production forest and limited production forest area. A portion of Kideco's transshipment port, however, includes protected forest areas that are part of the Adang Bay Nature Reserve, which has a high biodiversity conservation value. The Adang Bay Nature Reserve was established based on the Decree of the Minister of Forestry Number 79/Kpts-II/2001.

Our ambition

Increase land reclamation area by 20% by 2025 against 2020 baseline.

The position of Kideco's site is also adjacent to Mount Jondang, which Kideco internally considers a biodiversity conservation area based on the following regulations:

- Law No.5/1990 on Natural Resource Conservation, articles 5 and 9
- Government Regulation No. 7/1999

Meanwhile, MUTU's mining permit area is located in South Barito, Central Kalimantan covering an area of 24,970 hectares. MUTU's operations do not overlap with any protected areas.

Biodiversity

We ensure that construction and mining operations have minimal impact on biodiversity. Kideco conducts a biodiversity risk assessment before any kind of activity can begin, with additional measures for sites near protected or high-conservation-value areas to uphold animal welfare. After operations begin, we continue to carry out regular biodiversity monitoring through the use of photographic data collected from camera traps. In doing this, we partner with third parties to ensure the transparency and accountability of our monitoring and mitigation processes and deforestation program.

Through the Kideco Care program, Kideco also 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.

Assessments at our Tandarayan Arboretum reclamation area, near our Roto Samurangau site, show that no pests were found to disturb the reclamation area's flora and fauna, and 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 species on the IUCN Red List and the National Conservation List, many of them endangered by habitat loss due to the expansion of agricultural plantations and logging operations. With our sustainable reclamation, we help conserve and provide shelter for these native species, where food chain formation has occurred.

Previously, Indika Energy also collaborated with Scorpion Indonesia in 2017 for the release of nine gibbons that were hunted and trafficked into their natural habitats, and collaborated with the Borneo Orangutan Survival Foundation (BOSF) for the conservation of the Bornean orangutan, a critically endangered species that is also threatened by habitat loss and hunting.

Land reclamation

Land reclamation is an important part of our activities, to ensure we mitigate any harm to the environment. To reclaim the land, we first prepare it by loading topsoil, then replant it, nurture the plants, and monitor the development over the long term. At the end of 2021, Kideco completed land reclamation activities over a combined area of 472 hectares in the mine permit areas of Roto Samurangau and Susubang Uko. To date, Kideco's reclamation program has produced carbon offset of more than 29,000 tonCO2eq. Meanwhile, MUTU reclaimed an area of 81 Ha in Kananai and Siungmalopot areas.

Kideco's reclamation program has had a positive impact on the environment, one of which is the increase in available water stored in the reclamation area.

Just as important as land reclamation is watershed rehabilitation. This is carried out outside the Kideco and MUTU concession areas as a part of our obligation as holders of Borrow-to-Use Forest Area Permits (IPPKH). In 2021, Kideco completed the rehabilitation of 5,230 hectares of land in Kutai National Park, East Kalimantan. Meanwhile, MUTU completed rehabilitation of 746 hectares in South Barito Conservation Forest, Central Kalimantan.



Fauna biodiversity performance by species [GRI 304-4]

Description	No. of Species Identified in Tandarayan Arboretum				
	2021	%	2020	%	2019
Mammal	47	2.17%	46	2.22%	45
Avifauna	134	2.29%	131	0.77%	130
Herpeto fauna	33	0.00%	33	6.45%	31
Insects	424	0.95%	420	0.00%	420

Note:
- *This data is compiled based only on Kideco data as MUTU has found no evidence of IUCN Red List species in its concession areas.*
- *There is a restatement on 2019 data due to an error in calculation in previous reporting.*

Fauna biodiversity by conservation status [GRI 304-4]

Description	No. of Species Identified in Tandarayan Arboretum		
	2021	2020	2019
Critically Endangered	1	1	1
Endangered	5	5	5
Vulnerable	15	15	15
Near Threatened	26	25	24
Least Concern	205	191	191

Note:
- *This data is compiled based only on Kideco data as MUTU has found no evidence of IUCN Red List species in its concession areas.*
- *There is a restatement on 2020 and 2019 data due to an error in calculation in previous reporting.*

We regularly compile data on the fauna identified in our areas, categorized by species and by conservation status based on the mapping that has been done by the Company. Our biodiversity monitoring results show that there is an increase in the number of species classified in the IUCN Red List of Threatened Species in the Tandarayan Arboretum conservation area. [GRI 304-2, 304-4]



List of wildlife recorded at the Tandarayan Arboretum reclamation area [GRI 304-4]

Local Name	Scientific Name	Status Based on IUCN Red List
Bekantan kahau	*Nasalis larvatus*	Endangered
Owa kalawat	*Hylobates muelleri*	Endangered
Lutung merah	*Presbytis rubicunda*	Least concern
Lutung dahi-putih	*Presbytis frontata*	Vulnerable
Lutung kelabu	*Trachypithecus cristatus*	Near Threatened
Rusa sambar	*Rusa unicolor*	Vulnerable
Kijang muntjak	*Muntiacus muntjak*	Least Concern
Pelanduk napu	*Tragulus napu*	Least Concern
Beruang madu	*Helarctos malayanus*	Vulnerable
Kucing tandang	*Prionailurus planiceps*	Not Available
Kucing merah	*Catopuma badia*	Endangered
Kucing kuwuk	*Prionailurus bengalensis*	Least Concern
Trenggiling peusing	*Manis javanica*	Critically Endangered
Kukang	*Nycticebus menagensis*	Vulnerable
Pelanduk kancil	*Tragulus javanicus*	Data Deficient
Baza jerdon	*Aviceda jerdoni*	Least Concern
Elang berontok	*Spizaetus cirrhatus*	Least Concern
Elang bondol	*Haliastur Indus*	Least Concern
Elang hitam	*Ictinaetus malayensis*	Least Concern
Elang tikus	*Elanus caeruleus*	Least Concern
Elang tiram	*Pandion haliaetus*	Least Concern
Elang-alap jambul	*Accipiter trivirgatus*	Least Concern
Elang-ikan kecil	*Ichthyophaga humilis*	Near Threatened
Elang-laut perut-putih	*Haliaeetus leucogaster*	Least Concern
Kangkareng hitam	*Anthracoceros malayanus*	Vulnerable
Kangkareng perut-putih	*Anthracoceros albirostris*	Least Concern
Rangkong badak	*Buceros rhinoceros*	Vulnerable
Takur ampis	*Calorhamphus fuliginosus*	Least Concern
Takur gedang	*Psilopogon chrisopogon*	Least Concern
Takur topi-emas	*Megalaima henricii*	Near Threatened

Local Name	Scientific Name	Status Based on IUCN Red List
Takur tutut	*Megalaima rafflesii*	Near Threatened
Cabak kolong	*Caprimulgus concretus*	Vulnerable
Cica-daun besar	*Chloropsis sonnerati*	Endangered
Cica-daun kecil	*Chloropsis cyanopogon*	Near Threatened
Bangau tongtong	*Leptoptilos javanicus*	Vulnerable
Alap-alap capung	*Microhierax fringillarius*	Least Concern
Alap-alap macan	*Falco severus*	Least Concern
Burung-madu sepah-raja	*Aethopyga siparaja*	Least Concern
Paok hijau	*Pitta sordida*	Least Concern
Paok hujan	*Pitta moluccensis*	Least Concern
Paok kepala-biru	*Pitta baudii*	Vulnerable
Kipasan belang	*Rhipidura javanica*	Least Concern
Tiong emas	*Gracula religiosa*	Least Concern

Area of land reclamation by Indika Energy [GRI 304-3]

Description	Unit	2021		2020		2019	
		Realization	Cumulative	Realization	Cumulative	Realization	Cumulative
Kideco	Ha	471.64	4,609.37	426.19	4,168.12	527.97	3,741.93
MUTU	Ha	81.13	445.36	120.77	364.23	75.75	243.46
Total	Ha	552.77	5,054.73	546.96	4,532.35	603.72	3,985.39

Note:

- *Data on land reclamation is compiled from Kideco and MUTU data. Indika Energy consolidates the data from the aforementioned subsidiaries quarterly through the use of an internal ESG Dashboard.*
- *There is a restatement on the cumulative data for 2019 and 2020 due to an error in calculation in previous reporting.*
- *The area of land reclaimed in 2021 has not been handed over to the Ministry of Energy and Mineral Resources. [GRI 304-3]*

In 2021, despite the significant decrease in MUTU's land reclamation activities, we saw an increase in the total area of land reclaimed. Both Kideco and MUTU achieved the reclamation targets outlined in their respective Reclamation Plans approved by the government. [GRI 304-3]

Fulfilling our debt to nature

As part of its obligations as a mining concession holder, MUTU handed over the results of its rehabilitation work covering an area of 746.10 hectares of watershed areas (DAS) in the South Barito Conservation Forest, Central Kalimantan Province, to the Ministry of Environment and Forestry (KLHK).

The event was held at the Ministry of Environment and Forestry, Jakarta, attended by the Minister of Environment and Forestry of the Republic of Indonesia, Dr. Ir. Siti Nurbaya, MSc.

Minister Siti Nurbaya expressed her appreciation of MUTU's success in fulfilling its watershed rehabilitation obligations, the outcome of which has gone through an integrated evaluation by an assessment team from the Watershed Control Center and Protected Forest and the Provincial Forestry Service.

"Reclamation of ex-mining forests and watersheds is very important, not only as an obligation in an effort to restore the environment, but also in efforts to restore the community's economy and in an effort to build the reputation of the business world," said Minister Siti.





Tandarayan Arboretum

The Tandarayan Arboretum is a forested area spanning 105 hectares. It functions as a biodiversity conservation area, a feeding habitat for animals, and a site to collect natural seeds around the mining area. Its ecological functions include acting as a water catchment area or buffer, and in the future it is also expected to serve as a cultivation area.

The Tandarayan Arboretum is divided into four zones: for education and tourism (21 hectares); utilization and development (46 hectares); research (13 hectares); and riparian (25 hectares).

Next steps [GRI 3-3]

➔ Expansion of total reclamation area together with local communities



Social

At Indika Energy, our most important asset is our people. In 2020 they exhibited great resilience, adaptability, and resourcefulness to adjust to new and challenging conditions under the COVID-19. In 2021, as we began settling into a new normal, they have proved just as adept and committed to Indika Energy's higher goal of contributing to Indonesia's growth and development.

As an Indonesian company, we are also committed to the empowerment and well-being of the communities where we operate and beyond. This is a principle that we have long put into action through educational, vocational and entrepreneurial programs, among other community initiatives.



GRI:	203-1, 203-2, 3-3, 401-1, 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, 407-1, 408-1, 409-1, 413-1, 413-2
Global Compact:	Principle 3, Principle 4, Principle 5, Principle 6
WEF SCM:	People and Prosperity pillars

Our People

The driving force behind our achievements is our people. Indika Energy is more than a corporate group — we are a family, and our collective success depends on the success of each and every individual within the family. That is why we focus on building a culture of excellence and responsibility in the workplace, allowing opportunities for learning, self-improvement, and leadership. We also adhere to a strong ethical code of conduct, and expect all our employees and business partners to share and respect those values as part of contributing to a more transparent, accountable and safe working environment.

Our approach [GRI 3-3]

Hiring

We pay close attention to how we attract and assess talent at every step of the recruitment and hiring process. We are also focused on "culture add" when evaluating candidates, looking to hire people with different backgrounds and a wide range of experiences. That means we focus on how a candidate can add to Indika Energy's culture, not simply how they might fit in. When we look at hiring, we also consider geographic and socioeconomic diversity for better representation.

Training and development

We believe that it is important to help our employees continue enhancing their skills and expand their knowledge to move forward and carve out a meaningful career path. We take our employees' career development very seriously, by ensuring that every employee has equal opportunity to learn and develop themselves to maximize their individual potential and support their career path.

To this end, the Indika Energy executive leadership program works in collaboration with reputable universities, covering sustainability topics including leading sustainable corporations, sustainable finance, and carbon accounting.



At the company level, Petrosea's e-PetA (Electronic Petrosea Academy) is an integrated corporate learning platform that provides access to training courses for employee self-development. Learning activities here can be measured for evaluation and continuous improvement, and a gamification feature makes the process more effective and engaging. Onboarding is also easy and practical as it is conducted entirely online.

At Tripatra, training and awareness programs carry a focus on "Following Through Commitment, Agility, and Collaboration." These include topics ranging from data storytelling and effective negotiation skills, to developing agility, learning management systems, engineering and mastering facilitation. All employees are entitled to join these programs under a framework of 70% on-the-job-learning (day-to-day experience, assignments), 20% social learning (mentoring), and 10% in-class learning (in-house, workshops, sharing sessions). Tripatra also provides environmental awareness training for all employees through the Induction program.

At the group level, we held four Leaders' Insights training in 2021 for leaders of the Indika Energy Group on the topics of ESG and Purpose, Climate Change and Energy Transition, Implementation of Sustainable Development Goals (SDGs), and macroeconomic outlook. [GRI 404-2]

Employee retention

It is important to us that we recruit and retain top-quality talent, people who are passionate about making a difference, and once they are here, we want them to stay. Through a mix of coaching, connecting individuals with mentors, locating internal mobility opportunities, and providing emotional support, we managed to halve our employee turnover from 27.5% to 12.8% in 2021. We heard a range of stories from the individuals we supported and used their anonymized insights to enhance Indika Energy's work culture.





We are committed to providing a living wage for all of our employees. Our pay is based on thorough and objective benchmarks and market insights, therefore our lowest compensation ranges, including for entry-level positions, are well above minimum wage. [GRI 202-1]

Employee benefits

Benefits provided to employees include social security and health insurance, meal and transportation allowance, communication allowance, annual leave allowance, holiday allowance (THR), paid leave, parental leave, etc. These benefits apply to all full-time/permanent employees and part-time/temporary employees alike [GRI 401-2].

Indika Energy also has a scholarship program in place, Indika Energy Cerdaskan Anak Bangsa, which is available to the children of employees and frontliners with more than two years of tenure. Cumulatively, 562 children have benefited from this program since 2013.

A key learning since the start of the pandemic has been the importance of supporting not just employees' financial and physical well-being, but also their mental health. This is why we established the Indika Foundation Wellness Program, which provides a consultation facility for employees to seek professional help from a psychologist if they need it for various reasons, such as bereavement, trauma caused by a natural disaster, sexual harassment, or violence, among others.

Representation and inclusivity

We continued to promote the role and representation of women across our Group, which has historically been engaged in a male-dominated industry. We expect this representation to grow as we diversify into other sectors and implement more women empowerment initiatives.

We also continued our efforts to increase local representation by recruiting local workers. At Tripatra's operations, 21% are local hires. The recruitment of local workers provides job opportunities for communities around the project area. Every local hire employed will not only contribute to the successful implementation of the project but will also gain work experience and competency development that can be beneficial for individual workers and for the region.



We do not differentiate on pay and compensation based on age, ethnicity, or other demographic aspects. Our purpose is to build a culture of belonging that empowers people to do their best work. Indika Energy is a company where people of different views, backgrounds and experiences can come together and show up for one another. Diversity, equity and inclusion are impossible without building a culture of belonging. When people feel like they belong somewhere, they want to stay there, grow there, and find more people like them to work there. We make sure to nurture our people equally. We also welcome people with disabilities to join our workforce.

The Company strives to provide equal and fair opportunities for all employees, from the recruitment process, career developments, as well as retirement.

As a company that always prioritizes employee welfare, Indika Energy strives to protect and give appreciation to all employees who have shown dedication to the Company by providing a pension program. Pension Protection program aims to maintain a decent standard of living for the employees and/or their heirs after they enter retirement age, experience permanent total disability, or death. Our Retirement Preparation Program, also implemented to prepare employees to enter the post-pension period. The training provided focuses on psychological, health and financial management aspects, with the training material being delivered through various methods, such as classroom, roleplay and business visits. [GRI 201-3]

Gender equality

Indika Energy is committed to promoting gender equality at work by implementing equal opportunities, pay and benefits for work of equal value. We do not differentiate on pay and compensation based on gender. We also foster women's representation in business and management at all levels, particularly in middle and senior management.

We support work-family balance by taking a zero-tolerance stance on discrimination against pregnant women and workers with family responsibilities in hiring, job assignment, training, conditions of work, and firing. We facilitate a smooth return to work after family leave, and support breast-feeding in the workplace.

Our commitment to gender equality is also reflected through our policy of paid maternity and paternity leave, which is aligned with national regulatory requirements [GRI 401-3]. In addition, Indika Energy also offers menstrual leave to accommodate the specific health needs of women.

We help develop industry-ready skills through programs such as the women-to-women mentoring program at Tripatra, which was initiated in 2021 to empower and nurture more women to take up leadership roles within the company.

We also facilitated events as a forum for knowledge sharing and

discussion, to inspire each other. To mark Kartini Day 2021, Indika Energy Group held a discussion on the theme of gender equality and women's empowerment, inviting female leaders and employees within the Group, Retina Rosabai (Group Chief Financial Officer at Indika Energy), Sri Hidayati (Project Management Office Manager at Tripatra), Kristina Natalia (Safety and Environment Staff at Kideco), and Ertiana (HD Operator at Petrosea), to share their stories and aspirations.

Leadership representation

Our leaders make the decisions that affect our operations, the people we serve, and the employees and culture of our company. Diverse leadership teams make better decisions, and in turn build a better Indika Energy.

At the Group level, we offer targeted career development programs, which provide coaching, mentorship, and advocacy to help women in leadership roles foster relationships with senior leaders and advance their careers. At Indika Energy (Holding), for example, we nurture women by preparing them, especially those in mid-level executive and management roles, for higher positions and strategic roles. In 2021, 36% of the mid-level executives and managers in Indika Energy (Holding) were women.

"I feel I have an equal opportunity in the Indika Energy Group. I can operate the heavy machinery just as well as the men who usually operate it. I believe that with hard work and determination to improve, we can do any job well. As a woman, we have to be proactive about taking opportunities to constantly develop ourselves."

Ertiana, HD Operator, Petrosea



Across the Group, our Board consists of members from 6 nationalities, ranging in age from 46 to 58 years old. Each Board member brings expertise in various fields, enhancing Indika Energy's culture and values.

Remuneration and allowance

Indika Energy is committed to execute its remuneration policy fairly and equally based on the evaluation of organization level, length of service, work load, work location and performance of each employee [GRI 2-20]. The Company determines the base salary of the employees based on the 2021 salary matrix and market survey, as well as determines the salary for new employees based on applicable minimum wage standards.

There is no difference in base salary between men and women for the same work done, which is a ratio of 1:1 [GRI 405-2]. Any differences in compensation above the base salary are determined by other factors, including years of service, competence, and achievements.

Furthermore, the Company does not discriminate in regards to the provision of benefits (welfare packages, wages and leave entitlements) between staff and non-staff employees, while there is no discrimination, including related to gender, in determining the remuneration for each level of position. The Company determines the salary for non-staff employees based on district minimum wage (UMK) or district sectoral minimum wage (UMSK) for the year.

In addition to financial remuneration, in our subsidiaries such as Petrosea, we also provide scholarships for employees to improve their capabilities and competencies. We also have a special award program for employees with five, 10, 15, 20 and 25 years of service, which is called the Long Service Award as a form of appreciation for their dedication and loyalty.



Employee performance appraisal at Indika Energy is carried out in two cycles a year, namely mid-review and year-end review. The results of the assessment will be used as the basis for determining the promotion and/or development plan of employees, as well bonus and incentives according to employee's competence, and achievements against Company goals and targets [GRI 2-24]. The salary and bonus matrix is approved by our Nomination and Remuneration Committee [GRI 2-20].

Minimum notice period regarding operational changes [GRI 402-1]

We involve employees or representatives in the development of most company policies. The Company also socializes the policies related to employee welfare, the merit system, or future Company plans one months before they are carried out to employees. The socialization activities are conducted through various Company internal communication channels such as email, townhall meetings, coordination meetings, and others. These provisions are in accordance with the prevailing Company regulations and collective labor agreements.

Child labor and forced work [GRI 408-1, 409-1]

As a responsible Company, Indika Energy adheres to and complies with international and national employment norms and rules. We do not tolerate any form of forced labor practice; its rejection has long been an international norm accepted and ratified by various countries. Indika Energy ensures that there is no practice of forced labor in any Company business unit. Likewise for child labor, Indika Energy has a mechanism to screen the minimum age of employees accepted by the Company.

The Company does not accept prospective employees under the age of 18 years old, in accordance with Article 68 of Law No. 3/2003 on Employment. The Company also does not practice forced labor and refers to the provisions of employee working hours, which is a maximum of 40 hours a week.

This compliance is also extended to the contractors and/or sub-contractors, as well as the Company's suppliers. The Company is committed to always complying with employment rules and legislation by implementing strict policies with consistency. Indika Energy recorded no incidents related to forced labor and child labor at the Company's operations and suppliers in 2021.





Performance

As of the end of 2021, Indika Energy Group has 7,593 employees. This number is adjusted to the Company's growing business conditions, strategic plans, and transition process. In 2021, in line with our business strategy to shift away from coal-related industries, we divested from Mitrabahtera Segara Sejati (MBSS), which had an impact on our consolidated number of employees under the Indika Energy Group [GRI 2-7].

The nature of much of our operations throughout the Indika Energy Group means that we continue to be engaged concurrently in various long-term and short-term projects. This affects the proportions of full-time and temporary workers at any given time. Indika Energy's temporary employment recruitment aims to undertake work on project-based operations. For the purposes of this Report, Indika Energy Group is presenting the total number of employees in the Group as of December 31, 2021. We are also reporting total turnover to capture fluctuations during the reporting period [GRI 2-7].

In addition to full-time and temporary employees, Indika Energy also works with third parties that have teams dedicated to working with Indika Energy. The individuals on these teams are categorized for the purposes of this Report as workers who are not employees. They are not included in the workforce data for this Report [GRI 2-8].

As part of employee development to improve employee skills in certain fields, some employees might be assigned to different projects in various locations within the Indika Energy Group. This leads to the demographic below not being based on region [GRI 2-7].

The following are the profiles and demographics of Indika Energy's human capital, measured based on headcount and classified based on employment status, gender, education, age, position, and employee category [GRI 2-7].

Gender [GRI 405-1]	No. of Employees		
	2021	**2020**	**2019**
Male	6,888	6,837	7,646
Female	705	702	734

Women Representation	No. of Employees		
	2021	**2020**	**2019**
Overall	9.28%	9.31%	8.76%
On the board	6.84%	8.24%	5.13%

Age Group [GRI 405-1]	No. of Employees	
	2021	**2020**
< 30 years old	1,525	1,313
30 - 50 years old	5,273	5,544
> 50 years old	795	682

Nationality [GRI 405-1]	No. of Employees	
	2021	**2020**
Indonesian	7,551	7,471
Bulgarian	1	1
Filipino	6	3
Indian	1	8
South Korean	11	25
Trinidadian and Tobagonian	1	1
American	1	1
Japanese	0	7
Australian	9	9
Singaporean	5	6
New Zealander	1	0
British	4	4
Portuguese	0	1
Canadian	1	1
Pakistani	1	1
Total	**7,593**	**7,539**

Educational Background [GRI 405-1]	**No. of Employees**	
	2021	**2020**
Doctorate	5	6
Master's degree	277	292
Bachelor's degree	2,360	2,305
Associate degree	599	576
Elementary to high school certificate	4,352	4,360

Employment Status [GRI 2-7]	**No. of Employees**	
	2021	**2020**
Permanent employees	5,728	5,661
Temporary / contract workers	1,865	1,878

Note: Employees cannot be categorized by region as they may be assigned to a project in several locations.

New Hires* [GRI 401-1]	**2021**
By age group	
< 30 years old	486
30 - 50 years old	601
> 50 years old	49
By gender	
Male	1,029
Female	107

Note: New hires cannot be categorized by region as they may be assigned to a project in several locations.

Employee Turnover [GRI 401-1]	**2021**
By age group	
< 30 years old	165
30 - 50 years old	596
> 50 years old	209
By gender	
Male	875
Female	95

Note: Turnover cannot be categorized by region as they may be assigned to a project in several locations.

Employee Turnover [GRI 401-1]	**2021**	**2020**
Voluntary	3.75%	2.64%
Involuntary	9.07%	24.86%
Total	**12.82%**	**27.50%**

Training Parameters [GRI 404-1]	**Unit**	**2021**
Total hours of training	Hours	271,777
No. of employees receiving training	Employees	6,691
Average hours of training per employee	Hours	35.8
Percentage of employees receiving training	%	88.1%
No. of employees receiving performance and career development reviews	Employees	2,799
Training and development expenditure	USD	657,961
Average training and development expenditure per employee	USD	98

Note: Average hours of training per employee is reported without breakdown by gender and employee category due to unavailability of data.

Status of Discrimination Incidents [GRI 406-1]	**2021**	**2020**
Incidents being reviewed by the organization	0	0
Remediation plans being implemented	0	0
Remediation plans have been implemented and results reviewed through routine internal management review processes	0	0
Incidents no longer subject to action	0	0
Total number of incidents	**0**	**0**

"When it comes to equal opportunities in the Indika Energy Group, I personally feel that I'm at the same level as my male colleagues. Embrace, evolve and enjoy: these are the three words that always motivate me in what I do, whether it's my work or my private life."

Sri Hidayati, Project Management Office Manager, Tripatra



By women, for women

The women-to-women mentoring program at Tripatra aims to empower and nurture more women to take up leadership roles within the company. Topics of focus include leadership, communication, and collaboration.

To record the progress of the mentorship participants, the Human Capital team uses a self-evaluation report. There is also a process of reverse mentoring, in which the mentees can also be mentors, allowing for the skills she has gained to be passed on to her own mentees. There are currently 42 mentees and 22 mentors in the program.

Paying it forward to the next generation

Through our Indika Energy Cerdaskan Anak Bangsa (IECAB) scholarship program this year, we strive to expand our reach to bring a more significant impact to our community. That means not just opening up the scholarship opportunity to our employees, but also to the frontliners who support our daily operations, including security and cleaning service staff.

In line with the company's aspirations for a net-zero emissions goal by 2050 or sooner, starting in 2021, IECAB includes green initiatives as one of the requirements for prospective scholarship recipients. During the program period, scholarship recipients will be asked to plant and care for the plants they choose and grow themselves. This program is expected to instill awareness in the young generation of the importance of environmental conservation.



Next steps [GRI 3-3]

- ➔ Continuous efforts to support human capital development and to provide a comfortable, transparent, and safe working environment for our employees
- ➔ Improved gender outcomes as a result of effective women empowerment programs across the Group, including female operator training in sites and efforts to eliminate gender bias in the workplace
- ➔ Focus on diversity and inclusion programs that go beyond compliance

Occupational Health and Safety

In the industries in which Indika Energy operates, safety comes first and foremost. Our record in 2021 reflects this commitment, with an improved safety record from the year before and zero major incidents and fatalities across the group. We maintain a strong emphasis on occupational health and safety (OHS), nurturing a culture of safety that goes beyond box-ticking and looks at ways to anticipate and mitigate potential risks. By being constantly on our toes, we strive to create the safest possible workspace that will allow our employees to perform at their best.

Our approach [GRI 3-3]

Compliance with health and safety standards

We are strict about our adherence to ISO 45001:2018 for Occupational Health and Safety Management System standards as well as the prevailing national standards and industry health and safety certification such as the Occupational Health and Safety Management System (SMK3) certification that applies for all stakeholders (internal and external) in accordance with Government Regulation No. 50/2012. Kideco's OHS system also complies with Government Regulation No.26/2018. Our health and safety management system covers our permanent and full-time employees as well as temporary/contract workers and those under third parties (subcontractors/vendors). It also covers all business activities. [GRI 403-1, 403-8]



Work-related hazards are assessed through risk assessment and job hazard analysis. The health and safety department and committee are responsible for managing all health and safety aspects and programs at all sites and reviewing performance on a regular basis. The Company also implements evaluation and continuous improvement to the OHS management system, which includes carrying out self-assessment audit internally and externally, investigating incidents to ensure continuous improvement and to prevent any recurrence, evaluating compliance with regulations, following up on existing gaps in compliance with regulations, and implementing management review. [GRI 403-2]

Working hours are strictly monitored and capped under Indonesian labor laws for the well-being of employees, while implementation of Industry 4.0 technology for occupational health and safety is carried out. This includes leveraging



digital tools for quick decision-making, safety improvement, and productivity boost with efficient use of resources; using mobile apps HAZOB, BBS, and PTO and SHEPRO provide access to real-time reporting and notification for any unsafe condition in the workplace. Supervisors receive immediate notifications when employees report hazards through the application and can immediately follow up on any unsafe situation or behavior. [GRI 403-2]

The Company has established programs on health and OHS facilities such as [GRI 403-3]:

- Promotive Program: Dissemination of information on health issues concerning the work environment and illness in general.
- Preventive Program: Prevention of health issues among employees through regular check-ups.
- Curative Program: Provision of consultation, medication, and treatment facilities for employees who experience workplace accidents or illness.
- Rehabilitative Program: Provision of therapy to improve physical condition after an employee experiences workplace accident or illness, to allow them to return to work.

Furthermore, the Company has also established various facilities to support the health of employees, including:

- Emergency response facility in the form of a rescue vehicle, emergency equipment and first-aid kit.
- Health care facility in the form of a first-aid room or clinic where permitted.
- Proper working environment and facilities in the form of a safe and comfortable working space or area considering all elements, including lighting, temperature, air circulation, noise level, shock level, and dust, to be within ideal range in line with applicable regulations.
- The Company also collaborates with local clinics and hospitals in the event of an emergency.

Related to emergency response, we have an Emergency Response Plan that outlines the actions that must be done in response to an incident or an emergency as well as the roles and responsibilities of the Crisis Management Team. At the subsidiary level, Petrosea, for example, has an Emergency Response Team (ERT) at each project and operational location including Petrosea Support Facility (PSF) and the head office, as well as a Crisis Management Team (CMT). Furthermore, Petrosea also carries out inspection programs, including daily work location inspection, weekly inspection, monthly inspection, pre-start equipment inspection, and emergency equipment inspection. [GRI 403-3]

We engage with workers to provide input and participate in developing and implementing health and safety management systems. At Interport and Tripatra, for example, the members of the

Safety Committee do not only come from the top management; worker representatives, especially senior managers, are also involved in all activities of the occupational health and safety management system, starting from determining the company's occupational health and safety policies, setting goals, to the implementation and evaluation of the management system. [GRI 403-4]

Regular training and awareness programs are conducted for employees about occupational health and safety. To ensure training is provided as needed at Tripatra and Interport, for example, a training plan is included in the yearly occupational health and safety program. Employees are provided with safety training related to specific activities undertaken within the project, in accordance with their respective scope of work, such as working at heights, confined spaces, basic lifting and rigging, chemical handling, and excavation safety. Basic occupational health and safety knowledge is also shared with all employees and visitors to project sites. [GRI 403-5]

The Company has identified the high-risk jobs at relevant operations and established the mitigation for these risks. These high-risk jobs include working in landslide-prone areas, working at heights, or working with energy or high voltage. To prevent safety incidents in such cases, the Company implements strict work permits, supervision, and procedures.

In 2021, the Company continued to implement protection procedures for employees and visiting guests due to the COVID-19 pandemic. The Company also implements strict internal policies to identify and control risk hazards including permit to work, safety target, safety scorecard, OHS audit (internal and external), and safety investigation [GRI 403-7].



COVID-19 [GRI 403-3]

2021 marked the second year of the COVID-19 pandemic, which continued to pose severe challenges to keeping employees safe. We continued to provide PCR test facilities and an isolation center catering to employees, their families, and the immediate community.

While business continuity remains important, safety will always be our top priority. We maintained strict health protocols by implementing temperature checks, routine disinfection, mandatory use of personal protective equipment (PPE), social distancing, and new work shifts to minimize disruption.



In June 2021, we started our Vaksinasi Gotong Royong program, and to date have vaccinated 15,306 employees and family members.

Adjustment of COVID-19 health protocols for external guests/ visitors, where they must have received at least one dose of the COVID-19 vaccine and undergone a swab PCR test (within the past 48 hours) or swab antigen test (within the past 24 hours) prior to the visitation date. Visitors are also required to fill out an online health self-assessment form. All visitors to project sites must quarantine prior to being allowed entry.

We also support the government's efforts to track and trace COVID-19 cases. At our headquarters at the INDY Bintaro Office Park and several other office sites, visitors including employees are required to scan in using the government's PeduliLindungi tracking-and-tracing app.

Wellness program [GRI 403-6]

Another learning from the pandemic has been the importance of good health. The Petrosea Active Challenge (PACE) is a wellness program that encourages employees to adopt and maintain a healthy lifestyle by exercising regularly during the COVID-19 pandemic.

PACE was held for three months with the hope that participants will be able to form new, healthier habits and behaviors, especially for employees categorized as being at medically high risk. PACE participants participate in various health challenges, webinars and exercise classes, and take an online weekly quiz to assess their understanding of a healthy lifestyle and other topics in general. At least 212 people took part in the first phase of PACE, from all of Petrosea's operational locations.

Improving mental health

The COVID-19 pandemic has not only changed business dynamics, but also the public approach toward mental health. Mental health has become an urgent priority for companies as a result of the health crisis and the associated lockdowns, social restrictions and other measures taken in response.

The uncertainty and stress created by the pandemic, and increased isolation due to large-scale remote working, have put pressure on workforce mental well-being. Businesses can help and make change by talking and listening. Employees need, and increasingly demand, resources to help them cope with mental health problems.

At Indika Foundation, we strive to make mental health more accessible and intervene in the workplace in ways that improve well-being. By doing so, we are also making investments that will provide real improvements in employee outcomes and consequently in company performance.

Our ambition

Zero work-related fatalities.

"Our record in 2021 reflects this commitment, with an improved safety record from the year before and zero major incidents and fatalities across the Group."



"Alhamdulillah, I am very grateful that Indika Energy Group has facilitated and paid attention to the health of every employee. This is our collective effort to be able to rise from the pandemic, not only by the company, but also by trying to find vaccination opportunities from other facilitators."

Undar Napsiah, Indika Energy employee who was vaccinated under the Gotong Royong program.

Performance

Health and safety performance in Indika Energy [GRI 403-9, 403-10]

Description	2021	2020	2019
No. of employee fatalities	0	0	1
No. of contractor fatalities	0	1	1
No. of work-related ill health cases	7	8	36
No. of lost time injuries	0	1	0
No. of recordable incidents	75	73	43
No. of hours worked	47,847,806	53,215,939	57,114,315
Lost Time Injury Rate	0	0.004	0
Total Recordable Incident Rate	0.31	0.27	0.15

Note:

- *Data on health and safety performance in Indika Energy Group is compiled based on Kideco, Petrosea, Tripatra, MUTU, and Interport data. Indika Energy consolidates the data from the aforementioned subsidiaries quarterly through the use of an internal ESG Dashboard.*
- *Lost Time Injury Rate and Total Recordable Incident Rate are both calculated based on 200,000 hours worked.*



Tested and vaxxed

After setting up testing facilities in 2020 for the COVID-19 pandemic, in 2021 Indika Energy started implementing the Gotong Royong vaccination program to support the government's national vaccination campaign and help rise past the pandemic. The first stage of the Gotong Royong program saw 3,000 employees in the Greater Jakarta area and several operational areas get vaccinated. To date, we have vaccinated more than 15,000 employees and their family members.

At the same time, we continued our testing program under the GSI Lab that we set up in 2020 and that today can process up to 5,000 PCR tests per day. The GSI Lab is one of the few in Indonesia that provide whole genome sequencing services to detect virus variants. In 2021, GSI Lab provided testing for 2,018 whole genome sequencing samples and 539,311 PCR samples. We also continue to run isolation centers that we built for employees and their family members who test positive for COVID-19.

539,311 PCR samples

53,039 Rapid antigen samples

1,698 Antibody samples

2,018 Whole Genome Sequencing samples

Next steps [GRI 3-3]

➔ We will continue to remain vigilant to the ever-evolving threats from the COVID-19 pandemic, while at the same time continuing to strengthen our workplace protocols through digital approaches to health and safety in our operations

Community relations

As a responsible corporate citizen, Indika Energy strives to be a good neighbor to every community where we operate. We know that we are guests in these communities, and our priority is to treat our hosts with the respect they deserve. That is why we invest heavily in community initiatives such as education and health care, as well as vocational training and entrepreneurial capacity-building.

Throughout the COVID-19 pandemic, we have also been diligent about not exposing employees or community members to the risk of infection from outside, and we have distributed PPE such as masks and hand sanitizer to help prevent the spread of infection. We are proud to be one of the few companies of our size and in our industry that enjoys conflict-free relations with neighboring communities, and are grateful for the welcome that these communities have given us.

Our approach [GRI 3-3]

We engage with our local communities and conduct assessments in 100% of our operations to ensure that we fulfill their needs through our community development programs [GRI 413-1]. Through these assessments, we also identify potential negative impacts that our operations may bring to the local communities and how we can mitigate them. For example, at Interport, one of the potential negative impacts identified this year was the targeted number of local workers and vendors not being fulfilled at the VMI (vendor managed inventory) operations [GRI 413-2]. We also continue to facilitate community development programs, vocational training courses and entrepreneurial skill building.

We maintain mechanisms to collect, record, and address complaints or grievances from local communities. The community can submit feedback or complaints directly to the program manager or to Indika Energy Group at the company level via email, website, telephone and visits to the local Indika Energy Group office. We welcome all input from the community in an effort to improve our community empowerment programs. Feedback and complaints are recorded in accordance with the policies at each company in the group. [GRI 2-25]

In every operational area we aim to deliver significant contributions to societies — by providing easier access to education, health, as well as empowering the community. We create jobs, drive economic development and generate revenue for society.

We also respect the indigenous communities around the operating areas by supporting the local cultures. For example, Petrosea provides support to carry out various art and cultural events, including training to carve Dayak statues for youths aged 13-17 years, which prepares them to train the next generations. In 2021, we did not receive any incident reports concerning violations of the rights of indigenous people. While Kideco establishes relationships with traditional social groups of the local community, including Lembaga Adat Paser, Laskar Pertahanan Adat Paser, and Paser Bekerai. These social groups have a common objective of maintaining traditional norms and cultural customs in the society. Kideco's engagement with these groups is materialized in forms of participation and support to them. [GRI 411-1]

Education

- Character Building Training by Interport - In collaboration with the Indika Foundation, Interport gathered 38 teachers from three primary schools in Balikpapan to learn the importance of building their students' character, critical thinking skills, and peace values.
- Engineering for Teens program by Tripatra - Online camp to introduce Engineering in Renewable Energy to 50 selected junior high school students in the Greater Jakarta area. The students were invited to get to know more about the engineering profession and to experiment with building a simple miniature wind turbine. Silvia Halim, Construction Director of PT MRT Jakarta also shared her life experience as an engineer with the participants.

Health

- As part of our effort to recover Indonesia from COVID-19, in 2021 the Indika Energy Group donated USD 4.5 million. We also initiated relief programs such as:
  - Donation of 8,000 oxygen cylinders, 12 ISO tanks, and 26 tons of liquid oxygen to Indonesian Chamber of Commerce and Industry (KADIN Indonesia) for further distribution to hospitals across Indonesia.
  - Rumah Oksigen Gotong Royong (Mutual Cooperation Oxygen House) - Together with other companies, Tripatra built Rumah Oksigen Gotong Royong in Pulo Gadung, Jakarta, the first semi-permanent health facility in Indonesia specially equipped with oxygen supply equipment and beds for COVID-19 patients with light and moderate symptoms. [GRI 203-1]



- #SwabAndSaveIndonesia - Indika Energy donated 3,370 PCR tests and 2,018 whole genome sequencing (WGS) tests through #SwabAndSaveIndonesia and #SolidaritySequence, programs for free PCR and WGS tests for those who cannot afford them.
- Through Indika Solidarity we reached more than 539,000 total numbers of PCR Swab testing for staff, families and surrounding communities in Jakarta and Balikpapan, as well as 54,000+ Antigen Rapid Test Antibody & antigen and donated 2,000+ Whole Genome Sequencing Test.

- Since the beginning of the pandemic, Kideco has also renovated hospital facilities in Paser East Kalimantan, including adding room capacity for COVID-19 patients, providing PCR and antigen test local community as well as donating other health equipment fo COVID-19 prevention.
- MUTU provided vaccines for the Sabailah Community Health Center in South Barito and the Raren Batuah Community Health Center in Central Barito, Central Kalimantan, as well as health equipment and medicine for COVID-19 prevention, such as antigen testing equipment, hand sanitizer, masks, health supplements, Ivermectin, vitamins, etc.
- Interport continued its campaign to tackle the issue of childhood stunting in its operational area, Kariangau, Balikpapan, by educating prospective parents about health issues related to stunting prevention and donating supplementary food to pregnant mothers and stunted children.

Economic empowerment

- In MUTU, we provide food security training aimed at micro, small and medium enterprises (MSMEs) to build their capacity for processing food hygienically and obtaining certification for Home Industry Food Production. Our beneficiaries included 40 producers of various food commodities (e.g. rempeyek, dodol, cassava chips) within the community. MUTU also supports watermelon cultivation on an area of 1 hectare with an average yield of 18 tons in Pamangka Village in South Barito, Central Kalimantan. 20% of the profit made per harvest is set aside for additional capital for the next planting period. MUTU conducted a hydroponics training program for the community in the village of Palurejo, South Barito, Central Kalimantan.
- Kideco's Integrated Farming System (IFS) combines agriculture and horticulture plantations, livestock and fishery cultivation, and recreational facilities to provide a new source of income for the local community through the sale of commodities produced. This was one of the main initiatives by Kideco to help boost the economic independence of the local community. Kideco also supported local infrastructure building, including houses of worship, multifunction halls, and museums.
- Petrosea continued to empower its surrounding communities by helping them cultivate skills in hairdressing, broiler chicken husbandry, tangerine cultivation, and horticulture, such that they would be able to generate income independently.

Environment

- Through Interport's mangrove planting program, we empowered 90 people in the local community.
- Kideco is building a water treatment plant in Tandarayan, expected to be completed in 2022, that will provide more than 1,900 m3 of clean water daily for 21,258 residents in Batu Sopang subdistrict.


KIDECO

Performance

70+ CSR programs

Rp 137 billion spent for community development

100% of operations in Kideco, Petrosea, and Interport with implemented local community engagement, impact assessments, and/or development programs

195,000+ lives impacted

Our ambition

1% EBIT spent on community development initiatives per year

A park for the community [GRI 203-1]

In early 2021, Kideco started the development of the Samurangau Eco Park in Paser, East Kalimantan, as one of its commitments to environmental conservation.

Through the Community Development and Empowerment program, Kideco worked with village officials and traditional leaders to build Samurangau into a 45-hectare eco park that it is hoped will be the pride of the community. The park is split into a historical zone, a natural zone, and a cultural zone, giving community members plenty of opportunity to benefit from it.

"If we compare it, Kideco and Samurangau are like brothers who support and need each other,"says H. Arbani, a community leader in Samurangau Village. "This activity will open up economic opportunities for the villagers. This is a dream come true, and in the future this place will become the pride of the people of Samurangau, recorded in the history of our village."



No child left behind

Since 2018, Interport has implemented a campaign to fight childhood stunting in its operational area in Kariangau, Balikpapan, East Kalimantan. The campaign targets prospective parents by providing classes related to stunting prevention and nutrition starting from pregnancy to birth.

In 2021,we collaborated with the local Religious Affairs Office (KUA) and the Family Planning Office (BKKBN) to expand the outreach of the campaign. Through a new program called Canting (Calon Pengantin Cegah Stunting), we looked for the most effective ways or mediums to deliver such training to prospective couples, as well as young adults and teenagers. Aside from stunting, we added several topics such as parenting, sexual health, and child nutrition, into the training curriculum.
In addition to this training, we also help fulfill nutritional needs by providing supplementary food, in collaboration with community health centers, to toddlers around our operational area. To date, our programs have touched the lives of more than 2,000 children. Meanwhile, in 2021, 50 prospective parents have received training on preventing childhood stunting.

"The Canting Program, which is a collaboration between Interport, KUA, and BKKBN, is very good as a provision for prospective couples to plan their families. The hope is that the couple will not only prepare for their wedding, but also begin to be literate about family planning and also about stunting. That will create a quality generation and a resilient family."

Head of KUA West Balikpapan and PLKB (Petugas Lapangan Keluarga Berencana) Kariangau

+2,000 children impacted



Next steps [GRI 3-3]

➔ Create large-scale flagship programs that demonstrate the synergies between subsidiaries within Indika Energy Group, particularly to address national issues, such as childhood stunting.

Human Rights and Grievance Mechanism

Wherever Indika Energy operates, our approach to and engagement with local communities is always grounded first and foremost in respect for human rights. This was the reason that made us one of the few corporate groups of our size and in our respective industries that continues to enjoy conflict-free relations with the communities in whose midst we operate. We are proud of this record and are committed to not just maintaining it, but to also build even stronger relations with the communities, as part of our ambition to be the best corporate citizen we can be. Tolerance and cooperation are the foundations of Indonesian society, and we are proud to reflect those principles in action.

Our approach [GRI 3-3]

Respect for human rights [GRI 2-25, 410-1]

We recognize that our operational activities may have the potential for human rights violations to emerge, and we therefore take steps to mitigate these risks. We are committed to identifying and handling the risks and human rights impacts associated with our activities, including the rights of our employees and local communities who may be affected by our activities.

We stand against the use of child, forced, or exploited labor, as well as forced or exploitative working conditions, and ensure our partners comply with regulations. [GRI 408-1, 409-1]

In locations and sites where there is a higher likelihood of conflict, Indika Energy is careful to engage on a basis of respecting human rights. The security forces we work with must understand and respect the rights of our employees and the communities living our operations, which is why we are careful to ensure 100% of our security forces at Kideco have been trained and socialized as to the importance of respecting human rights. We also conduct assessments to identify areas of improvement in our security personnel training.

Whistleblowing system [GRI 2-25]

We also ask employees, contractors, communities and other third parties to report any unsafe or unethical practices related to human rights through our Whistleblowing System.

Our whistleblowing system provides a formal grievance mechanism to address any concerns from all stakeholders, including employees and external parties. It is accessible via mail, email, fax, telephone, and a dedicated website 24/7 in both Indonesian and English to ensure greater accessibility. Employees receive regular emails and are required to attend refresher courses about the whistleblowing system. As a Group, we received 7 reports through the whistleblowing system this year.

We also welcome inputs from other channels and avenues outside the formal grievance mechanism, including legacy media, social media, and other platforms. We treat these inputs with the same high level of professionalism, and make every effort to resolve issues that are brought to our attention.

Grievances

Indika Energy has a policy related to handling employee complaints, stipulated in CLA Chapter VII Industrial Relations Article 133 on Employee Complaints and Article 134 on the Settlement of Employee Complaints. Complaints from employees can be submitted directly to the supervisor, who will then find a solution and way out of the problem. If the complaint cannot be resolved structurally, the employee has the right to submit it to the union to be resolved in a bipartite manner. Afterward, if the complaint cannot be resolved in a bipartite manner, it will be resolved in a tripartite manner with reference to the prevailing employment Laws and regulations [GRI 2-25].

These processes also involve inputs from stakeholders, including employee representatives, in designing and proposing improvements to these mechanisms [GRI 2-25].

Collective bargaining agreements [GRI 2-30, 407-1]

Indika Energy recognizes employees' right to organize and believes that diverse opinions and views, if well communicated, can enrich the group. Employees have the opportunity to form labor unions as a channel for communication with management, and to date there are nine such labor unions within Indika Energy Group: Serikat Buruh Sejahtera Indonesia, Serikat Buruh Borneo Indonesia, Serikat Independen Serikat Pekerja Paser, SP BARA, Serikat Pekerja Pertambangan Batubara - Federasi Serikat Pekerja Seluruh Indonesia (SPPB - FSPSI), Federasi Pertambangan & Energi - Konfederasi Serikat Buruh Sejahtera Indonesia (FPE-KSBSI), SI-SPP, and 2 others.

Unions are always involved in discussing various important policies related to HR management, operational management, and various other strategic aspects. As a follow-up to unionization, the employees and the Company's management prepare and agree on a Collective Labour Agreement (CLA). The collective agreements, duties, responsibilities, and rights of employees in the CLA are reviewed periodically and signed by the representatives of management. All permanent employees of Indika Energy (100% of employees) are protected by their rights and obligations under the CLA.

Furthermore, these labor unions serve as communication channels for all employees to share their aspirations for the company's growth and better working relations. Kideco builds communication with labor unions by involving them as well as the Company management in monthly and semiannual meetings to discuss the best ways to optimize labor welfare. Besides the Group's policies and regulations, freedom of association is also assured under Indonesian employment laws and International Labour Organization conventions [GRI 2-23].

Our ambition

To be the best corporate citizen that we can be, and an asset to the communities where we operate.

Performance

Grievances about labor practices in Indika Energy

Description	2021	2020	2019
Total no. of grievances filed about labor practices	6	6	12
No. of grievances about labor practices that were addressed and resolved	6	4	11
No. of grievances about labor practices filed prior to the reporting period that were resolved during the reporting period	6	5	11

In 2021, we received 6 grievances filed about labor practices, concerning various topics such as local recruitment, facilities and benefits, as well as transparency of performance evaluation. All of these grievances have been addressed and resolved.

Human rights training performance in Indika Energy

Description	2021	2020	2019
No. of employees trained in human rights procedures	705	245	364
Percentage of employees trained in human rights procedures	8.73%	3.25%	4.34%

Unionized employees in Indika Energy

Company	No. of unionized employees	% of total employees
Kideco	372	59%
Petrosea	592	15%
Kuala Pelabuhan Indonesia (subsidiary of Petrosea)	665	65%

Note: Companies not mentioned in the table do not have employees participating in labor unions.



Tolerance

Tolerance for all is a founding principle of the Indonesian state, and has been part of Indika Energy's corporate culture from the very beginning. We are proud of our diversity, which reflects the cultural richness of our home, Indonesia, and we take very seriously any kind of conduct that violates or undermines tolerance in the workplace.

Across Indika Energy, we both actively practice and preach tolerance, and strive to get the message out to the wider community. We feel it is particularly important to ingrain this principle in the younger generations, who will be the future leaders of our industry and our nation.

Our approach

Since 2017, the Indika Foundation has focused on building national character and the spirit of tolerance. In 2021, the Indika Foundation continued to instill these values through its various projects.

Kamar Belajar Indika Foundation Grant

We provided grants to 30 beneficiaries with diverse missions, ranging from raising awareness about gender-based violence to increasing student engagement with the use of artificial intelligence technology. In 2021, the diversity of the grant recipients increased significantly from 2020. Grant recipients came from 11 provinces, including West Papua, Aceh, West Kalimantan, and East Nusa Tenggara.

The number and quality of grant proposals submitted also increased. We received 160 proposals in 2020 with only 25% proposals meeting the standard. In 2021, we received 282 proposals with 41% meeting the standard. To date, we have given grants to 10,617 people from a wide range of religious beliefs, physical abilities, and ethnic groups.

Indika Foundation Bootcamp

In collaboration with Gadjah Mada University's Future Leaders Project, the Indika Foundation opened two classes: one on Social Change for non-profit workers, and one on Becoming a Problem Solver for leaders. These classes were held to close the gap in access to information that exists in places outside the Greater Jakarta area, to help non-mature/ emerging social organizations improve their abilities in writing high-quality proposals and social impact leadership.

Participants of both bootcamp classes came from Banten, West and Central Kalimantan, North Sumatra, South Sulawesi, Maluku, Jakarta, East Nusa Tenggara, Yogyakarta, Bali, as well as Central, East, and West Java provinces. Of the more than 800 candidates applying to the program, 158 participants were selected.

Kelas Indika Foundation Untuk Publik (KINTON Publik)

Indika Foundation opened a similar learning opportunity for the general public by holding sessions about various topics ranging from the environment, family education, women's empowerment, to volunteering.

The speakers whom we invited to our sessions this year included representatives from well-established organizations, such as Keluarga Kita, PeaceGeneration, BullyID, Srikandi Lintas Iman, Indorelawan, Abdi Muda, and Lingkar Temu Kabupaten Lestari.

We used a sign language interpreter from Pusat Layanan Juru Bahasa Isyarat Indonesia during our sessions in an effort to be more inclusive and accessible. Some 138 people joined the classes, coming from 24 different provinces.

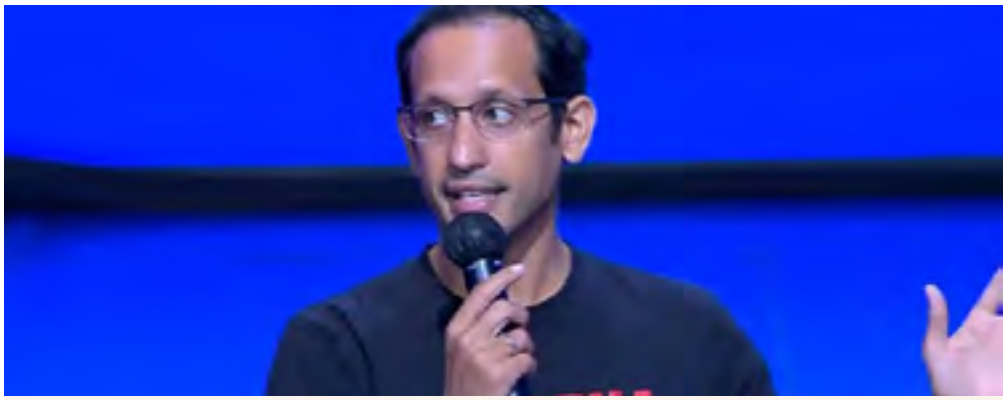
Impact Audit

Indika Foundation kicked off a social impact audit in 2021 with the help of a consultant, Social Value International. The aim is to calculate the social return on investment of the Indika Foundation's programs, thus increasing the credibility of the Indika Foundation as an organization and justifying the impact made through its programs.

Keluarga Untuk Ajarkan Toleransi (Parents Teaching Tolerance)

Keluarga Untuk Ajarkan Toleransi (KUAT) is a family empowerment project that focuses on providing parents with social-emotional and critical thinking skills to protect families from the dangers of extremist ideology. Among the key achievements of the project:

- 10 women (field facilitators of the program) participated in a substantive role or position;
- 100% facilitators and 60% parents reported using tools to build positive relationships with people from different backgrounds;
- Proven positive impacts (change in views, attitudes, and behaviors) on field facilitators, parents, schools, and communities.



Appreciating religious diversity

Another grantee of Indika Foundation, Chatbot Bhineka launched an application that allows students, teachers, and religious leaders to interact and share knowledge about the various religions and beliefs that exist in Indonesia, including those not officially recognized by the state..

Chatbot Bhineka uses artificial intelligence for students and teachers across the nation to gain understanding about diversity and inclusion. The launch of this application received recognition and appreciation from Nadiem Makarim, the Minister of Education, Culture, Research, and Technology.

"I am very happy with the breakthrough of an application like Chatbot Bhineka for learning about diversity, especially because it utilizes artificial intelligence technology."

Nadiem Makarim, Minister of Education, Culture, Research, and Technology

No to online abuse

Among the recipients of a grant from the Kamar Belajar Indika Foundation program in 2021 was BullyID, an organization focused on tackling online sexual harassment. BullyID provides psychological and legal assistance for victims of online harassment, which can include revenge porn, among other abusive behavior. In the past year, the organization has given such assistance to 545 victims.

In addition to collaborating with lawyers and counselors, BullyID also works with the Meta Group (Facebook and Instagram), so that in response to a report on the BullyID platform, the associated posts on Facebook and Instagram can be immediately taken down by Meta's moderators. BullyID uses encrypted technology to protect the identity of the victims.

Other organizations that received a grant in 2021 include those that work in human rights, religious tolerance, and ethnic diversity, as well as various underrepresented groups in society.




WE ARE FAMILY

Governance

Transparency, accountability, responsibility, independence and fairness. Those are the good governance values that we constantly strive to achieve across the Indika Energy Group. Good governance allows an organization to achieve its goals while being accountable to all stakeholders, transparent to regulators, and fair to people and the planet.

In today's corporate climate, it is no longer enough simply to be a good business. We have to be first and foremost a business that does good. At Indika Energy, we have always maintained a commitment to doing good by all our stakeholders and by the nation.

In 2021, as we faced a second year of uncertainty under the COVID-19 pandemic, the robustness of Indika Energy's governance system became apparent, with solid performance across the Group and no compromise of our commitments to any of our stakeholders.





GRI:	2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20, 2-22, 2-23, 2-24, 2-25, 2-26, 2-27, 2-28, 205-1, 205-2, 205-3, 3-3
Global Compact:	Principle 1, Principle 2, Principle 10
WEF SCM:	Governance and Prosperity pillars

Corporate governance

Good corporate governance calls for strong leadership to plan for and mitigate against risks. Indika Energy is committed to building a leadership team with clearly defined roles and responsibilities, which is dedicated to a unified vision for moving the organization forward on a path of sustainability.

Our approach [GRI 3-3]

Governance structure and composition [GRI 2-9]

As a public listed company, we are committed to maintaining strong corporate governance practices and ethical behavior throughout the organization, focusing on disciplined risk management and complying with all prevailing rules and regulations.

In accordance with the Company's Articles of Association and the prevailing Laws, the governance in the Company is established based on five GCG principles - transparency, accountability, responsibility, independence and fairness.

The Company's corporate governance structure consists of the company's organ, such as General Meeting of Shareholders (GMS), Board of Commissioners, Board of Directors, and Committees supporting Board of Commissioners, Corporate Secretary, and Internal Audit. Moreover, the Company's corporate governance process is performed by referring to policies stipulated by the Company, namely Board Charter, Audit, Risk and Compliance Committee Charter, Project and Investment Committee Charter, Nomination and Remuneration Committee Charter, and Sustainability Committee Charter.

Pursuant to the Company Law, general structure of corporate governance comprises Shareholders with General Meeting of Shareholders forum as the highest decision maker, and Board of Commissioners and Board of Directors who serve as the organ in carrying out management and supervisory duties on business activities [GRI 2-11].

Nominating and selecting the highest governance agency [GRI 2-10, 2-11]

The GMS appoints and dismisses members of the Company's Board of Commissioners and Board of Directors, with due regard to the predetermined requirements and mechanism, and the selected members have passed the process of fit and proper test in accordance with prevailing laws and regulations and GCG provisions, with due regard to the diversity and free of discrimination. The appointment of Indika Energy's Board of Commissioners and Board of Directors is carried out with a balanced composition of professional background, education, experience, nationality, and gender. The expertise and experience of each prospective member of the governance body relating to economic, environmental, and social topics are also considered.

Role and responsibilities [GRI 2-12]

➔ **General Meeting of Shareholders (GMS)**

The GMS is the Company's highest institution, which is a forum for Shareholders to make important decisions with authority that is not granted to the Board of Directors and the Board of Commissioners, as stipulated in the Articles of Association and prevailing laws and regulations.

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 [GRI 2-10]. In 2021, the Annual General Meeting of Shareholders was held on May 3, and served as a forum to pass resolutions and gain approval for matters related to the company's business and operations.

In the structure of the corporate governance body, the highest governance body consists of two levels, i.e., the Board of Commissioners as the Supervisory Board,

and the Board of Directors as the Executive Board. As the highest governance bodies, the Board of Commissioners and Board of Directors are responsible for making decisions on sustainability topics which cover economic, environmental, and social topics [GRI 2-14].

The Board of Commissioners

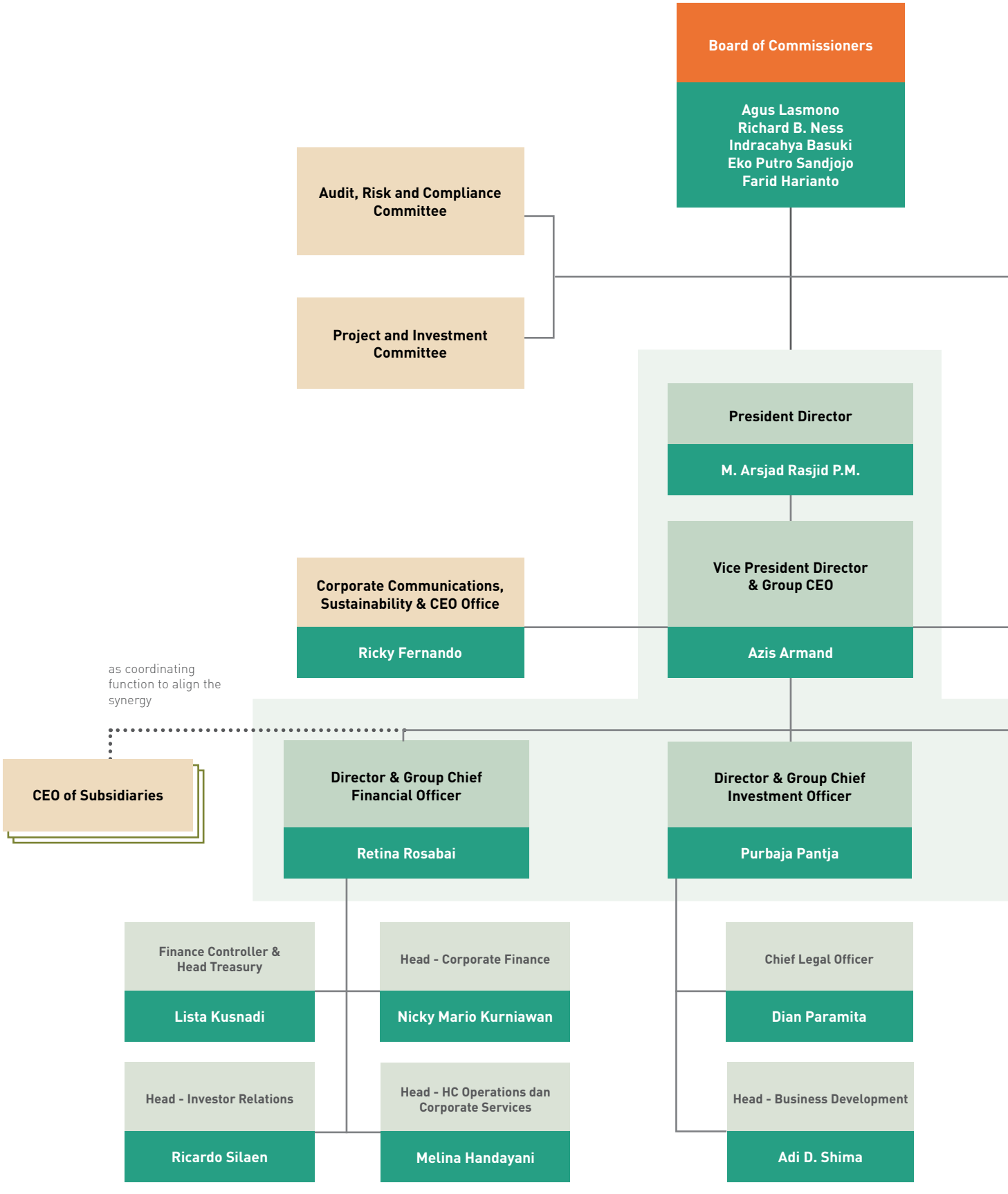
The Board of Commissioners is the organ of the Company responsible for supervising the company's policies and management of the Company conducted by the Board of Directors, both with regards to management of the Company and the Company's business, and to advise the Board of Directors' in executing their role. The Board of Commissioners carries out its duties and responsibilities as a board for the interests of the Company.

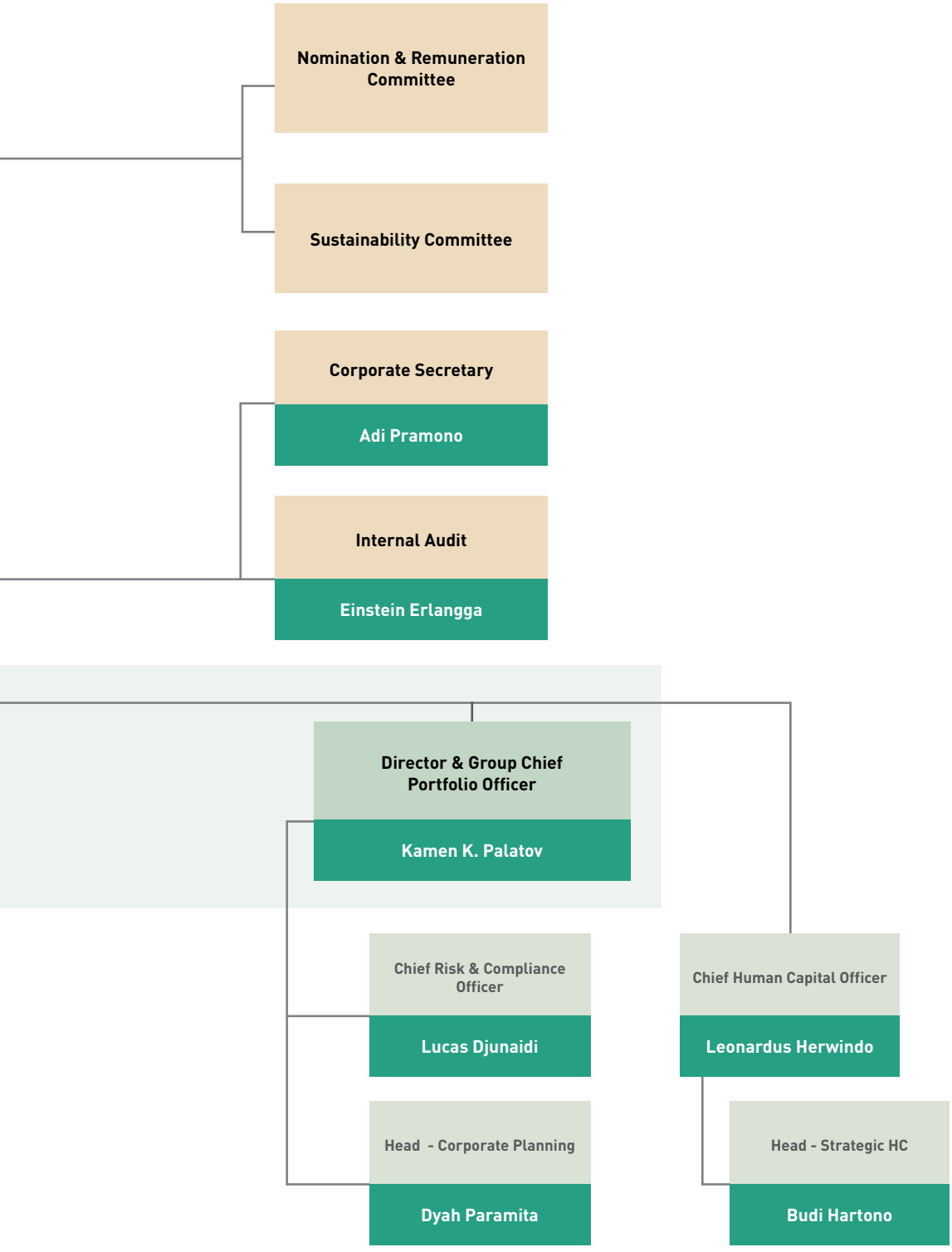
In carrying out its supervisory duties, the Board of Commissioners holds fast to the principles of good corporate governance and continuously applies these principles in the Company. In implementing the principles of good corporate governance, the Board ensures that the policies and management of the Board of Directors are in accordance with prevailing laws and regulations and the Articles of Association, and have received the necessary approvals from time to time.

The Board of Commissioners shall perform its duties independently and ensure the implementation of good corporate governance. In performing its duties, the Board of Commissioners provides advice and input to the Board of Directors not only based on information from the Board of Directors but also, if deemed necessary, the Board of Commissioners may take the necessary measures which require a collective decision as a board or council. The



Organization Structure




Nomination & Remuneration Committee
Sustainability Committee
Corporate Secretary
Adi Pramono
Internal Audit
Einstein Erlangga
Director & Group Chief Portfolio Officer
Kamen K. Palatov
Chief Risk & Compliance Officer
Lucas Djunaidi
Chief Human Capital Officer
Leonardus Herwindo
Head - Corporate Planning
Dyah Paramita
Head - Strategic HC
Budi Hartono

Board of Commissioners shall report to the GMS on execution of their duties in overseeing the implementation of the Company's management.

In carrying out its supervisory duties, the Board of Commissioners has the following duties:

- To supervise to ensure that management decisions taken by the Board of Directors are in the interests of the Company, both those related to the Company or the Company's business activities, including tasks that are specifically granted to it in accordance with the decision of a GMS, the decision of the Board of Commissioners and/or applicable laws and regulations.
- To investigate, examine and approve the Annual Report prepared by the Board of Directors, and to ensure that the Company's Annual Report contains information on the identity, work, main responsibility and the positions of the members of the Board of Commissioners concerned in other companies (if any), including meetings held by the Board of Commissioners during the fiscal year (both Board of Commissioners meetings and joint meetings between the Board of Commissioners and Board of Directors), as well as the honorarium, facilities, and/or other benefits received by members of the Board of Commissioners from the Company.
- To review, examine, advise and consent to proposals as well as to oversee the implementation of the Company's Long Term Plan and the Company's Work Plan and Budget submitted by the Company's Board of Directors.
- To follow the development of the Company's activities and provide opinions and advice to the Board of Directors, in accordance with the supervisory role, on any issues that are considered important in the management of the Company, including important issues that are expected to significantly impact on the business and the Company's performance, in a timely and relevant manner.
- To monitor the effectiveness of the good corporate governance practices that are applied in the Company as well as providing advice to the Board of Directors in carrying out good corporate governance practices consistently and in accordance with the Company's Corporate Values. The results of the implementation of the assessment and evaluation are reported to the GMS.
- To convey to the Board of Directors recommendations, concerns and complaints submitted by stakeholders to the Board of Commissioners, for follow-up.

As of December 31, 2021, the Board of Commissioners consists of a President Commissioner, a Vice President Commissioner, a Commissioner, and two Independent Commissioners. They hold tenures as Commissioners ranging from one to five years. The President Commissioner, who is considered the Chair of the highest governance body, does not serve as a senior executive [GRI 2-11].

Independence

The two 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. This is to maintain the independence of the supervisory functions of the Board of Commissioners and ensure the implementation of checks and balances mechanisms. In performing its duties, the Board of Commissioners refrains from entering the executive realm but continues to firmly carry out the supervisory function.

Concurrent commitments

Three members of the Board of Commissioners - Richard Bruce Ness, Indracahya Basuki, and Farid Harianto - have concurrent appointments in other publicly listed companies.

Delegation of roles

The Board of Commissioners shall set their distribution of work among the members, with the focus area of supervision of each member of the Board of Commissioners refers to the division of roles as Chairman and Vice Chairman of Committees that support the duties and responsibilities of the Board of Commissioners based on the competencies and experiences [GRI 2-13].

- Audit, Risk, and Compliance - Eko Putro Sandjojo
- Project and Investment - Farid Harianto and Eko Putro Sandjojo
- Nomination and Remuneration - Agus Lasmono and Farid Harianto
- Sustainability - Indracahya Basuki
- **Committees accountable to Board of Commissioners**

  In carrying out its duties, the Board of Commissioners is supported by four committees: Audit, Risk, and Compliance Committee; Project and Investment Committee; Nomination and Remuneration Committee, and Sustainability Committee.

Short term benefit of the Board of Commissioners (in US$)

2021 1,029,290

2020 1,073,240

Short term benefit of the Board of Directors (in US$)

2021 3,171,505

2020 3,173,883





1. **Audit, Risk, and Compliance Committee**

   All five ARC Committee members are independent. Therefore, as independent professionals who do not hold executive roles in the Company, Audit, Risk and Compliance Committee members may express their opinion better, freely and are not restricted by a position in the management of the Company.

2. **Project and Investment Committee**

   Two out of four Project and Investment Committee members are independent: Farid Harianto and Eko Putro Sandjojo.

3. **Nomination and Remuneration Committee**

   The Nomination and Remuneration Committee is chaired by an Independent Commissioner, Farid Harianto. Another member of the Committee, M. Chatib Basri, is also independent.

4. **Sustainability Committee**

   The Company established a Sustainability Committee in 2021 as part of its commitment to support sustainability of the Company's business by considering environment, social and governance aspects. We believe that an effective Sustainability Committee will enhance the Company's sustainability in conducting its business, so that it will promote openness and objectivity in addressing issues relating to sustainability which in turn would improve the quality of decisions at the Board of Commissioners and the Board of Directors levels.

   The Sustainability Committee consists of a chairman, Farid Harianto, who is also an Independent Commissioner of the Company, and two other members, Indracahya Basuki and Eko Putro Sandjojo (another Independent Commissioner).

   With the establishment of the Sustainability Committees at the Group level and at the subsidiary level, sustainability reporting became an important focus in 2021, as we began to hold quarterly Committee meetings to monitor and evaluate the sustainability performance and initiatives.

   The President Directors and Directors-in-Charge of all companies within the Indika Energy Group gather every year for a Sustainability Panel, where they discuss their respective company's achievements, progress and next steps in their sustainability

journey. In 2021, the Sustainability Panel was held virtually on December 21. It acknowledged each company for its sustainability efforts implemented over the past year, and also sought alignment on expectations and main focus for the upcoming year. The issue of ESG and sustainability was also highlighted and emphasized during the BoD and BoC Induction, which was attended by Board members of all companies within the Indika Energy Group.

➔ **The Board of Directors**

The Board of Directors is the organ of the Company that is authorized and takes full responsibility for management of the Company for the benefit of the Company, in accordance with the purposes and objectives of the Company, and to represent the company, both inside and outside the court in accordance with the Articles of Association of the Company. The Board of Directors is responsible to the GMS as a form of accountability for the management of the Company in accordance with the principles of good corporate governance.

The Board of Directors is responsible for operating and managing the Company for the benefit of shareholders and stakeholders of the Company. Members of the Board of Directors are appointed by the GMS for a period of two years without prejudice to the right of the GMS to dismiss them at any time. The President Director is entitled and authorized to act for and on behalf of the Board of Directors and to represent the Company. In the case that the President Director is absent or unavailable for any reason, which does not need to be proven to a third party, then the Vice President Director together with one other member of the Board of Directors, or two members of the Board of Directors, shall be entitled and authorized to act for and on behalf of the Board of Directors and the Company.

In managing the Company, the Board of Directors holds to the

Sustainability Committee

The Sustainability Committee was established in 2021, dedicated to overseeing and evaluating ESG programs, initiatives, performance and policies. The Committee also serves an advisory role and assesses the ESG risks of every corporate investment [GRI 2-14].

The Sustainability Committee oversees and reviews the effectiveness of the company's processes to identify and manage impacts on the economy, environment and people, as well as the company's strategies, policies and goals related to sustainable development.

The Sustainability Committee consists of a chairman, Farid Harianto, who is also an Independent Commissioner of the Company, and 2 other members, Indracahya Basuki and Eko Putro Sandjojo (another Independent Commissioner). The presence of 2 independent members helps to foster independent decision-making with regards to managing the impacts of the Company's activities on the environment, people, and the economy.

In 2021, our subsidiaries, Kideco, Petrosea, Tripatra, Interport and Indika Indonesia Resources, also started establishing their own Sustainability Committees to oversee their respective sustainability performance and initiatives.



Board of Commissioners and Board of Directors Manual, which has been formulated based on applicable regulations in Indonesia, in particular OJK regulations relating to the Board of Directors and corporate governance.

As of December 31, 2021, the Board of Directors consists of a President Director, a Vice President Director, and three Directors, ranging in age from 46 to 54 years. One out of five members of the Board of Directors is a woman. Three out of five members of the Board of Directors (Retina Rosabai, Purbaja Pantja, and Kamen Palatov) are independent, meaning that they do not have an affiliation with beneficial owners of the Company, and do not own shares. [GRI 405-1]

Governance performance evaluation [GRI 2-18]

The assessment of the Board of Commissioners' performance is based on criteria related to the duties and responsibilities of the Board of Commissioners. The Board of Commissioners submits a supervisory report to the GMS. The performance evaluation of committees is carried out yearly through self-assessment, with the results serving as an assessment factor for determining period extensions of Committee members for the following year.

In general, the performance of the Board of Directors is determined based on the achievement of the Work Plan Budget (RKA). Formal evaluation criteria are communicated openly to the members of the Board of the Directors since the date of their appointment.

The criteria for the performance evaluation of the Board of Directors is determined by the Board of Commissioners based on the Key Performance Indicators (KPI) which include the following [GRI 2-24]:

- The achievement of targets set out in the Company's Work Plan Budget.
- Contributions to the Company's business activities.
- Involvement in certain assignments; d. Commitment to advancing the interests of the Company.
- Adherence to the prevailing laws and regulations, and the Company's policies.
- Attendance level in the meeting of the Board of Directors as well as meetings with the Board of Commissioners.

The performance of members of the Board of Directors is evaluated by the Nomination and Remuneration Committee in accordance with the benchmarks that have been formulated. The performance evaluation results of the Board of Directors as a whole as well as the performance of each Member of the Board of Directors is individually reported to the Board of Commissioners and is an integral part in the compensation and incentive scheme for the Board of Directors.

The performance evaluation results of each Member of the Board of Directors are one of the basic considerations especially for Shareholders to discharge and/or reappoint members of the Board of Directors concerned. The result of the performance evaluation is a means for assessing and increasing the effectiveness of the Board of Directors.

Competency development of the highest governance body [GRI 2-17]

Indika Energy is committed to operating in a sustainable manner, which means that the Company's executive officers have the appropriate knowledge and competencies to implement sustainable practices. Therefore, Indika Energy regularly engages the Company's Board of Directors and Board of Commissioners in various sustainability-oriented programs, discussions, conferences, and training.

Throughout 2021, all members of the Board of Commissioners participated in the BOC and BOD Induction as part of their competency development program.

Remuneration policies [GRI 2-19, 2-20]

As set forth in POJK 34, in carrying out the functions of the remuneration, Human Capital Committee shall perform the following procedures: formulate the remuneration structure of the members of the Board of Directors, develop remuneration policy for members of the Board of Directors, and prepare the remuneration amount for members of the Board of Directors.

Under the provisions of POJK 34, the remuneration structure of the Board of Directors may include salaries, honorarium, incentives, and/or allowances that are fixed and/or variable. Furthermore, in the preparation of the structure, policies, and amount of remuneration referred to above, the following must be taken into consideration:

1. Prevailing remuneration practices in similar industries in accordance with the Company's operations
2. The duties, responsibilities and authority of Board of Directors members linked to the achievement of the goals and performance of the Company
3. Target performance or the performance of individual members of the Board of Directors.
4. A balance of benefits between fixed and variable components.
5. The structure, policy and amount of remuneration shall be evaluated by the Nomination and Remuneration Committee Committee each year.

The nomination and remuneration structure of members of the Board of Commissioners makes reference to the Company's internal policies, prevailing laws and regulations, and based on prevailing standards of the industry, that are approved by the General Meeting of Shareholders. The structure, policy and amount of remuneration for the Board of Commissioners is evaluated by the Nomination and Remuneration Committee. However, the remuneration applicable in similar industries, as well as the members' duties and performance linked to achievement of Company goals are also taken into consideration in the development of the remuneration structure [GRI 2-20].

Conflicts of interest [GRI 2-15]

The Company has clear segregation between personal interests and the Company's interests, and avoids any situation that may result in or be perceived as a conflict of interest between the Company's and personal interests to avoid any conflicts of interest. This applies to all members of the Board of Directors and Board of Commissioners.

During 2021, neither the Board of Commissioners nor the Board of Directors of Indika Energy had any familial or financial relations with fellow members of the Board of Commissioners, members of the Board of Directors, and Major and/or Controlling Shareholders. Affiliations between fellow members of the Board of Directors, Board of Commissioners, and controlling shareholders are fully disclosed in the 2021 Annual Report of Indika Energy .

The Group is managed professionally without any conflict of interest and influence from any party against the applicable laws and regulations and healthy corporate principles. Our Code of Business Conduct addresses the topic of conflicts of interest. This principle is applied by, among others, paying mutual respect to rights, obligations, duties, authorities, and responsibilities among the Company's organs such as the Shareholders and Board of Commissioners that do not intervene in the Company's management. The Chair of the Board of Commissioners also does not serve as a senior executive in the organization [GRI 2-11]. The Board of Commissioners, Board of Directors, and all employees continue to avoid conflict of interest in the decision-making process.

Communication of critical concerns [GRI 2-16]

Indika Energy also nurtured an open communication within the Company. We communicate frequently through a series of Board of Commissioners, Board of Directors and Committee meetings. During crisis events, we activate our cross-functional team, full-time senior leader, and high-level decision-making authority, to construct a detailed scenario of the main primary and secondary threats, covering planning and intelligence gathering, stakeholder stabilization, technical or operational resolution, recovery, investigation, and governance.

Policies [GRI 2-23, 2-24]

In 2021, we started to develop new policies and renew existing ones to reflect our current sustainability commitments more accurately. Some of the new policies we developed are the Human Capital and Human Rights Policy, Third Party Engagement Policy, Environmental Policy, Health and Safety Policy, and the Communications Policy. Existing policies that were updated include the Anti-Bribery and Corruption Policy, Sustainability Policy, and the Code of Business Conduct. Development and implementation of these policies is overseen by the Board of Directors. All employees at all organizational levels across the Indika Energy Group are required to comply with these policies.

To ensure the level of awareness and understanding across the Group, we conduct a series of training, socialisation through town hall meetings and discussion forums for leaders and management such as Leadership Forum, Leaders' Insight and BOC BOD Induction, as well for employees in general through internal publications and discussion forum. [GRI 2-24]

Code of Business Conduct

Our Code of Business Conduct is a set of guidelines to ensure we always carry out our operations in an ethical and responsible manner. All employees at all organizational levels across the Indika Energy Group are required to comply with these policies; violations may lead to disciplinary actions, including termination of employment [GRI 2-24].

We have started developing a Supplier Code of Conduct/Third Party Engagement Policy that applies the same standards to all of our partners and third-party organizations we engage with. Our Code of Business Conduct covers the issues of employees; health, safety and environment; integrity; information management; company asset record, control and protection; and reporting of non-compliance, investigation and disciplinary sanctions.

External commitments [GRI 2-28]

In addition to Indika Energy's accountability to stakeholders, regulators and communities, we have also committed to a number of sustainability platforms, both national and international. In 2021 we joined the United Nations Global Compact (UNGC), pledging support for its Ten Principles on human rights, labor, environment and anti-corruption.

We are also a member of the Indonesia Business Council on Sustainable Development (IBCSD), a powerful platform for driving the national transition to a low-carbon development model, and the Powering Past Coal Alliance (PPCA), which aims to accelerate the global adoption of clean energy. The values and goals of each of these platforms align closely with our own, and our commitment to them allows us to share and learn best practices from industry peers, business luminaries, and policymakers.



Business ethics

Business ethics and integrity are fundamental values across the Indika Energy Group. These are things that we expect from all employees, business partners and other stakeholders as an essential part of practicing good governance, compliance prevailing laws and regulations [GRI 2-27].

This means we take a zero-tolerance approach to conduct such as bribery, and we do not engage in political activities such as donations, endorsements, or lobbying.

We maintain robust systems to report on, investigate and act on any complaints about ethical violations, and encourage anyone from inside the Group or outside to come forward if they wish to report something in good faith.

Our approach [GRI 3-3]

We maintain a culture of ethics and compliance throughout Indika Energy and uphold a robust anti-bribery and corruption management system.

Indika Energy Ethics Committee assists the Board of Directors in following up the report received by the Company through a whistleblowing system. For each report received, the Ethics Board will report it to the Board of Directors. Duties and Responsibilities of Ethics Committee The Ethics Committee has duties and responsibilities, including supervision of business ethics and behaviour, counselling all employees and stakeholders regarding the Company's Code of Business Conduct, make adjustments to the rules related to ethics with developments, receive, monitor and follow up on reports of ethical misconduct received.

Anti-bribery and corruption [GRI 205-1, 205-3, 2-27]

Indika Energy implements an Anti-Bribery Management System across the Group, and the Anti-Bribery Compliance Function is responsible for ensuring compliance with prevailing rules and regulations.

In 2020, Indika Energy and several of our subsidiaries, including Kideco, Petrosea, Tripatra, Interport, and Indika Indonesia Resources, obtained ISO 37001 Anti-Bribery Management Systems certification. This ensures that we have built a robust infrastructure to effectively detect, prevent and tackle practices of bribery. In October 2021, we conducted a re-assessment to obtain renewal of the certification and to demonstrate our continued commitment to business integrity and ethics. The Anti-Bribery Compliance Function continued to implement ABMS across the Company, raising awareness about ABMS and the Anti-Bribery and Corruption Policy.

In compliance with these standards, Indika Energy Holding as well as the aforementioned subsidiaries, conduct annual Bribery Risk Assessments (BRAs) to identify, analyze, assess, and prioritize the bribery risks that must be anticipated by functions and business lines, as well as to evaluate the effectiveness of the existing controls to mitigate such risks. No significant risks related to corruption were identified in 2021, which marks significant progress from the previous year, when 44 high risks were identified. The Group also recorded no incidents of corruption for 2021. [GRI 205-1]

Indika Energy also conducts internal audits for ABMS, maintaining their frequency, methods, responsibilities, planning and reporting requirements, which must take into account the importance of the intended process and the results of previous audits. The audit is carried out by internal auditors on a regular basis, to ensure the effectiveness of the implementation of the management system. Internal audits are planned, carried out and coordinated by the Internal Audit division.

We establish the procedures that define the methodology, criteria and competence of appropriate auditors, and the corrective actions taken. The audit results are reported to the Governing Body, the Board of Directors, and the Anti-Bribery Compliance Function. The audit is carried out fairly, proportionally and on a risk basis.

The audits review procedures, controls and systems for bribery or suspected bribery, violation of the anti-bribery policy or ABMS requirements, failure of a business partner to comply with Indika Energy's anti-bribery requirements, and weaknesses in or opportunities for improvement to the ABMS.

Whistleblowing system [GRI 2-25, 2-26]

Since December 2013, Indika Energy has had a whistleblowing system in place for reporting violations or noncompliance. This system serves as a platform for complainants to submit data and information regarding indications of violations in any of the companies in the Group. This system was designed to avoid controversy or dispute between the parties involved and help achieve the best solution to problems that arise.

The whistleblowing system is available to all employees, suppliers, customers and other third parties. To ensure its accessibility, the whistleblowing system can be accessed via email, mail, telephone, fax, and a dedicated website. Since 2021, the system is also made available in both Indonesian and English to make sure all stakeholders, regardless of their mother tongue, are able to submit reports.

Indika Energy provides the following protection for whistleblowers: Free and confidential reporting communication channels; guarantee of the confidentiality of the reporter's identity, except if a lawsuit requires their identity to be disclosed in court; and legal protection from retaliation from the reported individual or organization.



The Ethics Committee is responsible for following up and reporting grievances and reports submitted through the whistleblowing system to the Board of Directors. Upon receiving the report, the Committee discusses whether or not the report needs to be investigated further. If an investigation is to be done, the Committee is responsible for preparing a report that covers the results of the investigation and a recommendation of action. The Corporate Secretary and Legal Department are also required to report the number of whistleblowing reports received, the medium used by each whistleblower, and the results of the investigations (if any) to the Board of Commissioners, President Director, the Audit, Risk, and Compliance Committee, the Human Capital Committee, and the Good Corporate Governance Committee, every three months.

Raising awareness [GRI 205-2, 205-3]

To nurture a corporate culture of ethical behavior, all newly hired employees receive training on the Code of Business Conduct and are required to read and sign it to show their commitment to complying with the regulations. Therefore, we ensure that our anti-bribery and corruption procedures and policies have been communicated to 100% of our employees.

Aside from our own employees, we also communicate the mitigation of bribery and corruption risks to 100% of our business partners, including vendors and subcontractors, through our Integrity Pact, which we require them to read and sign [GRI 205-2].

Throughout 2021, the Ethics Committee and the Anti-Bribery Compliance Function also raised awareness of the Code of Business Conduct, the Anti-Bribery Management System (including the Anti-Bribery and Corruption Policy), and the Whistleblowing Program through various channels: regular emails, updates on the website, banners, desktop wallpapers, employee surveys, and refresher courses.

At the subsidiary level, we are proud to report that there was a 43% increase in the number of people that received training on our anti-corruption policies and procedures, from 1,662 in 2020 to 2,369 employees in 2021.

Performance

Reports and incidents of non-compliance in Indika Energy [GRI 2-27, 205-3]

Description	2021	2020	2019
Whistleblowing reports received	7	15	4
Instances of non-compliance with laws and regulations	0	0	0
Fines for non-compliance with laws and regulations	0	0	0
Monetary value of fines for non-compliance with laws and regulations (USD)	0	0	0

Note:
- *Data is compiled based on five subsidiaries: Kideco, Petrosea, Tripatra, MUTU, and Interport.*

In 2021, we received a total of seven reports submitted through the Whistleblowing System of Indika Energy Group. These reports raised concerns of indicated fraud, abuse of authority, and abuse of Company assets. One of the reports has been followed up and investigated, while the rest of the reports did not fulfill the criteria, hence could not be followed up.

We are proud to report that we have received zero complaints concerning breaches of customer privacy [GRI 418-1].

Risk assessment and communications related to anti-corruption in Indika Energy [GRI 205-1, 205-2]

Description	2021	
	Number	Percentage
Operations assessed for risks related to corruption	Five business units	100%
Governance body members that have been communicated to and trained on anti-corruption policies and procedures	73	100%
Employees that have been communicated to on anti-corruption policies and procedures	6,067	100%
Employees trained on anti-corruption	2,369	39%

Note:

- *Data is compiled based on 5 subsidiaries - Kideco, Petrosea, Tripatra, MUTU, and Interport.*
- *Data on the number of employees and governance bodies receiving communication or training on anti-corruption policies and procedures is not broken down by employee category and region due to unavailability of data and the inability to categorize some employees by region as they work in different locations.*

We are proud to report that zero incidents of corruption involving our employees and business partners were reported across the Group in 2021. There were also zero public legal cases regarding corruption brought against the Company and our employees [GRI 205-3].

Incidents related to corruption in Indika Energy [GRI 205-3]

Description	2021
Incidents of corruption	0
Incidents in which employees were dismissed for corruption	0
Incidents of business partners' contracts getting terminated due to violations related to corruption	0

Statement of Members of the Board of Commissioners and Board of Directors regarding Responsibility for the 2021 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, March 2022



Agus Lasmono
President Commissioner



M. Arsjad Rasjid P.M.
President Director



Richard Bruce Ness
Vice President Commissioner



Azis Armand
Vice President Director



Indracahya Basuki
Commissioner



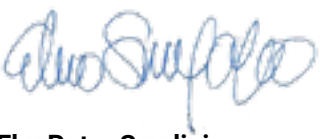
Retina Rosabai
Director



Farid Harianto
Independent Commissioner



Purbaja Pantja
Director



Eko Putro Sandjojo
Independent Commissioner



Kamen Kamenov Palatov
Director

ASSURANCE STATEMENT

SGS INDONESIA'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE PT. INDIKA ENERGY Tbk SUSTAINABILITY REPORT 2021

NATURE OF THE ASSURANCE/VERIFICATION

PT. SGS Indonesia was commissioned by PT. Indika Energy Tbk to conduct an independent assurance of the Sustainability Report 2021. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all PT. Indika Energy Tbk's stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the directors or governing body and the management of PT. Indika Energy Tbk. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform PT. Indika Energy Tbk's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 1: Foundation 2021 for reporting principles, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

- SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000
- AA1000ASv3 Type 2 (AA1000APS Evaluation) with level of assurance is Moderate

Assurance has been conducted at a moderate (limited) level of scrutiny

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

- Global Reporting Initiative Sustainability Reporting Standards 2021
- AA1000 Accountability Principles Standard (2018)

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research and interviews with relevant accountable managers and employees at the Head Office of PT. Indika Energy Tbk's in Jakarta via remote, sampling for 2 (two) subsidiaries, site PT. Kideco Tbk in Kalimantan Timur via remote and PT. Petrosea Tbk at Head Office in Jakarta via remote. PT. Indika Energy Tbk's Sustainability Report 2021 covers PT. Indika Energy Tbk's, Subsidiaries, Joint Ventures, and Associated Companies, documentation and record review .

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

Some statements and data within the scope were not assured due to lack of accessible records during the timescale allowed for assurance, and these are clearly marked throughout the Report.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from PT. Indika Energy Tbk's, Subsidiaries, Joint Ventures, and Associated Companies, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with International Register of Certificated Auditors (IRCA), Environmental Management System (EMS) Lead Auditor, Quality Management System (QMS) Lead Auditor, Occupational Health and Safety Management System Lead Auditor, the IRCA Corporate Responsibility

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

1. To perform external assurance periodically in order to increase the robustness, accuracy, trustworthiness of disclosed information.
2. It is recommended to improve internal system and control by implementing data validation on primary source data.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES STANDARD (2018)

Inclusivity

PT. Indika Energy Tbk's has made a commitment to be accountable to those on whom it has an impact or who have an impact on it as stated in some Policies such as Environment Policy, Safety and Health Policy, and Code of Conduct. Inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability. Process of engagement and participation that provides comprehensive and balanced involvement and results in strategies, plan, action and outcomes that address and respond to issues and impacts in an accountable way. The company has a process of stakeholder participation (all stakeholders) through periodic meeting with stakeholders.

Materiality

PT. Indika Energy Tbk's has identified stakeholders and those issues that are material to each group of stakeholders and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness
PT. Indika Energy Tbk's has responded to stakeholders issues that affect to its sustainability performance and is released through decisions, actions and performance, as well as communication with stakeholders.

Impact
PT. Indika Energy Tbk's has identified and fairly represented impacts that were monitored and measured. PT. Indika Energy Tbk's has established processes to monitor, measure and evaluate impacts that lead to effective decision making management within organization.

ADHERENCE TO GLOBAL REPORTING INITIATIVE SUSTAINABILITY REPORTING STANDARDS (2021)

In our opinion, the PT. Indika Energy Tbk's Sustainability Report 2021 is presented in accordance with the Global Reporting Initiative Sustainability Reporting Standards 2021 and fulfills all the required content and quality criteria.

Foundation
In our opinion, the content and quality of the report adheres to the GRI Reporting Principles of Balance, Clarity, Comparability, Completeness, Sustainability context, Timeliness and Verifiability

General Disclosures
All the General disclosures required for reporting in accordance with the Global Reporting Initiative Sustainability Reporting Standards 2021

Material Topics
PT. Indika Energy Tbk disclose material topics that represent an organization's most significant impacts on the economy, environment, and people, including impacts on their humanrights in accordance with Global Reporting Initiative Sustainability Reporting Standards 2021 .

Signed:
For and on behalf of SGS Indonesia



Johnny Koe
Business Manager
Jakarta, Indonesia
19 April 2022

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Glossary

C

Carbon Scope 1 and Scope 2 intensity
The carbon Scope 1 and 2 intensity is calculated as a ratio of Scope 1 and 2 location-based emissions of Indika Energy-operated industrial assets owned at the end of the reporting year, divided by their coal production (in Tons) and by revenue (in USD million). Further synonyms of these metrics used in this report include 'emissions intensity' and 'greenhouse gas emissions intensity'.

CO2eq (Carbon dioxide equivalent)
is the universal unit of measurement for the global warming potential (GWP) of greenhouse gases (GHG), where one unit of CO2eq is the GWP for one unit of carbon dioxide. This unit allows us to discuss the equivalence of different GHGs in terms of their GWP. More commonly measured in metric tons of CO2eq, or tonCO2eq.

E

ESG
Environmental, social and governance.

G

GHG (Greenhouse gas)
Greenhouse Gas Protocol Standards and guidance for corporate accounting and reporting on GHG emissions, which help governments and business leaders to understand, quantify, and manage GHG emissions (eg CO2). The Greenhouse Gas Protocol separates GHG emissions into different scopes depending on source.

GRI
The Global Reporting Initiative (GRI) is an international independent standards organisation that develops and disseminates voluntary sustainability reporting frameworks.

Grievance process
A formal grievance process/mechanism for local community members or other stakeholders to use to register any concerns about real or perceived actions by nearby operations, with the objective of resolving problems before they escalate.

H

Hazardous
Dangerous, as defined by national legislation.

Hours worked
Total hours worked by employees and contractors at our industrial sites, including overtime but excluding any scheduled or unscheduled absence (eg holidays or sickness) during the reporting year.

I

IECAB
Indika Energy Cerdaskan Anak Bangsa, a scholarship program initiated by Indika Energy

ILO
The International Labour Organization (ILO) is a United Nations agency for the promotion of social justice and internationally recognised human and labor rights.

ILO Declaration
In 1988, the ILO adopted the Declaration on Fundamental Principles and Rights at Work, with the core categories of collective bargaining, discrimination, forced labour and child labour.

IPCC
The United Nations Intergovernmental Panel on Climate Change (IPCC) assesses scientific, technical and socioeconomic information on the risk of human induced climate change. The United Nations Environment Programme and the World Meteorological Organization established the IPCC.

L

LTIs
Lost time injuries (LTIs) are recorded when an employee or contractor is unable to work following an incident. We record lost days as beginning on the first rostered day that the worker is absent after the day of the injury. The day of the injury is not included. LTIs do not include restricted work injuries (RWIs) and fatalities.

LTIR
The lost time injury rate (LTIR) is the total number of LTIs recorded per 200,000 hours worked.

O

OECD
The Organisation for Economic Cooperation and Development (OECD) is an international organization that provides a forum in which governments can work together to share experiences and seek solutions to tackle economic, social, environmental and governance challenges.

Occupational disease
Any chronic ailment or illness that occurs as a result of work or occupational activity; these are typically identified as being more prevalent in a given body of workers than in the general population, or in other worker populations. An occupational disease is different from an occupational injury.

P

Paris Agreement
An agreement within the United Nations Framework Convention on Climate Change, dealing with GHG emissions mitigation, adaptation, and finance, signed in 2016.

PPCA
Powering Past Coal Alliance

PV
Photovoltaic

S

Scope 1 emissions
Greenhouse gas emissions from owned or controlled sources (i.e. direct emissions), including emissions from combustion in owned or controlled boilers, furnaces and vehicles/vessels and coal seam emissions. We measure our Scope 1 emissions in tonCO2eq.

Scope 2 emissions
This approach applies GHG emissions from contractual arrangements; we apply supplier-specific emission factors when relevant and available, but where they are not, the country's residual or grid emission factor is applied. We measure our Scope 2 emissions in tonCO2eq.

Scope 3 emissions
Indirect greenhouse gas emissions (not included in Scope 2) that occur in our value chain, including both upstream and downstream emissions. We are currently exploring ways to calculate scope 3 emissions.

SDG
Sustainable Development Goals

U

United Nations Global Compact (UNGC)
The UNGC is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support the UN Sustainable Development Goals. United Nations Guiding Principles The United Nations Guiding Principles on Business and Human Rights are a set of guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations.

Universal Declaration of Human Rights
The Universal Declaration of Human Rights is a common standard for all peoples and all nations that sets out fundamental human rights to be universally protected.

V

Voluntary Principles
The Voluntary Principles on Security and Human Rights (Voluntary Principles) Initiative is a multi-stakeholder initiative involving governments, companies and NGOs, which promotes a set of principles for oil, gas and mining companies to guide them in providing security for their operations in a manner that respects human rights.

W

Water discharge
Total amount of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organization has no further use, over the course of the reporting period.

Water withdrawal
Total amount of water drawn into the boundaries of the reporting organisation from all sources for any use over the course of the reporting period. Includes surface water, groundwater, seawater, and water imported from third parties.

Workforce
References to our workforce include both employees and contractors.

Global Reporting Initiative (GRI) Content Index

Statement of use	PT Indika Energy Tbk. has reported the information in accordance with the GRI Standards 2021, as cited in this GRI content index for the period January 1 to December 31, 2021.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	PAGE	OMISSION
GRI 2: General Disclosures 2021	2-1 Organizational details	7, 9, 10, 11, 12, 13	
	2-2 Entities included in the organization's sustainability reporting	9, 43, 44, 45	
	2-3 Reporting period, frequency and contact point	42, 43, 150	
	2-4 Restatements of information	50	
	2-5 External assurance	42	
	2-6 Activities, value chain and other business relationships	7, 9, 11	
	2-7 Employees	93, 94, 95	
	2-8 Workers who are not employees	93	
	2-9 Governance structure and composition	118-126	
	2-10 Nomination and selection of the highest governance body	118	

GRI STANDARD	DISCLOSURE	PAGE	OMISSION
	2-11 Chair of the highest governance body	127	
	2-12 Role of the highest governance body in overseeing the management of impacts	118, 119, 122	
	2-13 Delegation of responsibility for managing impacts	123, 124, 125, 126	
	2-14 Role of the highest governance body in sustainability reporting	119, 125	
	2-15 Conflicts of interest	127	
	2-16 Communication of critical concerns	128	
	2-17 Collective knowledge of the highest governance body	126	
	2-18 Evaluation of the performance of the highest governance body	126	
	2-19 Remuneration policies	127	
	2-20 Process to determine remuneration	91, 92, 127	
	2-21 Annual total compensation ratio	-	We do not extensively disclose data related to compensation to the public.
	2-22 Statement on sustainable development strategy	21, 22, 23	
	2-23 Policy commitments	30, 40, 111, 128	

GRI STANDARD	DISCLOSURE	PAGE	OMISSION
	2-24 Embedding policy commitments	40, 92, 126, 128	
	2-25 Processes to remediate negative impacts	104, 110, 131, 132	
	2-26 Mechanisms for seeking advice and raising concerns	32, 131, 132	
	2-27 Compliance with laws and regulations	130, 132, 133	
	2-28 Membership associations	35, 36, 128	
	2-29 Approach to stakeholder engagement	32, 34, 35, 36, 37	
	2-30 Collective bargaining agreements	111	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	47	
	3-2 List of material topics	47, 48, 49, 50	
	3-3 Management of material topics	24-25, 26-31, 32-34, 38, 39, 56-61, 66, 68-69, 72, 74, 77, 78-79, 83, 86-92, 97, 98-101, 103, 104-106, 109, 110-111, 118-128, 130-132	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	16, 17, 19	
	201-2 Financial implications and other risks and opportunities due to climate change	27	
	201-3 Defined benefit plan obligations and other retirement plans	89	

GRI STANDARD	DISCLOSURE	PAGE	OMISSION
	201-4 Financial assistance received from government	18	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	88	
	202-2 Proportion of senior management hired from the local community	-	Information is currently not available but will be reported starting from next year.
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	105, 108	
	203-2 Significant indirect economic impacts	18, 19	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	-	Information is currently not available but will be reported starting from next year.
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	130, 133	
	205-2 Communication and training about anti-corruption policies and procedures	132, 133	
	205-3 Confirmed incidents of corruption and actions taken	130, 133	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	11	
GRI 207: Tax 2019	207-1 Approach to tax	18	
	207-2 Tax governance, control, and risk management	-	Information is currently not available and we currently do not have any specific policies regarding tax. However, we comply with the government's tax regulations.

GRI STANDARD	DISCLOSURE	PAGE	OMISSION
	207-3 Stakeholder engagement and management of concerns related to tax	-	Information is currently not available and we currently do not have any specific policies regarding tax. However, we comply with the government's tax regulations.
	207-4 Country-by-country reporting	-	Information is currently not available and we currently do not have any specific policies regarding tax. However, we comply with the government's tax regulations.
GRI 301: Materials 2016	301-1 Materials used by weight or volume	-	The requirement does not apply to the organization based on the nature of its businesses.
	301-2 Recycled input materials used	-	The requirement does not apply to the organization based on the nature of its businesses.
	301-3 Reclaimed products and their packaging materials	-	The requirement does not apply to the organization based on the nature of its businesses.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	64, 65	
	302-2 Energy consumption outside of the organization	64	
	302-3 Energy intensity	64, 65	
	302-4 Reduction of energy consumption	64	
	302-5 Reductions in energy requirements of products and services	64	

GRI STANDARD	DISCLOSURE	PAGE	OMISSION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	68	
	303-2 Management of water discharge-related impacts	68, 69	
	303-3 Water withdrawal	69, 70	
	303-4 Water discharge	71	
	303-5 Water consumption	70	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	78	
	304-2 Significant impacts of activities, products and services on biodiversity	78, 79, 80	
	304-3 Habitats protected or restored	78, 82	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	80, 81, 82	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	62, 63	
	305-2 Energy indirect (Scope 2) GHG emissions	62, 63	
	305-3 Other indirect (Scope 3) GHG emissions	63	
	305-4 GHG emissions intensity	62, 63	

GRI STANDARD	DISCLOSURE	PAGE	OMISSION
	305-5 Reduction of GHG emissions	56, 60	
	305-6 Emissions of ozone-depleting substances (ODS)	60	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	63	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	74	
	306-2 Management of significant waste-related impacts	74, 76	
	306-3 Waste generated	75	
	306-4 Waste diverted from disposal	75, 76	
	306-5 Waste directed to disposal	75	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	-	Information is currently not available and we are developing the procedures to fulfill this standard.
	308-2 Negative environmental impacts in the supply chain and actions taken	-	Information is currently not available and we are developing the procedures to fulfill this standard.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	95, 96	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	88	
	401-3 Parental leave	89	

GRI STANDARD	DISCLOSURE	PAGE	OMISSION
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	92	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	98	
	403-2 Hazard identification, risk assessment, and incident investigation	98, 99	
	403-3 Occupational health services	99, 100	
	403-4 Worker participation, consultation, and communication on occupational health and safety	99, 100	
	403-5 Worker training on occupational health and safety	100	
	403-6 Promotion of worker health	101	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	100	
	403-8 Workers covered by an occupational health and safety management system	98	
	403-9 Work-related injuries	103	
	403-10 Work-related ill health	103	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	96	
	404-2 Programs for upgrading employee skills and transition assistance programs	87	

GRI STANDARD	DISCLOSURE	PAGE	OMISSION
	404-3 Percentage of employees receiving regular performance and career development reviews	52	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	94, 95, 126	
	405-2 Ratio of basic salary and remuneration of women to men	91	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	96	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	111	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	92, 110	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	92, 110	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	30, 110	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	104	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	104	
	413-2 Operations with significant actual and potential negative impacts on local communities	104	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	-	Information is currently not available and we are developing the procedures to fulfill this standard.
	414-2 Negative social impacts in the supply chain and actions taken	-	Information is currently not available and we are developing the procedures to fulfill this standard.

GRI STANDARD	DISCLOSURE	PAGE	OMISSION
GRI 415: Public Policy 2016	415-1 Political contributions	34	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	-	The requirement does not apply to the organization based on the nature of its businesses.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	The requirement does not apply to the organization based on the nature of its businesses.
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	-	The requirement does not apply to the organization based on the nature of its businesses.
	417-2 Incidents of non-compliance concerning product and service information and labeling	-	The requirement does not apply to the organization based on the nature of its businesses.
	417-3 Incidents of non-compliance concerning marketing communications	-	The requirement does not apply to the organization based on the nature of its businesses.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	133	

WEF Stakeholder Capitalism Metrics (SCM) Index

Theme	Core metric	Page
Governance		
Governing Purpose	Setting purpose	7
Quality of Governing Body	Governance body composition	118-126
Stakeholder Engagement	Material issues impacting stakeholders	47-50
Ethical Behavior	Anti-corruption	130-133
	Protected ethics advice and reporting mechanisms	30, 34, 104, 110, 111, 131-132
Risk and Opportunity Oversight	Integrating risk and opportunity into business process	26-31
Planet		
Climate Change	Greenhouse Gas emissions	62-63
	TCFD implementation	56
Nature Loss	Land use and ecological sensitivity	78-83
Freshwater Availability	Water consumption and withdrawal in water-stressed areas	68-70
People		
Dignity and Equality	Diversity and inclusion	94-95
	Pay equality	91
	Wage level	91
	Risk for incidents of child, forced or compulsory labor	92, 110
Health and Wellbeing	Health and safety	98-103
Skills for the Future	Training provided	96
Prosperity		
Employment and wealth generation	Absolute number and rate of employment	95
	Economic contribution	16, 17, 18, 19
	Financial investment contribution	N/A
Innovation in better products and services	Total R&D expenses	N/A
Community and social vitality	Total tax paid	18, 19

UN Global Compact Index

Theme	Principle	Page
Human Rights	▸ Businesses should support and respect the protection of internationally proclaimed human rights	30, 110-112
	▸ Businesses should make sure that they are not complicit in human rights abuses.	30, 110-112
Labor	▸ Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	34, 110-112
	▸ Businesses should uphold the elimination of all forms of forced and compulsory labor	92, 110
	▸ Businesses should uphold the effective abolition of child labor	92, 110
	▸ Businesses should uphold the elimination of discrimination in respect of employment and occupation	89-90, 118
Environment	▸ Businesses should support a precautionary approach to environmental challenges	25-26, 38-40, 124-125, 128
	▸ Businesses should undertake initiatives to promote greater environmental responsibility	7, 25-26, 38-40, 128
	▸ Businesses should encourage the development and diffusion of environmentally technologies	27, 56, 60, 61
Anti-corruption	▸ Businesses should work against corruption in all of its forms, including extortion and bribery	31, 130-133

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