



PT Indika Energy Tbk.

**United Nations Global Compact
Communication on Progress 2021**

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Indika Energy is proud to support the United Nations Global Compact and its Ten Principles and welcome the UNGC's wider efforts to engage more businesses in contributing toward the U.N. Sustainable Development Goals. The crucial work being done by the UNGC to advance sustainability, equality and human rights reflects Indika Energy's own core values and our commitment to ethical leadership and charting a path to a brighter future for all. We have positioned ourselves at the leading edge of companies for whom business, environmental and social interests are aligned: We all do better when the planet is doing better.

A Letter to Our Stakeholders

In November 2021, as world leaders, scientists, environmental advocates, civil society representatives and business leaders gathered in Glasgow, Scotland, to push for urgently needed climate action, Indika Energy was there. In a landmark move, we became the first, and to date only, Indonesian company to join the Powering Past Coal Alliance (PPCA) that was announced at the COP26 climate summit in Glasgow, Scotland.

A coal company committing to phasing out coal: For us, it was a key milestone in an important journey that began some 50 years ago, with the aim of providing the energy that has driven — and continues to drive — the growth of Indonesia and its people. Guided by our values, this is a journey we are committed to continuing — through sustainable, low-carbon and socially responsible means.

Even before joining the PPCA, and the United Nations Global Compact prior to that, Indika Energy had already committed to forging a sustainable future. We set a target of ensuring at least 50% of our revenue comes from non-coal streams by 2025, and to achieve carbon neutrality by 2050 or sooner. As part of that transition, we focused intensively throughout 2021 on our diversification into nature-based solutions, new and renewable energy, and other forms of low- and no-carbon initiatives. We have also set ambitious, industry-leading goals for inclusion, diversity and equality, both in the workplace and in the communities where we operate.

This is the reason why we are proud to support the Ten Principles of the United Nations Global Compact and welcome the UNGC's wider efforts to engage more businesses in contributing toward the U.N. Sustainable Development Goals. The crucial work being done by the UNGC to advance sustainability, equality and human rights reflects Indika Energy's own core values and our commitment to ethical leadership and charting a path to a brighter future for all.

In 2021, we achieved several milestones along that journey. They include:

- **Joining business alliances fighting for a better world:** At the international level, these include the UNGC and the PPCA, and at the domestic level the Indonesia Business Council for Sustainable Development (IBCSD). These commitments put Indika Energy at the leading edge of companies for whom business, environmental and social interests are aligned: We all do better when the planet is doing better.
- **Establishing a Sustainability Committee:** Chaired by an independent board member who sets the strategic direction and oversees our sustainability strategy and implementation across the Group.
- **Making key progress on our decarbonization efforts:** We reduced our Scope 1 greenhouse gas emissions by 11.5% and emissions intensity by more than 40% from 2020, demonstrating that we are well on track to meet our 2050 target for carbon neutrality.
- **Continuing to be a bedrock of the community:** In what has been a trying economic climate across the globe, 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. Beyond our workforce, we spent nearly US\$ 10 million on community development efforts, touching the lives of more than 195,000 people.

- **Fortifying our anti-bribery management system:** We have always taken a zero-tolerance approach to unethical behavior, including bribery and corruption. We conducted an external audit to reassess our compliance with ISO 37001:2016 Anti Bribery Management System, widely considered the gold standard for compliance in preventing, detecting, and tackling bribery. The audit results showed that we were fully compliant, and the anti-bribery management system continues to achieve its intended outcomes.

The journey continues. As our sustainability focus intensifies, we will continue working to ensure that we are accountable for our commitments to various stakeholders. In 2021, we took on a new ESG reporting framework, the World Economic Forum Stakeholders Capitalism Metrics (WEF SCM), while continuing to align with the Global Reporting Initiative (GRI) Standards, the Ten Principles of the UNGC, UN Sustainable Development Goals, and Indonesian financial regulatory obligations.

Indika Energy's journey is one with ambitious goals, because it has to be that way. None of it would be possible without the inspiring energy, dedication and hard work of our people, the collaboration of the communities where we work, and the partnership and guidance of the Indonesian government. The changes we make today will make all the difference tomorrow. Please join us on this journey for good.

M. Arsjad Rasjid P.M.
President Director



OUR SUSTAINABILITY JOURNEY

If what we are doing is not sustainable for people and the planet, then it is not sustainable for our business. This is the principle that underlies Indika Energy's commitment to decarbonization, including our target of achieving carbon neutrality by 2050 or sooner. Our newly established Sustainability Committee sets the policy direction for this journey, guided by our long-standing values of doing the best by all of our stakeholders.

Our Path to Today and Beyond

Indika Energy is Indonesia's leading diversified investment company that began its journey five decades ago with the goal of providing the power that drives Indonesia's development.

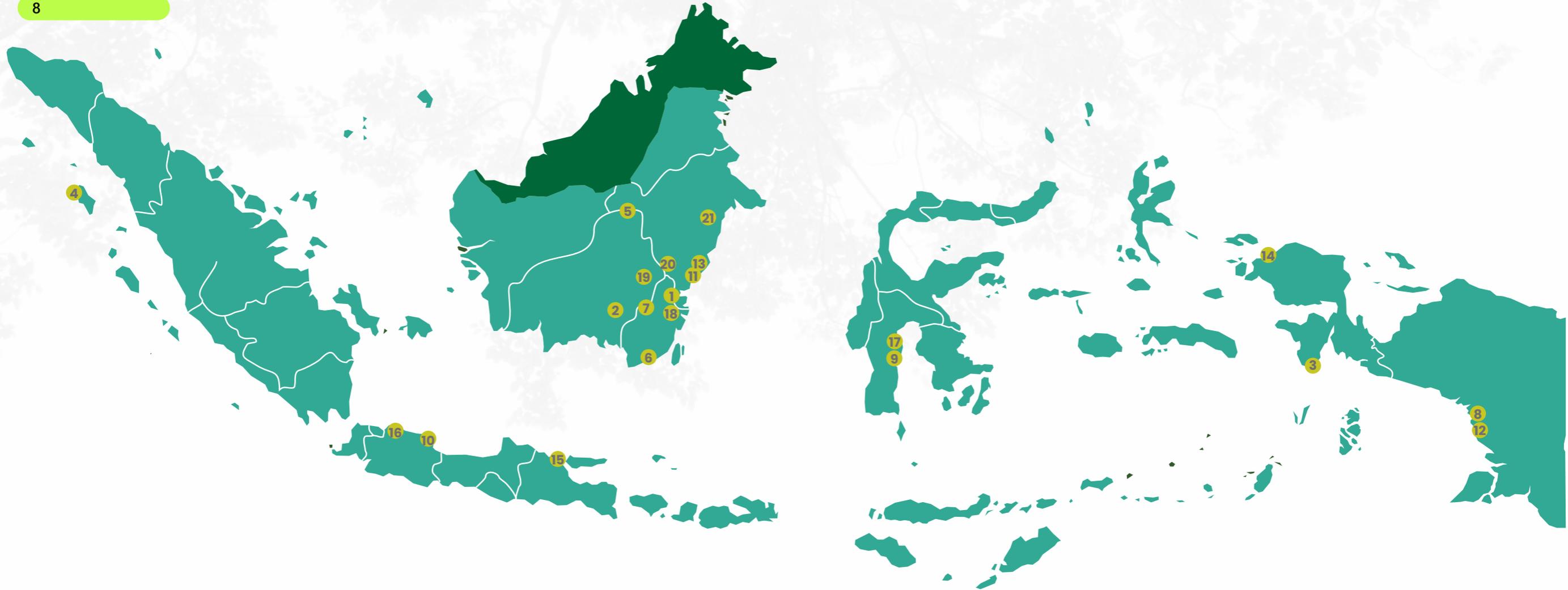
With the vision of underscoring our commitment to sustainability, we formulated a purpose statement: Energizing Indonesia for a Sustainable Future. All our activities reflect our values: UnITAAS — Unity in Diversity, Integrity, Teamwork, Agility, Achievement, Social Responsibility.

A key focus of our business today is in our expanded portfolio: renewable energy, electric vehicle ecosystem, nature-based solutions, logistics and infrastructure, minerals, and digital technology.

A few of these new developing businesses reflect our efforts to contribute to the achievement of particular SDGs. For instance, through Indika Multi Properti, we support the adoption of sustainable agriculture and the utilization of biomass as a renewable source of energy - all while promoting sustainable forest management, thus contributing to SDG 2: Zero Hunger, SDG 7: Affordable and Clean Energy and SDG 15: Life on Land. Our EV business Ilectra Motor Group and solar energy business Empat Mitra Indika Tenaga Surya also support SDG 7: Affordable and Clean Energy.

Indika Energy is headquartered in Jakarta with operations across Indonesia, including the islands of Sumatra, Kalimantan, Java, Sulawesi and Papua.

We are committed to making our journey a sustainable one. We have set ambitious yet necessary targets to achieve low-carbon outcomes, with the 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.



- | | | | |
|------------------------------------|--|--|--|
| 1 Kideco Jaya Agung | 6 Petrosea - Indonesia Pratama | 11 Petrosea Offshore Supply Base | 17 Masmindo Dwi Area |
| 2 Multi Tambangjaya Utama | 7 Petrosea - Kideco Jaya Agung | 12 Petrosea - Kuala Pelabuhan Indonesia | 18 Indika Multi Properti - Jaya Bumi Paser |
| 3 Tripatra - BP Tangguh | 8 Petrosea - Freeport | 13 Interport - Fuel Tank Terminal | 19 Indika Multi Properti - Trisetia Cita Graha |
| 4 Tripatra - PLN - Nias | 9 Petrosea - Masmindo | 14 Petrosea Logistic & Support Services - Sorong | 20 Indika Multi Properti - Telaga Mas Kalimantan |
| 5 Petrosea - Binuang Mitra Bersama | 10 Cirebon Electric Power & Cirebon Energi Prasarana | 15 Petrosea Logistic & Support Services - Surabaya | 21 Indika Multi Properti - Diva Perdana Pesona |
| | | 16 Interport - Patimban Port | |

Working toward a sustainable future

As a responsible global citizen, we listen to and nurture relationships with our stakeholders. On our path toward long-term sustainability, strengthening these relations further and improving our responsiveness in addressing the needs and expectations of our diverse range of stakeholders will be keys 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.

Strong engagement with our key internal and external stakeholders is crucial for our risk mitigation and management process, as their input and feedback play a huge role in shaping our sustainability strategies, goals, and policies.

Our stakeholders include but are not limited to: workforce and labor unions, governments and regulators, communities, NGOs and civil society, financial community and media, suppliers and customers, peer companies.

We engage with other companies within our industry through platforms such as the Indonesian Chamber of Commerce and Industry, Indonesian Coal Mining Association, and Indonesia Renewable Energy Society to participate in dialogues to find industry-wide solutions to common challenges.

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 into our decision-making consideration. We communicate our policies and expectations to our suppliers and business partners, and we require them to comply with the standards we have set.

We are taking concrete steps to contribute to the achievement of the U.N. Sustainable Development Goals (SDGs) in Indonesia.

Indika Energy has committed to long-term and intermediate targets, which we plan to achieve through three principal ways.



Indika Energy's strategies towards net-zero

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 contribute to a better planet for all.

Investing in low-carbon industries



As part of our wider energy transition, Indika Energy is diversifying and investing in sectors such as:

- Renewable energy, i.e. solar energy
- Nature-based solutions
- Electric vehicles (EV) and EV ecosystem

Decarbonizing our 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.

Our Goals and Progress

GOALS

PROGRESS

In addition to these targets, we have also set internal targets related to energy consumption, renewable energy usage, water withdrawal, waste management, and gender equality.

Our sustainability targets directly align with SDGs:



PATH TO NET ZERO

Net-zero emissions by 2050

11.5%
Decrease in Scope 1 GHG emissions from our 2020 baseline

1,197,167
tonCO₂eq

PATH TO NET ZERO

Increase non-coal revenue to 50% by 2025

12.9%
Revenue from non-coal businesses

The decrease in non-coal revenue from 2020 is due to significantly higher coal prices in 2021.

PATH TO NET ZERO

Reduce Scope 1 GHG emissions intensity by 10% by 2025

26.8%
Decrease in Scope 1 GHG emissions intensity from our 2020 baseline

0.022
tonCO₂eq/ton coal production

LAND RECLAMATION

Increase reclamation area by 40% by 2025

11.5%
Increase in reclamation area from our 2020 baseline

Cumulative reclamation area: 5,055 hectares

HEALTH AND SAFETY

Zero fatalities in managed operations

Zero lost-time injuries in our operations

COMMUNITY DEVELOPMENT

Spend 1% of EBIT for community development

1.24% of EBIT Disbursed for community development

195,880 lives Impacted by our community development programs

CORPORATE GOVERNANCE

Form a Sustainability Committee

Established Sustainability Committee, chaired by an Independent Board member

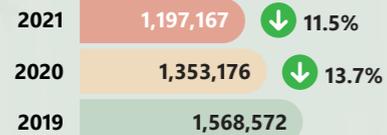
Our subsidiaries Kideco, Petrosea, Tripatra, and Interport have followed suit.

CORPORATE GOVERNANCE

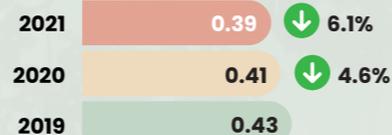
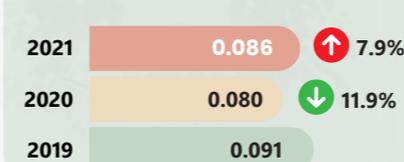
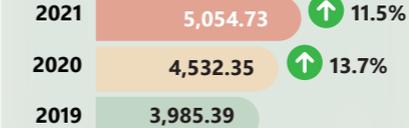
Incorporate ESG into BOD & BOC KPIs

Ongoing We are currently formulating the ESG-related BOD and BOC KPIs

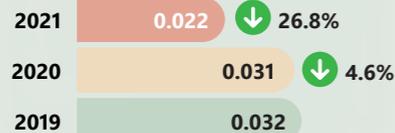
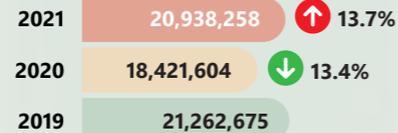
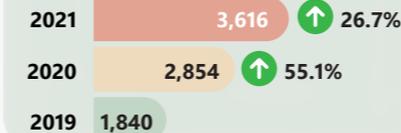
Performance dashboard

Scope 1 GHG emissions
(TonCO₂eq)
 **11.5%**
Scope 2 GHG emissions
(TonCO₂eq)

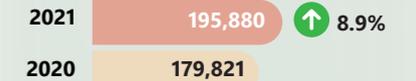
We started measuring
scope 2 in 2021

Energy intensity
(Gigajoule/ton coal production)
 **6.1%**
Water withdrawal
intensity
(ML/kiloton coal production)
 **7.9%**
Reclamation area
(hectare)
 **11.5%**
Community
investment
spending
(% of EBIT)

We started measuring
community investment
spending % of EBIT in 2021

Scope 1 GHG emissions
intensity
(TonCO₂eq/ton coal production)
 **26.8%**
Energy
consumption
(Gigajoule)
 **13.7%**
Water withdrawal
(ML)
 **13.7%**
Waste reused
and recycled
(ton)
 **26.7%**
Employee fatalities
at managed operations
(lives)

Zero fatality record
maintained

Community relations
(Number of lives impacted)
 **8.9%**


Sustainability Governance

To be effective, the culture of sustainability must be an integral part of the corporate culture. In Indika Energy, the policy direction for our sustainability governance is set by the Sustainability Committee, which we established in 2021 to serve a critical role in Indika Energy's journey to net-zero emissions by 2050. Accountability is key, so monitoring and reporting against globally recognized standards are essential parts of the journey.

Sustainability Committee

- The Sustainability Committee oversees and evaluates ESG programs, initiatives, performance, and policies. The committee also provides guidance and assesses the ESG risks of every corporate investment.
- The Sustainability Committee meets every quarter to discuss ESG-related performance and initiatives and advises the Sustainability Team on next steps to improve the sustainability performance of the Group.
- The Sustainability Committee also reviews and makes recommendations to the Board of
- Commissioners in relation to formal approval of sustainability reporting, including in the Sustainability Report and Annual Report.

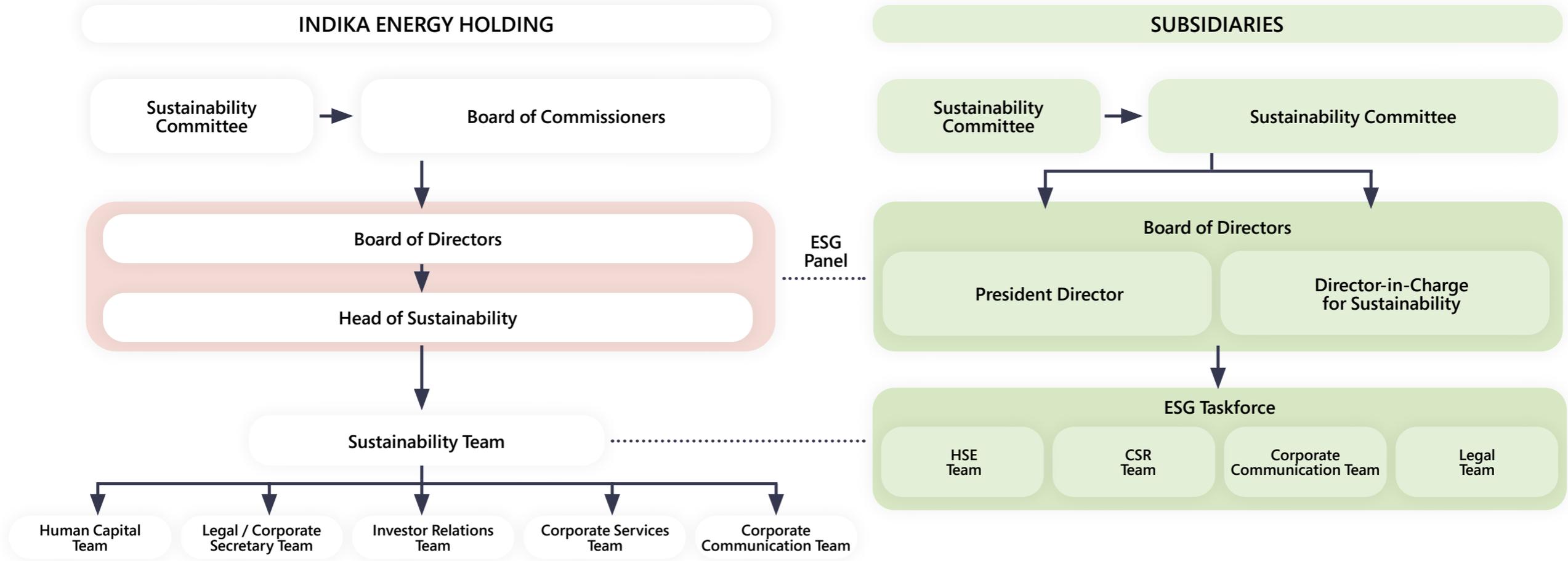
Board of Directors

- Development and implementation of the Company's sustainability strategies and policies are overseen by the Board of Directors. Our Group CEO takes a leadership role to lead the management team in doing so.
- Our CEO as well as the rest of the Board take every opportunity to deliver messages related to sustainability, including the company's commitment to the Ten Principles of the UNGC, both in public speaking engagements as well as internal company events.
- In these events, they ensure to share the company's best practices and to promote new initiatives that contribute to sustainable development.

Alignment

- We align our sustainability strategies and goals across the entire Group through various mechanisms:
- Sustainability Panel: An annual gathering of the CEOs and Directors-in-Charge of all entities in the Group to discuss achievements throughout the year and next steps in the sustainability journey.
- BOC & BOD Induction: An annual capacity-building event involving all members of the Board of Directors and the Board of Commissioners.
- ESG Taskforce meetings: A series of quarterly meetings between the Sustainability Team and the ESG Taskforce of each entity in the Group to discuss performance and initiatives. Each entity's ESG Taskforce consists of members from various departments and teams, who are responsible for the entity's sustainability initiatives as well as monitoring and reporting.
- The Sustainability Team works closely with Human Capital and Corporate Services to ensure effective implementation of sustainability initiatives, and with Corporate Communications, Investor Relations, Legal, and the Corporate Secretary for sustainability reporting/disclosures.

Sustainability organization structure



Commitment to United Nations Sustainable Development Goals

ESG targets

- We work across our corporate Group to set our baseline and targets for various ESG metrics, ranging from emissions, reclamation, community investment, to corporate governance.
- We monitor our progress toward achieving these targets through monthly discussions at the working level, quarterly Sustainability Committee meetings, as well as annual Sustainability Panels.

ESG policies

- We refined our existing policies and developed new ones to guide our sustainability practices, based on feedback from internal and external stakeholders.
- These policies are publicly available and regularly communicated to all relevant stakeholders, including our personnel, business partners, and third parties.

High priority SDGs for Indika Energy



Second priority SDGs for Indika Energy



SDGs we may impact more indirectly



We align our core business strategy with these SDGs

About Our First CoP Report

Reporting guideline

Indika Energy signed up to the principles of the United Nations Global Compact in September 2021. As part of our commitment to the UNGC, we will publish a Communication on Progress annually to report our approach to and progress toward implementing the Ten Principles of the U.N. Global Compact in our operations.

At the same time, we also align our reporting with the standards established under the GRI Standards and the Core Metrics of the World Economic Forum Stakeholder Capitalism Metrics. A limited assurance review was performed by an independent third party over most of the information on the ESG metrics stated in this report. The results of the assurance verified that our sustainability reporting has been prepared in accordance with the GRI standards 2021 and AA1000 Accountability Principles Standard 2018. We also identify in our reporting the relevant U.N. Sustainable Development Goals that we work toward.

Boundaries and scope

This Communication on Progress report covers Indika Energy's performance from January 1 to December 31, 2021. It includes data from entities across Indika Energy Group, identified as those in which Indika Energy holds more than 50% of shares and has management control.

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 (IPI), and Yayasan Indika Untuk Indonesia (Indika Foundation).

This report meets the GC Advanced Level criteria and references best practices we have implemented in the four UNGC areas of focus (Labor, Human Rights, Environment, and Anti-corruption).

More Than a Company — a Family

At Indika Energy, we strive to be more than a workplace for our employees. We want to help our people grow, nurture their innate talent, and cultivate new skills that will help them move forward both professionally and in life. We do that by promoting an environment of professionalism, respect, and safety, investing in training and development programs, and ensuring fairness and equality in all personnel policies. We are more than a company — we are a family.



Our People

The driving force behind Indika Energy's achievements is our workforce. This is the reason why we focus on building a culture of excellence and responsibility in the workplace, allowing opportunities for learning, self-improvement, and leadership. In an industry that has historically been male dominated, we stand out for our tireless efforts and outcomes in promoting greater inclusion of, and leadership by, women in the workplace.

Today, our workforce of 7,593 employees is a reflection of the diversity of Indonesia. That diversity is a strength, and so are the values that we share in common: a commitment to safety, respect for one another, and a desire to constantly do better.

Therefore, we 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.

Principles from the Ten Principles of the UNGC relevant to this area:

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 6: the elimination of discrimination in respect of employment and occupation.

"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 women, we have to be proactive about taking opportunities to constantly develop ourselves."

Ertiana, HD Operator, Petrosea



Our Commitments

Our people are encouraged to develop their skills, bringing new ideas, suggesting creative solutions and lending their bold, authentic voices to their work. We offer ongoing rewards programs; fair, equitable pay; and learning opportunities to help every one of our people develop new skills and continue to grow.

Commitment to equality

We are firmly committed to pay equity and have processes in place to help ensure that our people — across gender, race and ethnicity — are compensated fairly for the work that they do. Pay equity at Indika Energy means that each individual is compensated fairly and consistently with regard to the work that they do, their location, and their tenure and career level.

We strive to provide equal and fair opportunities for all employees, from the recruitment process, career development, all the way through to retirement. We also maintain a culture of inclusivity and welcome people with disabilities to join our workforce.

In hiring, we focus on “culture add” as a way to enrich the diversity of backgrounds and experiences of our workforce.

We believe it is important to help our employees continue to develop their skills and expand their knowledge to move forward and carve out a meaningful career path. We ensure that every employee has equal opportunity to learn and develop themselves to maximize their individual potential and support their career path.

Commitment to inclusion and diversity

A workplace that is inclusive, diverse and equal is an environment in which innovation flourishes. We strive to maintain this environment to allow our people to perform at their very best and feel they have an equal opportunity to contribute, thrive, and belong.

We do not tolerate any form of discrimination on the basis of gender, race, nationality, religious beliefs or socioeconomic background.

Across the corporate Group, our Directors represent six different nationalities and range in age from 39 to 58 years old. Each Director brings expertise from various fields, enhancing Indika Energy's culture and values.

We continue 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's empowerment initiatives. We help develop industry-ready skills through programs such as our women-to-women mentoring program, to empower and nurture more women to take up leadership roles within the company.

We also continued our efforts to increase local representation by recruiting from the locations where we operate. Each local hire represents not just a valuable addition to our team, but also a building block in empowering local families and communities.

Continuous learning culture

We face a monumental task ahead of us — transitioning from an industry we have occupied for decades, to a series of newer, sustainable ventures — which poses unprecedented challenges and learning opportunities. At the workforce level, it means investing in reskilling and upskilling individuals who are among the best at what they do. We need to equip them with the capabilities to thrive and grow amid the disruptions facing the world as we pursue a society-wide journey on a path toward cleaner energy, low- and no-emission activities, and sustainable business.

When we committed to our net-zero emissions goal, we highlighted agility as one of our values. Combining this with flexible thinking, we believe that employees should be encouraged more to explore out-of-the-box solutions that can help drive the company's sustainability goals. Continuous training remains one of our key offerings to employees; throughout 2021, we provided 271,777 hours of training to 6,691 employees, in areas ranging from health and safety, anti-bribery, data storytelling, and engineering, to effective negotiation and agility.

Where skills gaps exist that call for bringing in new talent, we are assessing how to mitigate any impacts to our internal culture and shared values. Our executive leadership program, in collaboration with top universities, focuses on topics such as sustainable financing and carbon accounting.

As we make the transition, we continue to strive for the people-management and employee-development skills needed for the success of the company's sustainability journey, building leaders of the future.

Freedom of association and collective bargaining

Indika Energy recognizes and respects employees' right to organize and believes that diverse opinions and views communicated in good faith can enrich the Group as a whole.

Employees have the opportunity to form or join labor unions as a means of communicating with management. Today, there are eight such labor unions within the 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), Pengurus Komisariat Federasi Pertambangan & Energi PTKPI, and Serikat Pekerja Mandiri PTKPI.

Unions are fully involved in discussions related to human capital and labor management, operational management, and various other strategic aspects. Collective Labor Agreements (CLA) are prepared and agreed on by all sides together and reviewed periodically. All permanent employees of Indika Energy are protected by their rights and obligations under the CLA.

Management nurtures strong communications with labor unions through a series of meetings to discuss the best ways to optimize labor welfare.

Besides the corporate Group's policies and regulations, freedom of association is also assured under Indonesian labor and employment laws and International Labor Organization (ILO) conventions to which Indonesia is a party.

Grievance mechanism

Indika Energy maintains a robust policy on handling employee complaints and grievances, which we treat seriously.

As stipulated in the CLA, complaints from employees can be submitted directly to a supervisor, who will then endeavor to resolve the problem. If this is not possible, then the employee has the right to submit the matter to the union for resolution in a bipartite manner. If this step fails, the problem will be resolved in a tripartite manner with reference to the prevailing employment laws and regulations.

This process also involves the input of stakeholders, including employee representatives, in designing and proposing improvements to the resolution mechanisms.

In 2021, six grievances were filed about labor practices, concerning issues such as local recruitment, facilities and benefits, as well as transparency of performance evaluation. All of these grievances were addressed and resolved to the satisfaction of all parties.

Occupational health and safety

One of the ways that we care for our employees is by maintaining and promoting their health and safety. For Indika Energy, safety comes first and foremost. Our record in 2021 reflects this commitment, with an improved safety record from the year before and zero lost-time injuries 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.

In 2021, we developed our Group-wide health and safety policy, which defines the key approaches we take to keep our work environment healthy and safe, no matter where that is. We are strict about our adherence to ISO 45001:2018 Occupational Health and Safety Management System standards.

The past two and a half years of the COVID-19 pandemic have served to highlight the importance of mental health wellness, especially in the workplace. We strive to create an environment and provide the tools, programs and practices for mental well-being. We continue working to help break the stigma surrounding mental health by fostering a culture where people feel comfortable engaging in open, honest dialogue, including in response to external stresses such as the COVID-19 pandemic, natural disasters and other world events.

Our Impact So Far



36%

Women's representation at mid-level executive and managerial level, thanks to our efforts to promote more strategic roles for women in Indika Energy.



US\$ 657,961

Invested in learning and professional development, helping employees develop and hone new skills and better themselves professionally.



88%

Employees participating in training programs, thanks to more training opportunities offered by Indika Energy.



15,306

Employees and family members vaccinated against COVID-19 in 2021, thanks to Indika Energy's participation in the Vaksinasi Gotong Royong program.



A Planet We Call Home

Picture a lush tropical forest in the heart of Borneo, teeming with rare wildlife, much of it found nowhere else on Earth. Now consider that this forest was once a mining area — one that has been painstakingly reclaimed and reforested, to the extent that today, its level of biodiversity rivals that of nearby old-growth forests. This is the kind of environmental stewardship that Indika Energy has always been committed to. Our whole-of-ecosystem approach means we mitigate all potential environmental impacts, from emissions to waste to water use, to minimize our footprint on this planet we call home.

Saving Planet A

It is often said that there is no Planet B. We agree. There has never been a more urgent time to act in the best interests of the planet and its people. As a leading player in the Indonesian energy sector, Indika Energy has a responsibility to forge a path that diverges from business-as-usual and toward a sustainable future.

We recognize the need to make a meaningful transformation in our business and operational activities, which is why we have committed to divesting from carbon-intensive activities and investing in new and renewable energy, nature-based solutions, and other low- and no-carbon businesses. Our short-term goal is to phase down our coal business to less than 50% of our total revenue by 2025, as we strive to hit our longer-term target: carbon neutrality by 2050 or sooner.

Beyond tackling emissions, we also remain committed to our ecosystem protection efforts across Indonesia, one of the most biodiverse countries on Earth. Our ongoing forest restoration efforts have already benefited rare and threatened species, while our mangrove-planting initiatives have provided livelihoods and nature services for local communities. In aligning our business interests with care and respect for the environment, we have fully embraced the spirit of the UNGC principles in the area of Environment.

Principles from the Ten Principles of the UNGC relevant to this area:

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

“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 Sustainable Development (IBCSD)**

Our Commitments

Indika Energy takes a holistic approach to preserving the environment. We strive to minimize our use of resources such as energy and water, as well as to drastically scale back our emissions, with an eye to carbon neutrality by the year 2050. At the same time, we are committed to leaving as small a footprint as possible by minimizing waste through repurposing and recycling, and through proper disposal and treatment of hazardous waste and effluents. Ultimately, we want to leave nature in the same condition as we found it, or even better, which we do through a painstaking process of reclamation that includes land use restoration and biodiversity monitoring.

Environmental Policy

- Responsible environmental stewardship has always been part of our culture at Indika Energy, formalized through our Environmental Policy. It covers our transition into low- and zero-carbon initiatives, such as solar and nature-based solutions, as well as our ongoing management of shared natural resources such as water, and our efforts to minimize our waste footprint.
- In line with Chapter 30 of Agenda 21 adopted in the 1992 Rio Earth Summit, Indika Energy recognizes environmental management as among the highest corporate priorities. As a sign of how central the Environmental Policy is to Indika Energy's operations, it is the Board itself and the Sustainability Committee that hold accountability for and commitment to the implementation of environmentally responsible practices across our business.

Tackling emissions

- Our path to carbon neutrality consists of a combination of low-carbon investments, decarbonization of existing operations, and carbon offsetting.
- Investing intensively in low-carbon businesses across different sectors is a key part of achieving at least 50% of our revenue from non-coal businesses by 2025. To that end, we have invested in:
 - Renewable energy (solar PV)
 - Nature-based solutions (biomass)
 - Electric vehicles
 - Minerals (gold)
 - Logistics and infrastructure

- There is scope for reducing our carbon footprint from existing operations through decarbonization efforts, which also have the added benefit of driving business efficiencies. Among our initiatives:
 - Reducing consumption of diesel with B30 biodiesel
 - Reducing use of diesel-powered generators with a solar PV array
 - Deploying an electric bus fleet for employees
 - Good mining practices that maximize efficiencies and minimize waste
 - Digitalization and implementation of Industry 4.0 technologies for greater efficiency
 - Electricity-saving initiatives in the office
- In areas where decarbonization potential is limited and low-carbon initiatives may not be viable, we have turned to carbon offsetting as a solution. This includes:
 - Reforestation and restoration programs in biodiverse tropical rainforest landscapes in Kalimantan (Borneo)
 - Reclamation and revegetation programs in mangrove landscapes in Kalimantan (Borneo)
 - Tree-planting program in a protected area in West Java
 - Hydroseeding program in Kalimantan (Borneo)

Saving water

Water is precious and finite, and everywhere that Indika Energy operates, we ensure that our use of this shared resource does not deprive the communities who also depend on it. We implement a range of water efficiency programs and help improve communities' access to clean water sources.

At our mine sites, we reduce water use through initiatives such as road paving, installation of sensors, and use of lower-volume sprinklers for greater efficiency. We also reuse water wherever possible, including using runoff water for dust suppression on unpaved roads, and looping water from settling ponds minimize the need to draw fresh water.

We implement a rainwater harvesting system to capture and store rainwater for later use, which contributes to minimizing demand on local water resources. We also ensure that the water we release back into the ecosystem is just as clean as when we took it out. We maintain strict monitoring of our water treatment processes to ensure acceptable standards of water quality — from pH level to turbidity — before release, achieving results well within government-mandated thresholds.

Giving the gift of precious water

The province of East Nusa Tenggara has historically been one of the driest provinces in Indonesia, and in recent years this problem has been compounded by a prolonged drought. Working with the Indonesian Chambers of Commerce and Industry (KADIN) and the Indonesian Military's regional command, Pangdam IX/ Udayana, Indika Energy is helping address the clean water shortage in the province.

Through an earlier study, we identified 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.

In addition, we assisted the surrounding community to build sustainable livelihoods by providing more than 2,500 broiler chickens and the supporting infrastructure such as chicken coops and lighting. This program is in line with Indika Energy's commitment to support SDG 1: No Poverty, and SDG 6: Clean Water and Sanitation.

Minimizing waste

Waste is an inevitable part of Indika Energy's business activities, but it is not insurmountable. We do everything possible to minimize our waste generation and to contain and treat the waste produced. Wasting less is one of those goals where environmental and business interests dovetail perfectly, which is why it is a core part of our operations.

The simplest solutions are often the most effective. Tires from heavy equipment can be retreaded and reused, or else repurposed as road markings or for shoring up settling ponds. Used motor oil can be used to replace diesel in blasting activities. Plastic water bottles also find a second life in blasting, and in fact help reduce the need for explosives while also giving improved blast results.

For other solid waste, including plastic containers and packaging, we enlist licensed and regulated third parties for recycling. Similarly, we ensure that hazardous waste is handled and disposed of professionally and responsibly.

Within the organization, we reduce our use of single-use plastics by mandating employees to bring their own tumblers and water bottles to the office. We also run a "Beat Plastic Pollution" campaign to encourage employees to bring food containers from home.

Protecting biodiversity and land use

Maintaining ecosystem health is a core concern in our operations, given that we work in some of the most biodiverse parts of Indonesia. Our efforts begin long before any mining starts, with a biodiversity risk assessment, and continue well after mining has ended, with reclamation, restoration, and monitoring.

Pre-operational assessments are especially crucial in sites near protected or high-conservation-value areas, to ensure we can minimize or mitigate any impacts to local flora and fauna. We also conduct regular biodiversity monitoring through the use of camera traps, in partnership with third parties to ensure the transparency and accountability of our monitoring and mitigation processes and reforestation programs.

We also work 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 greater freedom to move safely.

As of the end of 2021, Indika Energy Group completed land reclamation activities over a combined area of 5,055 hectares (12,491 acres) cumulatively since 1992. Just as important is our watershed rehabilitation program, which was carried out across 5,976 hectares (14,767 acres) of protected areas in Kalimantan (Borneo) in 2021.



Harnessing abundant sunshine

We support Indonesia's target to achieve 23% renewable energy mix by 2025. In 2021, we established a joint venture with Fourth Partner Energy Limited (4PEL) called Empat Mitra Indika Tenaga Surya (EMITS) to provide a one-stop renewable energy solutions platform for commercial and industrial users throughout Indonesia.

Since then, EMITS has 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 province, and at the Krakatau International Port in Banten province.

Our efforts to increase renewable energy use do not end there, as we also strive for energy savings and emissions reductions in our own operations. At Kideco's employee basecamp, 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 total daily electricity demand.

Being a responsible partner

The nature of our business means we work with various partners. That makes it important to ensure that the values that we care about and the measures that we take are shared by our partners. We work closely with them to arrive at ways to make a positive impact on the environment through the use of innovative technologies and efficient processes.

In line with the actions outlined in the UN's Agenda 21, we adopt the use of technology to make our operations more efficient, and we encourage our partners to do the same.

Staying accountable

Being committed to environmental stewardship is only one part of the battle. At Indika Energy, we back up our commitment with accountability, through regular monitoring and reporting of the company's environmental performance and issues to our internal and external stakeholders.

We consolidate Indika Energy Group's environmental performance quarterly through the use of an internal ESG Dashboard. Internally, we have a governance mechanism to report and discuss quarterly environmental performance with the Board, and the Sustainability Committee, which is responsible for overseeing and evaluating the sustainability performance and initiatives at Indika Energy.

Building capacity

To promote greater understanding and awareness of environmental responsibility across the corporate Group, we conduct a series of training programs and awareness-raising campaigns via town hall meetings and discussion forums for leaders and management, as well for employees in general through internal biweekly newsletters and discussion forums.

At the management level, we conduct capacity building through the annual BOC-BOD Induction and the Leaders' Insight Forum. In 2021, the Leaders' Insight Forum convened four times, three of them focusing on the topic of climate change and sustainable development.

We also encouraged our employees to be part of our sustainability journey. As part of our 21st anniversary celebrations, we launched a competition for employees to generate new ideas to help us achieve our targets on environmental conservation. Across the Group, the competition came up with creative ideas on how to help achieve our net-zero target by 2050 or sooner.

We also actively participate in activities held by the United Nations Global Compact and Indonesia Global Compact Network to gain knowledge and technical skills on sustainability topics, including environmental stewardship.

Our Impact So Far



10,500+

People with access to clean water in one of the most water-stressed regions of Indonesia



29,000+

Tons of carbon dioxide equivalent that we offset in emissions from our land reclamation efforts at two operational sites in Kalimantan (Borneo)



638

Species of fauna identified in Kideco's reclamation area Tandarayan Arboretum in Kalimantan (Borneo)



21,000+

Mangrove trees planted across our operational sites: Central and East Kalimantan (Borneo), Banten, and West Papua



5,976

Hectares of rehabilitated watershed in protected areas in Kalimantan (Borneo)



7,689

Metric tons of waste successfully diverted from landfills and incinerators

Grounded in Ethics and Integrity

In today's corporate climate — and actual climate — it is no longer enough simply to be a good business. We have to be first and foremost a business that does good. Indika Energy has always maintained a commitment to doing good by all our stakeholders and by the Indonesian people and nation. From maintaining high standards of integrity and ethics, to championing human rights tirelessly and unconditionally, we can always be counted on to lead with good corporate governance.



Good Governance Goals

Achieving our sustainability goals calls for strong, visionary and ethical leadership. And that requires good corporate governance that nurtures a culture of accountability, transparency, and fairness. At Indika Energy, our governance structure is founded on an unassailable respect for fundamental and human rights for all. That includes our employees, our business partners, the communities we work among, and all other stakeholders.

We take a zero-tolerance stance on unethical conduct such as labor abuse and corruption and demand the same commitment from all who work for or with us. We take all breaches seriously and have a robust whistleblowing system in place to address any reported violations.

This is what makes good governance such an integral part of our culture: It allows us to strive for our goals while being accountable to all stakeholders, transparent to regulators, and fair to people and the planet.

Principles from the Ten Principles of the UNGC relevant to this area:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.
- Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.
- Principle 5: the effective abolition of child labor.
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

“Indika Energy has determined a clear purpose and the intended results of its Anti Bribery Management System (ABMS), which is to improve the culture of integrity in the company. Indika Energy’s ABMS was found aligned with its vision and good corporate governance goals. The company has established a suitable policy, procedure, and control to prevent, detect, and respond to any bribery situation.” -

**Hopiffuddin
British Standards Institute (BSI)**

Protecting Fundamental Rights

We unequivocally support the fundamental rights of all people, from defending democracy, to protecting human rights, to fighting injustice and inequality. We commit to comply with all applicable laws and internationally recognized human rights charters, including the Universal Declaration of Human Rights.

We operate in an industry where the potential exists for human rights violations, and as such, we take steps to mitigate the risk, both to our employees and to the local communities who may be affected by our activities. These include practicing due diligence to identify human rights impacts associated with our activities and conducting regular training on human rights.

We stand against the use of child labor as well as forced or exploitative working conditions and require that our business partners also comply. We ensure a living wage for our entire workforce and compliance with national labor laws on working hours, providing fair compensation in the event that overtime is required.

We encourage all our suppliers and the third parties we work with to uphold these and other rights, including meal and transportation allowance, paid time off, health benefits, and self-development opportunities. Each company in the Group regularly monitors the compliance of their respective suppliers and business partners.

As our security forces are most often the face of Indika Energy in the communities where we work, we are careful to ensure they are all trained and made aware of the importance of respecting human rights. We also conduct assessments to identify areas of improvement in our security personnel training.

All these commitments have meant that Indika Energy remains one of the few corporate groups of our size and in our industry in Indonesia that continues to enjoy conflict-free relations with the communities in whose midst we operate.

In 2021, we modified our Sustainability Policy, which covers our ESG material topics, including human rights. The updated policy reiterates Indika Energy's serious commitment to human rights as a responsible member of society, and is routinely communicated to all employees, business partners and third parties. We are also developing a standalone Human Capital Policy and Human Rights Policy in collaboration with the Human Capital team, expected to be published by the end of 2022.

Promoting a world of kindness

We are just as stringent about upholding human rights in our social outreach as we are in our day-to-day operations. Through the Indika Foundation, we help empower marginalized communities and vulnerable groups, including women, children, and people with disabilities.

In 2021, the Kamar Belajar Indika Foundation program provided grants to 30 beneficiaries with diverse missions, ranging from providing assistance for victims of online gender-based violence, to spreading awareness about diversity and inclusion through a festival event for marginalized groups.

One of the grantees is BullyID, an organization focused on tackling online sexual harassment. BullyID helps victims through a series of technology-based interventions. Through the BullyID application, victims can submit reports and requests for psychological and legal assistance to get treatment for free. In the past year, the organization has provided such assistance to 545 victims.

Another grantee is Puanitas Indonesia, which organized the Festival Keberagaman dan Kesetaraan (Festival of Diversity and Equality) in Kupang, East Nusa Tenggara. The event is a forum for marginalized groups (women, indigenous peoples, and people with disabilities), and aims to deepen knowledge about equality issues, build mutual support, and campaign for equality, especially in East Nusa Tenggara. Participants gain a better understanding of human rights and how to become a support system for victims of discrimination and violence. 45% of the festival attendees were women who had experienced gender-based violence, 25% were people with disabilities, and 20% were from indigenous communities.

Anti-Corruption

Anti-Bribery Policy

- We have a zero-tolerance policy for bribery and corruption and are deeply committed to comply with all relevant regulations and standards on bribery, corruption, collusion, and nepotism.
- As stated in the policy, the Board of Directors is accountable and committed towards the effectiveness of the Anti-Bribery Management System.
- In 2021, we updated our Anti-Bribery Policy to ensure that we comply with national regulations and adopt the best practices to prevent, detect and respond to any indications of bribery or corruption in our operations.
- We also communicate this policy to our business partners, vendors, and suppliers to ensure they uphold the same high level of ethics and comply with the same regulations and standards.

Anti-Bribery Management System

- Indika Energy has implemented ISO 37001 Anti-Bribery Management System (ABMS) since 2020, with all entities within the Group certified for their ABMS.
- As part of our compliance with this system, the Group conducts annual Bribery Risk Assessments (BRAs) to identify, analyze, assess, and prioritize potential bribery risks and evaluate the effectiveness of existing controls to mitigate such risks.
- Indika Energy conducts internal audits for ABMS to 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 our policy, as well as opportunities for improvement to the ABMS. The audit is carried out by internal auditors fairly and on a regular basis. Internal audits are planned, carried out and coordinated by the Internal Audit division and the results reported to the Board of Directors and the Anti-Bribery Compliance Function.
- In addition, Indika Energy also conducts external audits annually for ABMS with the help of the British Standards Institute (BSI). The aim is a surveillance assessment to ensure the company's ABMS is in full compliance with the standards to which we have committed.

Training & awareness raising

- 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. This ensures that our anti-bribery and anti-corruption procedures and policies are communicated to 100% of our employees.
- We also communicate risk mitigation for bribery and corruption to all our business partners, including vendors and subcontractors, through our Integrity Pact, which we require them to read and sign.
- The Ethics Committee and the Anti-Bribery Compliance Function also raise awareness through various channels: regular emails, updates on the website, banners, desktop wallpapers, employee surveys, and refresher courses.
- Across the Group, we saw a 43% increase in the number of employees who received training in our anti-corruption policies and procedures in 2021.

Grievance Mechanism

Whistleblowing system

- Indika Energy maintains a whistleblowing system for reporting violations or noncompliance. This system was designed to prevent direct dispute between the parties involved and help achieve the best resolution to the problem. Through this system, whistleblowers may also report any unsafe or unethical practices related to human rights and anti-corruption.
- The whistleblowing system is available to all employees, suppliers, customers and others, via mail, email, fax, telephone, and a dedicated website 24/7, in both Indonesian and English to ensure greater accessibility.
- Whistleblowers are guaranteed: free and confidential reporting communication channels; confidentiality of their identity, unless a lawsuit requires this to be disclosed in court; and legal protection from retaliation from the reported individual or organization.
- The Ethics Committee is responsible for following up on grievances and reports submitted through the whistleblowing system and reporting to the Board of Directors. In the event an investigation is deemed necessary, the Ethics Committee reports on the results of the investigation and recommends actions.
- The Corporate Secretary and Legal Department are also required to report quarterly the number of whistleblowing reports received, the medium used by each whistleblower, and the results of investigations (if any) to the highest governing bodies of the company.
- Employees receive regular emails about the whistleblowing system and are required to attend refresher courses about it.
- Across the Group, we received seven reports through the whistleblowing system in 2021. These reports raised concerns of potential fraud, abuse of authority, and abuse of Company assets. One of the reports has been followed up on and investigated, while the rest did not fulfill the criteria, hence could not be followed up on.
- 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.



Our Impact So Far



Zero

Labor abuses were identified in 2021



Zero

Significant risks related to corruption identified in 2021, which marks significant progress from the previous year, when 44 high risks were identified



Zero

Incidents related to corruption were identified in 2021



Zero

Public legal cases related to corruption were found in 2021



43%

Increase in the number of employees who received training in anti-corruption policies and procedures in 2021, from 1,662 to 2,369



KIDICO
FASILITAS
AIR BERSIH

Making a Difference

At the start of 2021, Indika Energy committed to making an even greater positive impact on the wider community of which we are a part by spending at least 1% of our EBIT (earnings before interest and taxes) on community development every year. In our first year, we managed to exceed this target, disbursing 1.24% of EBIT for various programs that had a meaningful impact at the individual and community levels.

Fighting the pandemic together

As part of our efforts to help Indonesia rebound from COVID-19, in 2021 Indika Energy Group donated US\$ 4.5 million to various initiatives to tackle the pandemic. These efforts support the achievement of SDG 3: Good Health and Well Being.

We also initiated relief programs such as:

Indika Solidarity (INSOL), to facilitate testing for employees and their families. Launched in Jakarta in April 2020, this was followed by Balikpapan in November 2020, offering the first drive-through PCR testing facility in the city. The INSOL lab served as the model for the GSI Lab (Genomic Solidarity Indonesia), on which Indika Energy collaborated with other partners in Jakarta. With its capacity for processing 5,000 PCR tests per day, the GSI Lab played a key role in helping the national COVID-19 Task Force ramp up its overall testing capacity to keep the spread of the disease in check. In 2021, GSI Lab provided testing for 2,018 whole genome sequencing samples and 539,311 PCR samples.

Donation of 8,000 oxygen cylinders, 12 ISO tanks, and 26 tons of liquid oxygen to the Indonesian Chambers of Commerce and Industry (KADIN) for distribution to hospitals across Indonesia.

Rumah Oksigen Gotong Royong (Mutual Aid Oxygen House). Together with other companies, Tripatra built Rumah Oksigen Gotong Royong in 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.

Renovation of hospital facilities in Paser, East Kalimantan province, by Kideco. This includes adding room capacity for COVID-19 patients, providing PCR and antigen tests for local communities, and donating other health equipment for COVID-19 prevention.

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

Vaccine provision by MUTU for the Sabailah Community Health Center in South Barito and the Raren Batuah Community Health Center in Central Barito, Central Kalimantan province. MUTU also donated health equipment and medicine for COVID-19 prevention, such as antigen testing equipment, hand sanitizer, masks, and health supplements.



Our Impact So Far



US\$ 4.5M

Donated toward relief programs to boost recovery efforts from the COVID-19 pandemic



539,000+

PCR tests for employees, families and surrounding communities in Jakarta and Balikpapan, provided through Indika Solidarity



54,000+

Antigen rapid tests for employees, families and surrounding communities in Jakarta and Balikpapan, provided through Indika Solidarity



8,000

Oxygen cylinders donated to hospitals via the Indonesian Chambers of Commerce and Industry (KADIN) to boost recovery efforts from the COVID-19 pandemic, along with 12 ISO tanks and 26 tons of liquid oxygen



3,370

Free PCR tests provided to underprivileged communities through our #SwabAndSaveIndonesia program



2,018

Whole genome sequencing (WGS) tests provided to underprivileged communities through our #SolidaritySequence program



195,000+

People reached through our community development efforts in 2021, on which we spent more than Rp 137 billion (US\$ 9.2 million)



2,000+

Children beneficiaries of our anti-stunting campaign in East Kalimantan province. The campaign provides classes for prospective parents on how to prevent childhood stunting and improve nutrition, starting from pregnancy to infancy.



562

Beneficiaries since 2013 of the Indika Energy Cerdaskan Anak Bangsa (IECAB) scholarship program offered to children of Indika Energy employees and frontliners



10,617

Beneficiaries of Indika Foundation grants, hailing from various religious groups, underrepresented ethnic groups and people with disabilities

In addition to COVID-19 relief programs, we also continued our existing efforts to have a positive impact on our communities through a range of other programs.

Performance Data Table

The following table lists our progress since 2019 on key non-financial indicators. Unless otherwise specified, all metrics are national in scope, reported on a fiscal year basis, consistent with previously reported figures, and cover those of our consolidated entities. All data are consolidated from performance management systems across the Indika Energy Group and vetted through an internal controls process, which includes senior leadership, to confirm they provide an accurate representation of Indika Energy's non-financial performance.

OUR PEOPLE	2021	2020
No. of employees by gender		
Men	6,888	6,837
Women	705	702
No. of employees by age group		
<30	1,525	1,313
30-50	5,273	5,544
>50	795	682
No. of employees by educational background		
Doctorate	5	6
Masters' Degree	277	292
Bachelor's Degree	2,360	2,305
Associate Degree	599	576
Elementary to high school certificate	4,352	4,360

ENVIRONMENT	UNITS	2021	2020	2019
GHG Emissions				
Scope 1				
Absolute emissions	tonCO ₂ eq	1,197,167	1,353,176	1,568,572
Emissions intensity	tonCO ₂ eq / ton coal production	0.022	0.031	0.032
Scope 2				
Absolute emissions	tonCO ₂ eq	3,866	3,317	2,919
Emissions intensity	tonCO ₂ eq / ton coal production	1.28	1.67	1.02
Energy				
Energy consumption	GJ	20,938,258	18,421,604	21,262,675
Energy intensity	GJ / ton coal production	0.39	0.41	0.43

ENVIRONMENT	UNITS	2021	2020	2019
Water				
Water withdrawal	ML	3,865	3,399	4,082
Water withdrawal intensity	ML / kiloton coal	0.086	0.080	0.091
Water discharge	ML	301,025	349,301	397,096
Waste				
Reused	tons	2,802	2,248	1,479
Recycled	tons	73	94	60
Composted	tons	4,073	218	181
Directed to disposal, i.e., incinerated, landfilled, or brought to a third party	tons	4,419	3,554	5,013
Land reclamation				
Realization	hectares	553	547	604
Cumulative	hectares	5,055	4,532	3,985

HEALTH AND SAFETY METRICS	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
Lost-time injury rate (LTIR)	0	0.004	0
Total recordable incident rate (TRIR)	0.31	0.27	0.15

GRIEVANCES ABOUT LABOR PRACTICES	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

HUMAN RIGHTS TRAINING PERFORMANCE	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%

Glossary

A

Agenda 21

A non-binding action plan of the United Nations with regard to sustainable development. It is a product of the Earth Summit (UN Conference on Environment and Development) held in Rio de Janeiro, Brazil, in 1992.

Anti-Bribery Management System (ABMS)

The international standard that allows organizations of all types to prevent, detect and address bribery by adopting an anti-bribery policy, appointing a person to oversee anti-bribery compliance, training, risk assessments and due diligence on projects and business associates, implementing financial and commercial controls, and instituting reporting and investigation procedures.

B

Board of Directors

The Company organ that is authorized and fully responsible for the management of the Company for the benefit of the Company, in accordance with the purposes and objectives of the Company and represents the Company, both inside and outside the court in accordance with the provisions of the Company's Articles of Association. In Western business terminology, Directors are referred to as Executives.

Board of Commissioners

The Company organ in charge of conducting general and/or specific supervision in accordance with the provisions of the Company's Articles of Association and applicable laws and regulations as well as providing advice to the Board of Directors. In Western business terminology, Commissioners are referred to as Directors.

British Standards Institute (BSI)

The standards body that produces technical standards on a wide range of products and services and supplies certification and standards-related services to businesses, including ISO 37001 ABMS certification.

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 US\$ million). Further synonyms of these metrics used in this report include "emissions intensity" and "greenhouse gas emissions intensity".

CO2eq (Carbon dioxide equivalent)

The universal unit of measurement for the global warming potential (GWP) of greenhouse gasses (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.

Collective Labor Agreement (CLA)

A written contract negotiated through collective bargaining for employees by one or more trade unions with the management of a company (or with an employers' association) that regulates the terms and conditions of employees at work.

E**EBIT**

Earnings before interest and tax, an indicator of a company's profitability.

ESG

Environmental, social and governance.

EV

Electric vehicle. EVs are motor vehicles that are either partially or fully powered by electricity instead of an internal combustion engine that runs on fossil fuels.

G**GHG (Greenhouse gas)**

A group of gases including carbon dioxide (CO₂), methane, and nitrous oxide that absorb and emit radiant energy within the thermal infrared range, causing a greenhouse effect.

GRI

The Global Reporting Initiative, an international independent standards organization 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.

I**IBCSO**

Indonesian Business Council for Sustainable Development, an association led by CEOs who have a shared commitment to promoting and advocating for sustainable development, using the U.N. Sustainable Development Goals as one of the guidelines for the implementation of programs and projects.

ILO

The International Labor Organization is a United Nations agency for the promotion of social justice and internationally recognized 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 labor and child labor.

L**LTIs**

Lost-time injuries 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.

N**Net-zero emissions**

Achieving a balance between the amount of emissions produced and those removed from the atmosphere in order to not contribute to global warming.

P**Paris Agreement**

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

PPCA

Powering Past Coal Alliance, a group of 166 countries, cities, regions and organizations aiming to accelerate the phaseout of coal-fired power stations, except the very few that have carbon capture and storage.

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

Greenhouse gas 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.

SDGs

United Nations Sustainable Development Goals, a collection of 17 interlinked global goals set up by the United Nations General Assembly, designed to be a "shared blueprint for peace and prosperity for people and the planet, now and into the future".

Solar PV

Photovoltaic (PV) systems that convert solar energy into direct current electricity using solar cells, which are normally made by semiconducting materials.

U**United Nations Global Compact (UNGC)**

The UNGC is a voluntary initiative based on CEO commitments to implement universal sustainability principles and support the U.N. 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.

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 organization from all sources for any use over the course of the reporting period. Includes surface water, groundwater, seawater, and water imported from third parties.

World Economic Forum Stakeholder Capitalism Metrics (WEF SCM)

A set of metrics and disclosures set up by the World Economic Forum to catalyze the convergence, simplification and standardization of the non-financial reporting ecosystem. The metrics are drawn from existing voluntary standards, and are focused on four themes: People, Planet, Prosperity and Principles of Governance.

Workforce

References to our workforce include both employees and contractors.