



Forging Sustainability Step, Empowering Lives



DISCLAIMER AND LIMITATION OF LIABILITY

This report contains statements that can be considered as forward looking statements as the Company's actual results or achievements may differ from the results due to national and regional economic and political changes, changes in foreign exchange rates, changes in prices, and commodity market demand and supply, changes in the Company's competition, changes in laws or regulations and accounting principles, policies and guidelines, and changes to assumptions used when making the forward looking statements.

All numbers in tables, graphs and infographics use the Indonesian notation.



Forging Sustainability Step, Empowering Lives

The split-off of PT Indonesia Asahan Aluminium or INALUM Operating from Mining Industry Holding brings new hope and optimism. Where INALUM, returning to its full function as an operating company, can focus on developing the national aluminium industry, and carry out larger business expansion, increase business capital, and provide sustainable benefits to all stakeholders. INALUM will also focus on operational development in the national aluminium downstream ecosystem, both in terms of developing the scope of the aluminium supply chain and developing green energy.

Through its sustainability programs, INALUM tries to maintain harmony with the environment and establish strong ties with the communities so that it can provide a sustainable positive impact that will also be felt by future generations. INALUM's sustainability is proof of its unwavering dedication to building a sustainable future. INALUM prioritizes environmental preservation, promotes social responsibility, maintains good governance practices and builds strong effective relationships with investors. By upholding these principles, INALUM ensures the sustainability and positive impact of the Company's operations, as well as contributes to the welfare of local communities and the wider community.



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01

SUSTAINABILITY PERFORMANCE HIGHLIGHTS



2023 BEST ACHIEVEMENT [OJK B.2]

ENVIRONMENT

1 PROPER GOLD

PLTA operated by INALUM

1 PROPER GREEN

Aluminium Smelter



ASI

Aluminium Stewardship Initiatives
Kuala Tanjung Aluminium Smelter

Mangrove Planting

Planting 23,000 Mangrove Tree seedlings for Coastal Ecosystem Conservation.

Tree Planting Program in the Lake Toba DTA

Planting 185,000 tree seedlings in the Lake Toba 370 Ha DTA to maintain the sustainability of the ecosystem around Lake Toba and the stability of the water level of Lake Toba to support the Company's operations.



Migratory Waterbird Conservation



The budget for migratory waterbird conservation was Rp53,000,000.

1.53 M³
PER SECOND



Reducing Water Use at the Sigura-Gura PLTA.

98,41%

Renewable Energy from Total Energy Use.

2.027,61
TON CO₂eq

Emission Reduction



SMART OPERATION AND PRODUCT STEWARDSHIP

UPGRADING TUNGKU POT

Towards Double
Capacity Production



96,36%

SATISFACTION SURVEY SCORE
CUSTOMERS

97,36%

SATISFACTION SURVEY SCORE
CUSTOMER ENGAGEMENT



PEOPLE

Total Employee Training Hours



Male : 114,134 hours/year
 Female : 7,975 hours/year
 Total : 122,109 hours/year

Total Employee Training Hours



Male : 69 hours/year
 Female : 72 hours/year
 Total : 141 hours/year

0.06

Times

per 200 Thousand Working Hours Total Recordable Incident Rate (TRIR)

0.09

Times

per 1 million working hours Frequency Rate

0.71%

Times

Employee Turnover Rate



COMMUNITIES

[OJK B.3]

SROI RATIO

14,22

Historic Coastal Mangrove Ecotourism

7,13

Empowered Sari Larva Livestock Group

2,03

Meat Traditional Village, Toba

2,36

Lalang Village MSEs



COMMUNITY SATISFACTION INDEX (IKM)

Skor 83

Historic Coastal Mangrove Ecotourism

90

Empowered Sari Larva Livestock Group

Rp1.50 Billion

SER Costs in 2023



ECONOMY

[OJK B.1]



WHISTLEBLOWING SYSTEM

Whistleblowing System

Number of Complaints: 4
 Number of Follow-Ups: 4



02

ABOUT THIS REPORT





ABOUT THIS REPORT



PT Indonesia Asahan Aluminium (“INALUM” or the “Company”) is committed to fulfilling its sustainability responsibilities and supporting the Government’s efforts to achieve the Sustainable Development Goals. The 2023 fiscal year Sustainability Report is the first Sustainability Report published after the INALUM splitoff/ transformation of the Mining Industry Holding, which is now called PT Mineral Industri Indonesia (Persero) or MIND ID.

Previously, INALUM had published Sustainability Reports in the 2019 to 2022 fiscal years, after INALUM became a Mining Industry Holding at the end of 2017 based on PP No. 47 of 2017 concerning Additional Participation of Indonesian State Capital into the Share Capital of the Company PT Indonesia Asahan Aluminium.

The INALUM Sustainability Report for the fiscal year 2023 contains information and data in line with to the structure of writing the MIND ID Holding Sustainability Report.

Several substitute terms have been used in this report to facilitate the process of preparing the report, such as the use of the terms “INALUM”, “Company”, and “We” which refer to PT Indonesia Asahan Aluminium. For words that refer to business units, INALUM uses abbreviations in certain sections, which are included in the scope of this report.





REPORTING PRINCIPLES

In preparing the Sustainability Report, INALUM refers to the eight reporting principles as specified in GRI 1, Platform 2021 as follows::

Accuracy

The information presented is accurate and detailed so that it can be used as consideration for stakeholders in making decisions and assessing the impact of the Company.

Balance

The information presented describes the sustainability impact on the Company's activities so that a comprehensive assessment of company performance can be carried out.

Clarity

The information presented is understandable and accessible to stakeholders.

Comparability

The information presented is prepared consistently so that stakeholders can analyze changes in the Company's performance and the Company's impact over time or even with other companies.

Completeness

The information submitted is complete and sufficient to enable stakeholders to assess the impact of the Company.

Sustainability Context

The Company reports information about the Company's impact in the broader context of sustainable development.

Timeliness

Reports must be available regularly and in a timely manner for stakeholders to make informed decisions.

Verifiable

The Company collects, records, compiles and analyzes information so that it can be verified to ensure the quality of the report.



REPORTING SCOPE AND BOUNDARIES [GRI 2-2]

The Sustainability Report discloses economic, environmental, social and governance performance in accordance with material topics and specified limits. All information disclosed in the sustainability report is related to sustainability performance based on the 6 (six) pillars of the MIND ID Sustainability Pathway, which includes all INALUM operational activities and their impacts based on the scope for the reporting period January 1, 2023-31 December 2023.

\Regarding financial data, although the Financial Statements of the Company's subsidiaries are included in INALUM's Consolidated Financial Statements, this report does not include the economic, environmental, social and governance performance of INALUM's subsidiaries.. [GRI 2-2]

RE-STATEMENT OF INFORMATION [GRI 2-4]

To support the validity of the contents of the report, there is a restatement of information provided in previous reports, we mark *restated.



VERIFICATION BY INDEPENDENT PARTY [GRI 2-5]

GRI recommends the use of external assurance by an independent third party to ensure the quality and reliability of the information presented in this report. For this reason, INALUM conducts assurance of this report by cooperating with an independent third party, namely SR Asia Indonesia to verify in accordance with the ISAE3000/AA1000 standard from Accountability in 2018.

The Company has no other relationship with the assurer other than the assurance work for this report. In addition, the assurer is also not involved in the process of preparing the report so that there is no conflict of interest in the assurance process. The process of determining the assurer is carried out through the approval of the Board of Directors, represented by the Corporate Secretary.

REPORTING PERIOD, FREQUENCY, AND CONTACT [GRI 2-3]

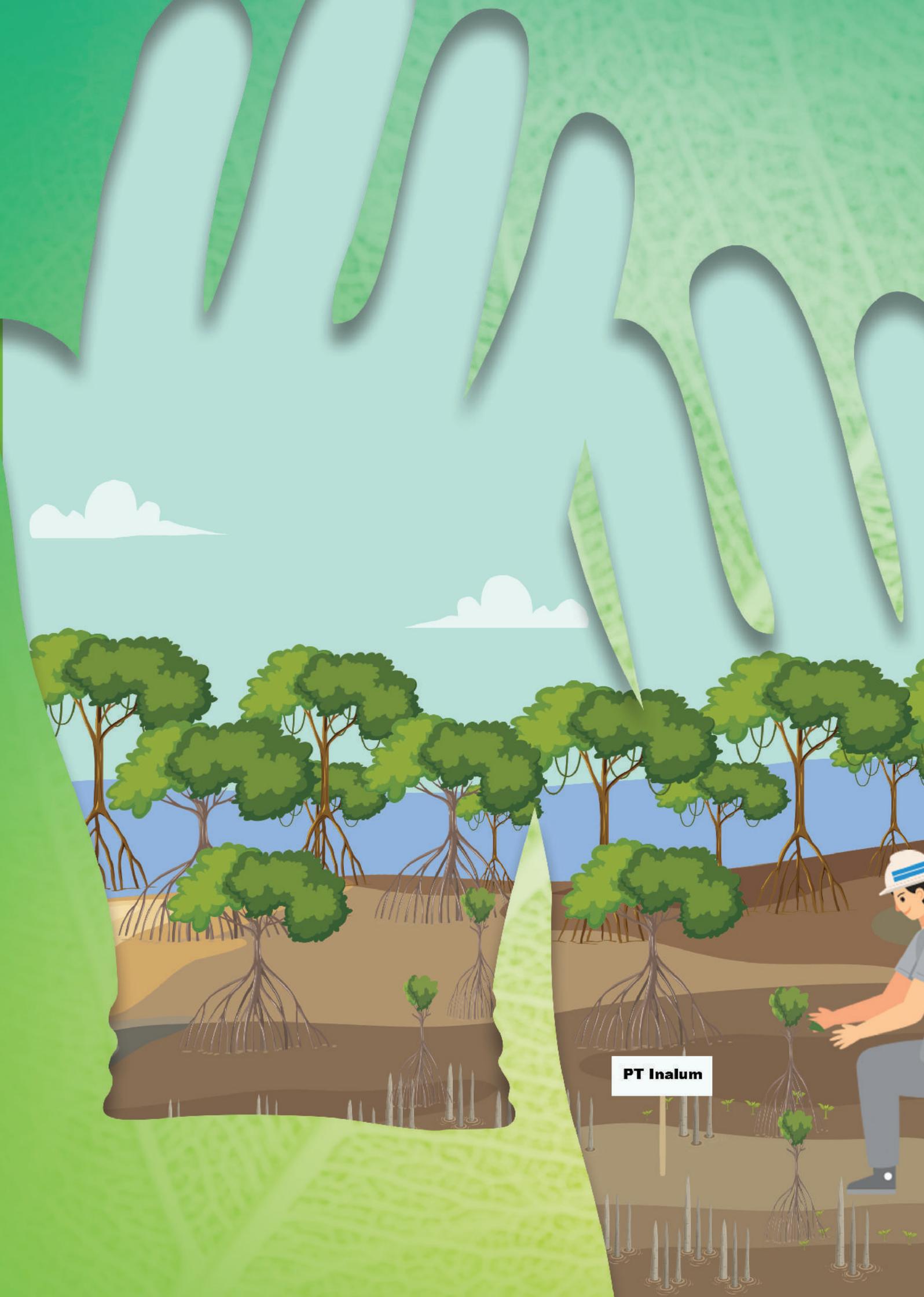
The 2023 INALUM Sustainability Report is the first Report published after the Government issued Republic of Indonesia Regulation No. 45 of 2022 concerning Reduction of State Capital Participation of the Republic of Indonesia in the Company (Persero) PT Indonesia Asahan Aluminium. Based on this regulation, Inalum is no longer a holding company and has changed its status to become a member of MIND ID, the BUMN Holding Mining Industry.

This sustainability report is an integral part of the Annual Report that has been published simultaneously for the reporting period January 1, 2023- December 31, 2023, in accordance with the Company's Financial Report period.

INALUM has a contact point that can be used by stakeholders to submit questions about reports or reported information as follows:

PT Indonesia Asahan Aluminium Corporate Secretary Mahyaruddin AR

Kuala Tanjung, Sei Suka District, Batu Bara Regency,
North Sumatra 21657
Telp : +62 622 31311
Email : corsec@inalum.id
Webiste : www.inalum.id
Instagram : @Inalum
Facebook : PT Indonesia Asahan Aluminium – Persero
X : @Inalum_Official
Linkedin : PT Indonesia Asahan Aluminium
Youtube : Inalum Official



PT Inalum

03

COMPANY PROFILE



COMPANY DETAILS [OJK C.2] [GRI 2-1]

 <p>Name</p> <p>▶ PT Indonesia Asahan Aluminium</p> <p>Short Name</p> <p>▶ INALUM</p>	 <p>Business Entity</p> <p>▶ Limited Liability Company</p> <p>Line of Business</p> <p>▶ Aluminum Production and Processing</p>
 <p>Date of Establishment</p> <p>▶ January 6, 1976</p>	 <p>Share Ownership</p> <p>▶ Company Share Ownership as of December 31, 2023:</p> <ul style="list-style-type: none"> ▶ Dwiwarna Series A Shares Republic of Indonesia (0.00001%) Series B shares ▶ PT Mineral Industri Indonesia (Persero) or MIND ID (Mining Industry Indonesia) (99.99999%)
 <p>Legal Basis of Establishment</p> <p>▶ PT Indonesia Asahan Aluminium was established based on Deed No. 2 dated January 6, 1976, made before Julian Nimrod Siregar Gelar Mangaradja Namora, S.H., Notary in Jakarta. The Company's deed of establishment was approved by the Minister of Justice based on Decree No. Y.A.5/12/20 dated January 10, 1976 and was announced in the Supplement to State Gazette No. 4 on January 13, 1976.</p>	 <p>Office Network</p> <ul style="list-style-type: none"> ▶ 1 Head Office/Aluminum Smelter ▶ 1 Hydroelectric Power Plant Office ▶ 1 Representative Office ▶ 1 Contact Office
 <p>Authorized Capital</p> <p>▶ Rp21,724,959,915,000</p>	<p>Issued and Fully Paid Up Capital</p> <p>▶ Rp5,431,240,290,000</p>



ACCESS TO THE COMPANY, INCLUDING BRANCHES OR REPRESENTATIVE OFFICES

[OJK C.2]



▶ **Head Office**

Kuala Tanjung, Sei Suka District, Batu Bara Regency, North Sumatra 21657

Corporate Contact

Corporate Secretary

Kuala Tanjung, Sei Suka District, Batu Bara Regency, North Sumatra 21657

Telephone : +62 622 31311
E-mail : corsec@Inalum.id

▶ **Kantor Pusat Pabrik Peleburan, Kuala Tanjung**

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P.O. BOX 1 Kuala Tanjung
Telp : (+62622) 31311
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▶ **Hydroelectric Power Plant Office, Paritohan**

Paritohan. Kecamatan Pintu Pohan Meranti 22388, Toba Regency, North Sumatra, Indonesia

P.O. BOX 1 Porsea
Telp : (+62622) 31331
Fax : (+62622)31332
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▶ **Representative Office INALUM, Jakarta**

Energy Building 16th Floor SCBD
Jl. Jenderal Sudirman Kav. 52-53
Jakarta 12190.

P.O. BOX 6917 Jakarta Selatan, Indonesia
Telp : (+6221) 27517566
Email : corsec@INALUM.id

▶ **Representative Office INALUM, Medan**

Jl. R.A. Kartini No.21, Madras Hulu, Kec. Medan Polonia, Medan City, North Sumatra 20152, Indonesia

Telp : (+621) 4556946
E-mail : corsec@Inalum.id



Website

www.Inalum.id

- PT Indonesia Asahan Aluminium – Persero
- @Inalum_official
- @Inalum
- Inalum Official
- PT Indonesia Asahan Aluminium



INALUM'S VISION, MISSION AND CORE VALUES

[OJK C.1]

VISION Becoming a Leading Global Company Based on Eco-Friendly Integrated Aluminum

MISSION

- Running an integrated aluminum smelting operations that is profitable, safe and environmentally friendly to increase value for Stakeholders
- Contribute to regional and national economic growth through operational activities and sustainable business development
- Participate in empowering local communities through targeted Corporate Social Responsibility (CSR) and Community Partnership and Development Programs (PCDP/"PKBL").
- Improving HR competency in a planned and sustainable manner for the smooth operation and development of the aluminum industry

REVIEW OF VISION AND MISSION BY MANAGEMENT

The Company's Vision and Mission are reviewed periodically every year by the Board of Commissioners and Board of Directors, and are also constantly evaluated to ensure their relevance to the Company's business development. Based on ...rapat/keputusan/semacamnya... dated, Management is of the opinion that Inalum's vision and mission are still in line with the Company's policy direction and development in 2023.

INALUM'S AKHLAK VALUES

AKHLAK

Trustworthy

Uphold the trust given

- Fulfill promises and commitments;
- Take responsibility for tasks, decisions and actions undertaken;
- Adhere to moral and ethical values.

Competent

Continue to learn and develop capabilities

- Improve self competence to meet the ever-changing challenges;
- Help others learn;
- Completing tasks with the highest quality.

Harmonious

Mutual care and respect for differences

- Respects everyone regardless of their background;
- Likes to help others;
- Build a conducive work environment.

Loyal

Dedicated and prioritizing the interests of the nation and state

- Maintain the good name of fellow employees, leaders, SOEs, and the State;
- Willing to make sacrifices to achieve greater goals;
- Obey the leadership as long as it does not conflict with the law and ethics.

Adaptive

Continue to innovate and be enthusiastic in driving or facing change

- Quickly adjust to get better;
- Continuously make improvements following technological developments;
- Act proactively.

Collaborative

Build synergistic cooperation

- Provide opportunities for various parties to contribute;
- Open to working together to generate added value;
- Mobilize the utilization of various resources for a common goal.



BUSINESS SCALE [OJK C.3]

Details related to company scale are presented in the table below:

Description	Unit	2023	2022	2022
Number of Employees	people	1.819	1.811
Total Assets	Rp-Millions	2.528.838	14.578.103
Total Liabilities	Rp-Millions	510.352	7.569.872
Total Equity	Rp-Millions	2.018.486	7.008.232
Revenue	Rp-Millions	544.848	570.524
Profit (Loss) for the Year	Rp-Millions	475.830	1.512.693
Names of Shareholders and Percentage		<ul style="list-style-type: none"> Dwiwarna Series A Shares Republic of Indonesia (0.00001%) Series B Shares PT Mineral Industri Indonesia (Persero) or MIND ID (Mining Industry Indonesia) (99.99999%) 	100% NKRI	Negara Republik Indonesia 100%
Number of Operating Locations	Factories	1	1	1
Products and services		<ul style="list-style-type: none"> Aluminum Products <ol style="list-style-type: none"> Aluminum Ingot Aluminum Billet Aluminum Foundry Alloy Services <ol style="list-style-type: none"> co-working space ICO Space - INALUM Main Office Electricity 	<ul style="list-style-type: none"> Aluminum Products <ol style="list-style-type: none"> Aluminum Ingot Aluminum Billet Aluminum Foundry Alloy Electricity 	<ul style="list-style-type: none"> Produk Aluminium <ol style="list-style-type: none"> Aluminum Ingot Aluminum Billet Aluminum Foundry Alloy Electricity

INFORMATION CONCERNING EMPLOYEES [OJK C.3, GRI 2-7, GRI 2-8]

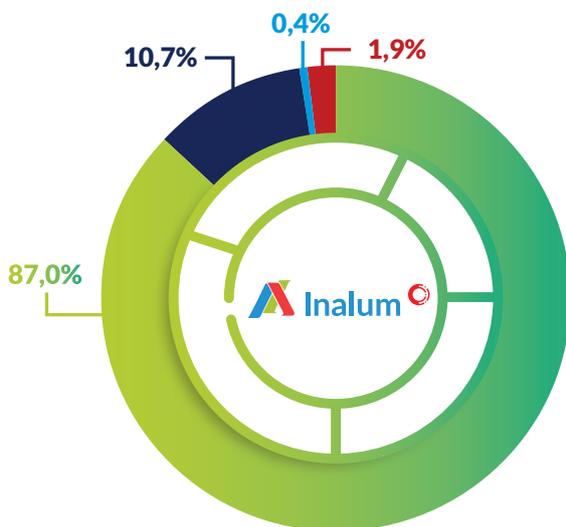
As of December 31 2023, Inalum employed 1,819 people, where this figure remained stable compared to the previous year's 1,811 people. This was due to INALUM consistently maintaining employee productivity through continuous improvements, and operational excellence in all business processes. In addition, INALUM also employs outsourced or inorganic workers as many as 2.057



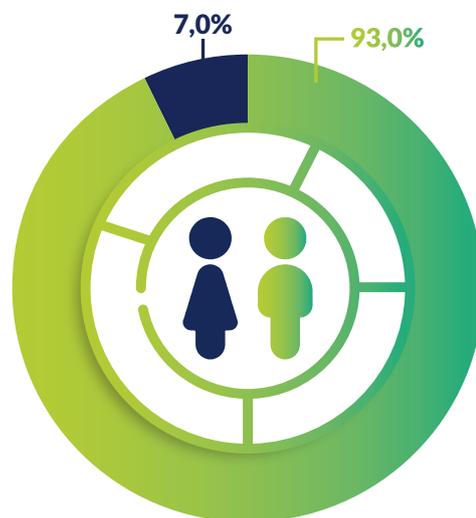
*Restated, from 1879 employees to 1,811 employees. This happened because before 2022 INALUM was still a holding company, so its data merged with MIND ID data.



Employee Demographics Based on Work Location



Employee Demographics Based on Gender



COMPANY'S OPERATIONAL AREAS [OJK C.3, GRI 2-1]

Smelting Plant Head Office, Kuala Tanjung
 Kuala Tanjung. District Sei Suka 21257. Coal Regency North Sumatra, Indonesia

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P.O. BOX 1 Porsea
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 E-mail: corsec@INALUM.id



PRODUCTS, SERVICES AND BUSINESS ACTIVITIES CARRIED OUT [OJK C.4, GRI 2-6]

ALUMINUM PRODUCTS

Inalum continues to strive to be at the forefront of quality, sustainability and customer satisfaction, therefore, Inalum strives to produce quality products. The aluminum products produced by Inalum can be seen below.

Aluminum Ingots

The first product variant produced by Inalum weighs 22.7 kg per stick with two levels of aluminum purity; 99.90% and 99.70%. Aluminum Ingots generally requires a remelting process so they can be formed into different final products, such as automotive components, building construction, etc. The quality of Inalum Aluminum Ingot refers to JIS h2102 (Virgin Aluminum Ingot), and JIS H1305 (Optical Emission Spectrochemical Analysis Method for Aluminum and Aluminum Alloys)

Grade	Element Analyzed			Each of Ti & Mn	Sum of Elements	Aluminium Purity
	Si	Fe	Cu			
S1-A	0,04% Max	0,04% Max	0,01% Max	0,01% Max	0,08% Max	99,92%
S1-B	0,04% Max	0,06% Max	0,01% Max	0,01% Max	0,10% Max	99,90%
S2	0,08% Max	0,12% Max	0,01% Max	0,01% Max	0,15% Max	99,85%
G1	0,10% Max	0,20% Max	0,01% Max	0,20% Max	0,30% Max	99,70%

Aluminum Billets

Inalum produces Aluminum Billet series 6xxx (6061, 6063, etc.) with diameters of 5, 7 and 8 inches. Billets use a mixture of materials for railway carriages, motor vehicle frames and is widely used in roof and building construction.

1. Production for Inallet uses fully automated equipment with several advantages including;
2. Electromagnetic stirrer from ABB that ensures a more homogeneous product;
3. Vertical direct casting from Hycast with Gas Cushion from Hycast that is recognized for its superiority in the billet manufacturing industry thereby guaranteeing product quality and ensuring maximum separation of hydrogen content and other inclusion materials; and
4. Batch homogenization from Herwitch- Austria that produces products requiring lower extrusion pressures, higher mechanical properties and easy final processing.

The Company continues to improve its product quality through unmatched advantages, with minimal surface segregation, thinner shell zones, finer grain structure, smoother surface appearance, less oxide generation, and lower surface porosity.

Element	6005	6063	6061	6463	6060
Si	0,65-0,75	0,20-0,60	0,40-0,80	0,38-0,42	0,38-0,42
Fe	0,25 Maks	0,25 Maks	0,25 Maks	0,10-0,125	0,15-0,24
Cu	0,10 Maks	0,10 Maks	0,20-0,30	0,11-0,17	0,02 Maks
Ti	0,01-0,02	0,02-0,03	0,01-0,02	0,01-0,02	0,02 Maks
Mn	0,05-0,09	0,01 Maks	0,03-0,09	0,10 Maks	0,02-0,05
Mg	0,48-0,58	0,50-0,58	0,85-1,00	0,55-0,62	0,40-0,53
Zn	0,10 Maks	0,10 Maks	0,10 Max	0,10 Maks	0,02 Maks
Cr	0,0255-0,085	0,10 Maks	0,05-0,09	0,01 Maks	0,02 Maks
Other Each	0,1 Maks	0,1 Maks	0,1 Maks	0,5 Maks	0,5 Maks
Others Total	0,5 Maks	0,5 Maks	0,5 Maks	0,15 Maks	0,5 Maks



Aluminium Foundry Alloy

Inalum produces Aluminum Foundry Alloy type A356.2 using a degassing process using nitrogen to remove hydrogen content and separate impurities so that the Aluminum Foundry Alloy products produced are of high quality. The products can be used to produce rims, vehicle engine blocks, vehicle frames and other automotive needs. The production process for Inalum's main alloy, which has the Inalloy trademark, uses ODT technology from Australia using a Reverberatory Furnace with a Magnetic Stirrer that guarantees a homogeneous mixture. Ceramic Foam Filters are used to filter out inclusions to maintain alloy quality.

The Company always carries out statistical quality control for its main alloy products, with support from accredited Inalum laboratories. Quality control techniques based on statistics ensure that the alloy products are excellent and comply with the Inalum laboratory composition standards, as accredited by the National Accreditation Committee (KAN). Each shipment/batch from the Inalum laboratory will be accompanied by a factory certificate.

Element	A356.2 - Si7	A356.2 - Si11	A94.1
Si	6,5 - 7,3	10,8 - 11,8	2,6 - 3,1
Fe	0,12 Maks	0,15 Maks	0,25 Maks
Cu	0,01 Maks	0,03 Max	0,02 Maks
Ti	0,1 - 0,2	0,08 - 0,13	0,01 Maks
Mn	0,02 Maks	0,02 Maks	0,02 Maks
Mg	0,34 - 0,42	0,17 - 0,25	0,02 Maks
Zn	0,02 Maks	0,02 Maks	0,02 Maks
Sr	0,022 - 0,03	0,025 - 0,040	0,001 - 0,005
Other Each	0,05 Maks	0,05 Maks	0,02 Maks
Others Total	0,15 Maks	0,15 Maks	0,15 Maks

Non Aluminum Products

The Company also has non-aluminum products in the form of ICO Space or INALUM Coworking and Office Space services, which is the provision of modern smart & green building-based workspaces, and can be customized according to customer desires, flexible, and comfortable for individual and corporate customers.

DEVELOPED VALUE CHAIN [GRI 2-6]

Aluminum is a metal that has bright business prospects because it is strong, lightweight and recyclable. Aluminum is a competitive material compared to steel in many applications, as well as with other materials such as plate, tin, plastic and glass in the packaging industry, and with copper in cables and wires and other heat-conducting materials.

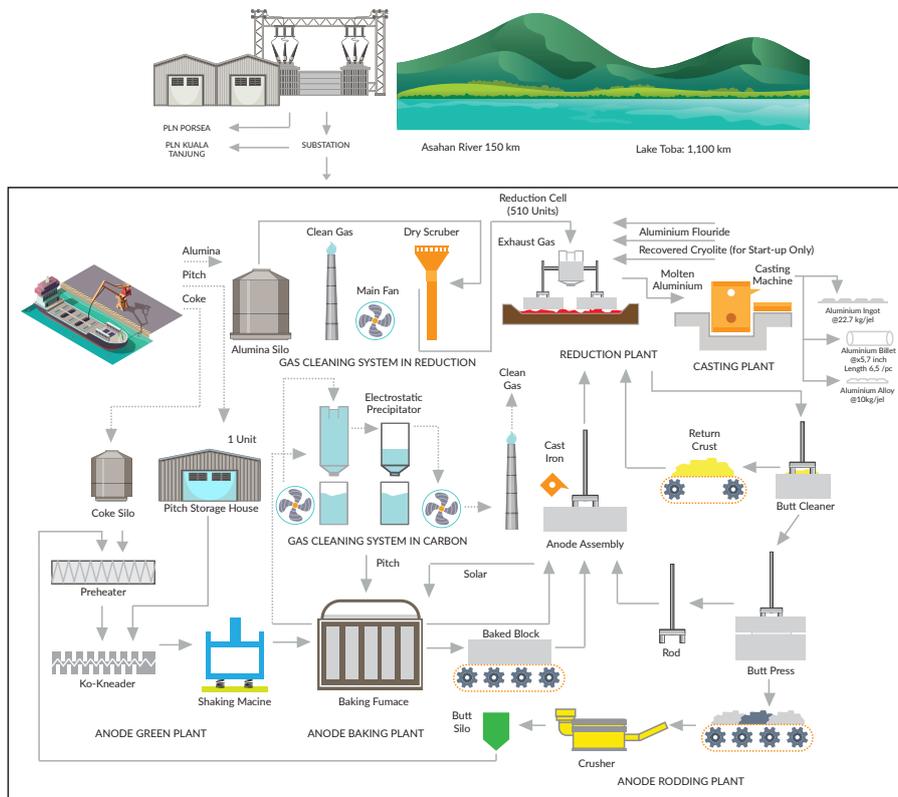
The key to Aluminum production is the availability of cheap electrical energy resources and the main raw material Alumina. Electricity is an important component in the Aluminum production process due to the high demand, where to produce one ton of Aluminum requires about 14,000-14,300 kWh of electrical power. Aluminum is traded as one of the world's major non-ferrous metal commodities. The world price of Aluminum refers to the London Metal Exchange (LME) in London, England. The LME is the world center for trading industrial metals. More than 80% of global non-ferrous business is conducted on the LME, and the metal commodity prices it determines are used as a global benchmark. The LME provides Aluminum prices in US\$ per 1 ton.

Prices on the LME are determined not only by supply and demand but also expectations and sentiment in the financial sector. Changes in industries that use Aluminum in their products can have a significant impact on the Aluminum industry itself.

Aluminum is an abundant metal in the Earth's crust, and is the third most abundant element after oxygen and silicon (about 8% of the Earth's solid surface). Due to its highly reactive nature, Aluminum is not found as a free metal but binds to more than 270 different minerals (Bassam Z. Shakhshiri, 2007).

Aluminum raw materials come from the refining of bauxite ore, which is widely found in tropical and subtropical areas. From the refining will be obtained Alumina, which will be processed through electrolysis. To produce 1 ton of Liquid Aluminum requires 2 tons of Alumina or 4 tons of Bauxite (1 ton of Alumina is produced from 2 tons of Bauxite).

The Aluminum smelting process can be described as follows:



In the production process, INALUM engages local suppliers. Meanwhile, until the end of 2023, there is no significant change in production figures.



MEMBERSHIP IN ASSOCIATIONS [OJK C.5, GRI 2-28]

The Company has joined several professional associations and other organizations as an active participating member with the aim of expanding its business network and establishing wider communication with businesses in similar industries. Membership in these associations and organizations is also part of its efforts to involve stakeholders in resolving any problems faced when carrying out operational activities. In 2023, the Company participated in the following associations/ organizations:

Name of Association	Scope	Participation Position	Membership Due Date
Indonesian Aluminium Industry Association (GALUNESIA)	National	Founding Board and Chair of Internal and External Relations	January 2028
Aluminium Stewardship Initiative	International	Member	March 2025

SIGNIFICANT CHANGES IN THE COMPANY ORGANIZATION [OJK C.6, GRI 2-6]

On December 8, 2022, the Government issued Republic of Indonesia Government Regulation No. 45 of 2022 concerning Reduction of the Republic of Indonesia State Capital Participation in the Company PT Indonesia Asahan Aluminium (Persero). Based on PP No.45/2022, INALUM was no longer a holding company and its status was changed to become a member of MIND ID, BUMN Mining Industry Holding. Then on the same date, the Government issued Republic of Indonesia Government Regulation No. 46 of 2022 dated December 8, 2022 concerning the Republic of Indonesia State Capital Participation for the Establishment of a Limited Liability Company (Persero) in the Mining Sector. Where PP No.46/2022 marked the formation of PT Mineral Industri Indonesia (Persero) as a new entity from MIND ID, as well as confirmed the transformation of the MIND ID corporation into a strategic holding company. INALUM was now aligned with other MIND ID members with the aim that MIND ID focuses more on being a strategic holding company, while INALUM focuses on developing the national aluminium downstreaming.

Then, in 2023, in connection with the issuance of PP No.45/2022 and PP No.46/2022, INALUM's status, which was previously PT Indonesia Asahan Aluminium (Persero), became PT Indonesia Asahan Aluminium, and INALUM was no longer a holding company.





04

MESSAGE FROM THE BOARD OF DIRECTORS





MESSAGE FROM THE BOARD OF DIRECTORS

[OJK D.1]

“We are committed to developing, implementing and refining business practices that advance sustainable practices across the value chain.”

DEAR SHAREHOLDERS AND STAKEHOLDERS,

2023 was supposed to be a year of recovery from the COVID-19 pandemic, but many events occurred in different parts of the world, including the Israeli and Palestinian conflict, the war between Russia and Ukraine, and the never ending trade war between the United States (US) and China, which lead to very high uncertainty in various aspects of life.

Economic, social and environmental issues were increasingly emerging, so like it or not, they had to be faced with the appropriate steps to maintain the Company's short and long term sustainability. Therefore, INALUM continued to move forward, striving to provide new breakthroughs so that it could continue to contribute to sustainability and grow by increasing its positive impact on all stakeholders.

STRATEGIES AND POLICIES IN RESPONSE TO SUSTAINABILITY CHALLENGES

INALUM views the concept of sustainability as an important aspect inherent in its operational activities. INALUM integrated the Company's strategies with sustainability values that consider a balance of environmental, social and governance (ESG) with the economic aspects. In its application, INALUM also develops a comprehensive culture of sustainability in all work units so that green operation practices can be optimally applied.

One of the global issues and challenges concerning all parties is climate change. In 2022, the Indonesian Government publicly announced its commitment to achieving Net Zero Emissions (NZE) by 2060 as a form of support for handling climate change.

The Board of Directors view is that climate change has a significant impact on economic value that includes its financial assets, which has also created a the decline in environmental quality. As a result, in line with MIND ID's directive, as the mining BUMN holding, INALUM together with MIND ID Group is mapping the short, medium and long-term impact of environmental, social and governance risks.

INALUM's steps to address climate change and its impact include improving, developing, implementing and perfecting business practices that advance sustainable practices throughout the value chain.

Meanwhile, in line with the global issue of decarbonization, the aluminum market share in Europe also demands green products. Therefore, to meet these demands, INALUM calculates Greenhouse Gas (GHG) emissions and verifies GHG emission calculations according to ISO 14064-1 concerning GHG Statement for Organization Level.

Another challenge faced by INALUM, especially due to global economic developments that are still surrounded by high uncertainty, is the slow realization of business development projects. For information, there are 2 (two) INALUM major projects underway in 2023, namely Pot Upgrading Technology and Smelter Grade Alumina Refinery Development. The steps taken by INALUM are the addition of resources (Pot Upgrading Technology) and restructuring of EPC work. EPC (Smelter Grade Alumina Refinery). [OJK E.5]

INALUM'S SUSTAINABILITY PERFORMANCE

Economic Aspects

In 2023, INALUM recorded positive economic performance and made a significant contribution to State revenues, which included taxes, royalties, and others, amounting to USD41,426 thousand. Meanwhile, in terms of revenue, it was recorded at USD544,848 thousand in 2023, or reached 90% of the target of USD602,840 thousand. Meanwhile, net profit amounted to USD475,830 thousand, 1,255% higher than the target of minus USD41,191 thousand.

Governance Aspects

INALUM continues to improve the quality of the implementation of good corporate governance (GCG) within the Company. This is done, among others, by conducting periodic reviews of the structure, organs and governance mechanisms implemented by the Company, conducting socialization and internalization of GCG principles, implementing the ISO 37001 Anti-Bribery Management System (SMAP) and other management systems, conducting Whistleblowing System campaigns and controlling gratuities through banners distributed to all Departments, and etc.

Through these efforts, the quality of GCG implementation within the Company has shown a considerable improvement. This is reflected in the results of the GCG Implementation Assessment conducted by the BPKP Representative of North Sumatra Province with a score of 95.79 and the predicate “Very Good”.

Decarbonization Efforts

As a good corporate citizen, INALUM is fully committed to decarbonization as part of its efforts to overcome the impact of climate change. INALUM has launched initiatives to reduce



greenhouse gas emissions in the energy sector and factory activity processes with significant targets, including reducing its carbon footprint by 16% by 2030 from previous business-as-usual emissions, and also supports the Government of Indonesia aspirations for net zero emissions by 2060.

INALUM's decarbonization strategy refers to the MIND ID Group Decarbonization Strategy, namely avoid, reduce and mitigate. Avoid is to provide, invest, and increase low-carbon energy throughout the supply chain. Reduce is to limit emissions as much as possible. While mitigate is offsetting all residual emissions through carbon capture and digitalization.

In addition, INALUM has also instigated a sustainability program, including:

1. Increasing the use of hydropower
2. Conserving the Watershed
3. Planting trees in the Lake Toba catchment area
4. Constructing Infiltration wells and biopores in the Lake Toba catchment area
5. Increasing Community Awareness regarding the Environment from an Early Age in the Environmental Care School

NEW AND RENEWABLE ENERGY

Since its inception, INALUM has mapped the affordable and environmentally friendly electricity supply for its aluminium smelting factory activities, as the aluminium smelting process requires large amounts of electrical energy. Therefore, the founders of INALUM at that time established hydroelectric power plants (PLTA) that use the power of the Asahan River current that flows from Lake Toba, North Sumatra.

To date, INALUM has 3 (three) dams and two PLTA plants, namely the Regulating Dam, Siguragura Dam, Tangga Dam, as well as the Siguragura PLTA and the Tangga PLTA. The Siguragura PLTA has a maximum capacity of 286 MW, while the Tangga PTA has 317 MW. Electric power produced by the Siguragura and Tangga PLTA are distributed via a 120 km long transmission network with 271 towers at a voltage of 275 KV to Kuala Tanjung.

Through the Kuala Tanjung substation, the voltage distributed to the three reduction furnace buildings and other supporting buildings through 2 silicon rectifier units with DC 37 KA and 800 V. In addition to using electrical energy sourced from hydropower, INALUM also uses fuel and gas energy used for anode roasting and aluminium molding processes as well as smelting plant operations.

In addition to using electrical energy sourced from the PLTA, INALUM also uses fuel and gas energy in the anode roasting and aluminium molding processes as well as smelting factory operations. For this reason, INALUM has instigated breakthroughs/innovations for saving LPG usage. These innovations include optimizing the aluminium molding process so as to save fuel by using other gas substitutes.

This innovation was the first implemented in Indonesia in the metal processing sector, in compliance with the 2017-2020 Best Practices from the Ministry of Environment and Forestry, and had never before been implemented in the metal processing sector.

This is proof of INALUM's commitment to receiving ISO 50001:2018 Energy Management System certification, an international standard for energy management systems. This standard is designed to support Companies in improving energy efficiency, through the development of an energy management system (EnMS).

ALUMINIUM STEWARDSHIP INITIATIVE

Another achievement that INALUM is very proud of was when it received the Aluminium Stewardship Initiative (ASI) certification, for the Aluminium Smelting Factory in Kuala Tanjung, Batu Bara Regency, North Sumatra Province.

ASI certification was developed through an extensive multi-stakeholder consultation process and is the only voluntary comprehensive sustainability standards initiative in the aluminium value chain. ASI certification is proof that INALUM is an environmentally friendly producer.

SUSTAINABILITY INNOVATIONS

From an operational perspective, INALUM has also been innovative and has successfully completed increasing the production capacity of 5 (five) melting furnaces using technology from EGA. EGA is a global aluminium company based in the United Arab Emirates with expertise in the field of modern technology in the aluminium smelting sector. The success of our five furnaces is an important historical milestone in the application of more modern smelting technology at INALUM. This step is part of INALUM's big plan to double its production capacity.

SROI RATIO

In the social aspect, INALUM is committed to growing together with the environment and communities around the Company's operation areas. To measure the impact of programs it has implemented, INALUM uses the Social Return on Investment (SROI) measurement method, a technique that can be used to measure the benefits of social investments made by the Company. The SROI method measures the total impact and benefits of a corporate social responsibility program using a stakeholder-focused approach. Social impact assessments using SROI can explain the significant impact of the Company's social and environmental programs, both positively and negatively.

By the end of 2023, INALUM achieved an SROI ratio value of 2.06 for the Pintu Pohan Village Clean Water Installation Program, 13.22 for the Historic Beach Mangrove Ecotourism, 2.03 for the Meat Traditional Village, Toba, 7.13 for the Sari Larva Bedaya Livestock Group, and 2.36 for SMEs in Lalang Village.



CLOSING

We would like to express our appreciation and thanks to all stakeholders who have jointly responded to the challenges and have contributed to achieving an optimal performance in 2023. We hope to continue establishing these positive synergies and cooperation as INALUM continues to grow for the benefit of all stakeholders so as to create a glorious and sustainable future.

Jakarta, April 30, 2023
PT Indonesia Asahan Aluminium

Danny Praditya
President Director







05

MIND ID SUSTAINABILITY PATHWAY





MIND ID NOBLE PURPOSE [OJK A.1] [GRI 2-22, 2-24, 2-25]

In line with the MIND ID Group Noble Purpose “We explore natural resources for civilization, prosperity and a brighter future”, INALUM is present to provide meaning in the communities of the positive innovative and environmentally friendly contributions from its operation aluminium production activities. INALUM is committed to improving the quality of life and building the communities’ ability to grow prosperously together, while maintaining the carrying capacity of the environment for future generations. These efforts are carried out by upholding the Environmental, Social and Governance (ESG) principles.

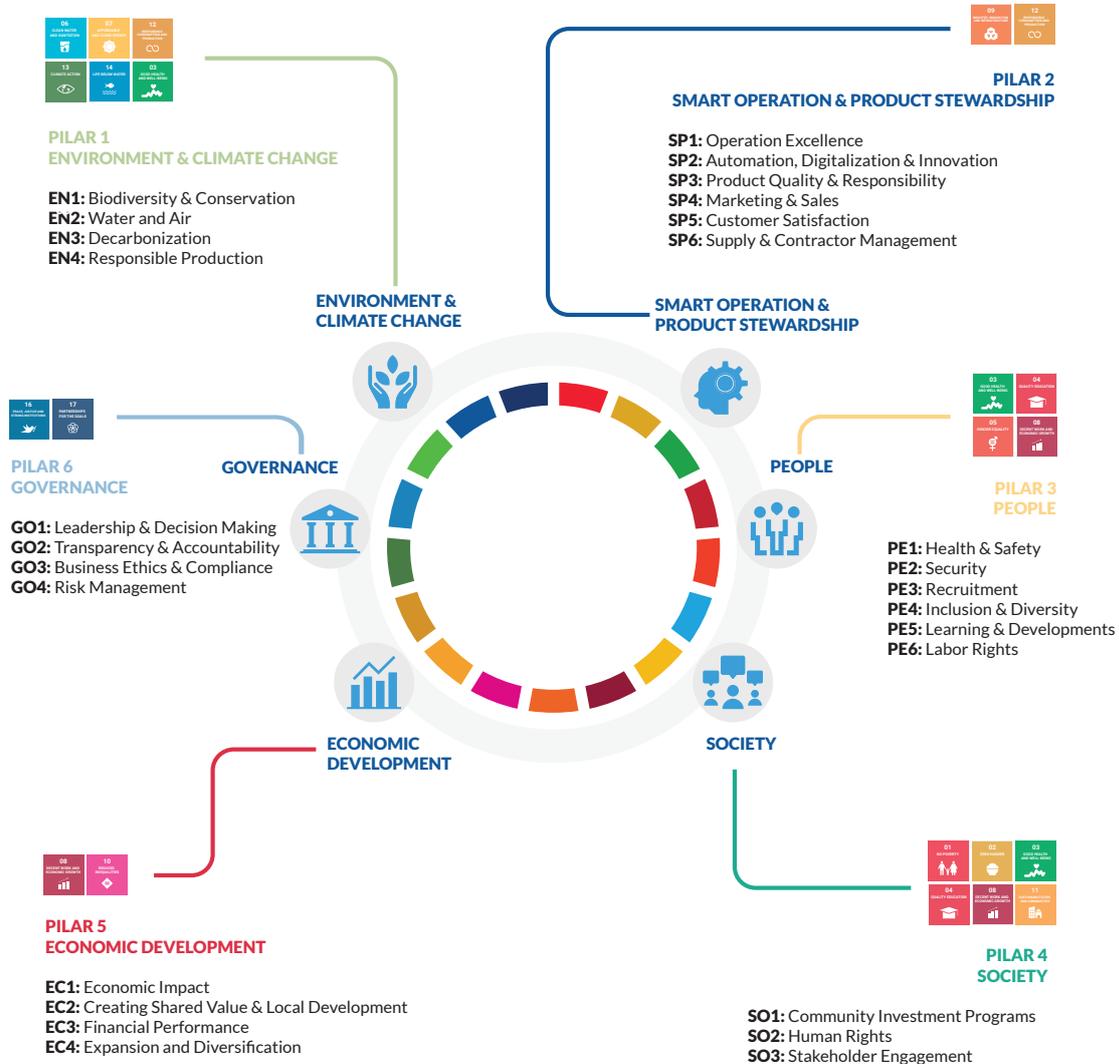
The ESG principles contained in the MIND ID Noble Purpose are matters that INALUM absolutely applies in its daily business activities. Moreover, MIND ID as the mining holding company has integrated these principles into the 6 (six) pillars of the Sustainability Pathway and applies them to all members of the MIND ID Holding, including INALUM.

The Sustainability Pathway is an ESG strategic framework developed by MIND ID and MIND ID members, including INALUM, to ensure responsible and sustainable operational practices are followed in the MIND ID Group. The Sustainability Pathway contains progressive steps that encourage the MIND ID Group to support the Sustainable Development Goals (SDGs) and the Indonesian Government’s agenda. INALUM is committed to achieving SDGs targets in line with Presidential Regulation No. 59 of 2017, which was updated through Presidential Regulation No. 111 of 2022 concerning Achievement of Sustainable Development Goals.

By upholding the MIND ID Noble Purpose and Sustainability Pathway, INALUM strives to maintain a balance between environmental sustainability, inclusive economic growth and social welfare. By so doing, INALUM believes that the ideals and hopes pursued together with the MIND Group and all stakeholders will come true. INALUM is capable of providing sustainable benefits for all its stakeholders.



MIND ID SUSTAINABILITY PATHWAY [OJK A.1] [GRI 2-22, 2-24] [ASI 2.6]



The above chart explains that the Sustainability Pathway is an elaboration of the Mind ID Group’s Noble Purpose that includes 6 (six) pillars and 27 sustainability topics, and serves as a guide for INALUM when planning, implementing and making decisions for its business activities in order to remain on the sustainability pathway.

As part of the MIND ID Group, INALUM is committed to implementing MIND ID’s Noble Purpose and Sustainability Pathway through integration into the INALUM management system, which is strengthened by ESG best practices, including sustainability principles in producing aluminium as stated in the Aluminium Stewardship Initiatives (ASI).

The MIND ID Sustainability Pathway strategic framework includes 6 (six) pillars and 27 sustainability topics that serve as a guide for INALUM when planning, implementing and making decisions for its business activities in order to remain on the sustainability pathway.



Implementing social and environmental responsibility and building a culture of sustainability in the Company is an important step towards achieving long-term sustainability goals. By integrating the value of AKHLAK as the Company's core values and sustainability principles in every aspect of operations and management, INALUM is not only contributing to environmental preservation, but also creates long-term value for stakeholders. In addition, a culture of sustainability improves operational efficiency and strengthens the company's reputation as a responsible and future-oriented entity.

The following are programs implemented by INALUM in building a culture of sustainability:

1. Establishment of Culture Agent Corporate Values
In order to carry out the internalization of AKHLAK culture as the Company's core values, INALUM officially formed a culture agent team consisting of employee representatives from the leadership level to the executor. The BOD-1 level employees are appointed as culture champions from each Department with members of Managerial and/or Supervisory level employees who are appointed as change agents.
2. INALUM Culture & Learning Fest (ICLF) 2023
INALUM has held the INALUM Culture & Learning Fest (ICLF) on 11 - 15 December 2023 at INALUM Head Office in Kuala Tanjung where this activity was attended by 1,748 employees by presenting 5 training themes with 26 class sessions including: Future of INALUM, Operational Excellence, Maintaining Sustainability in Dynamic World, Workplace Excellence and Employee Wellbeing. This entire series of activities aims to increase employee awareness of the value of AKHLAK and its role in supporting the sustainability of the Company.
3. Implementation of Human Rights Due Diligence
Human Rights Due Diligence was conducted at INALUM in October-November 2022. The due diligence was carried out by an independent institution on INALUM through an assessment of the company's compliance with the fulfillment of corporate responsibilities to respect human rights as defined in the UN Guiding Principles on Business and Human Rights (UNGPs). The due diligence results state that INALUM complies with the UNGPs in terms of compliance and potential human rights impacts. [\[OJK F.1\]](#) [\[GRI 2-24\]](#)



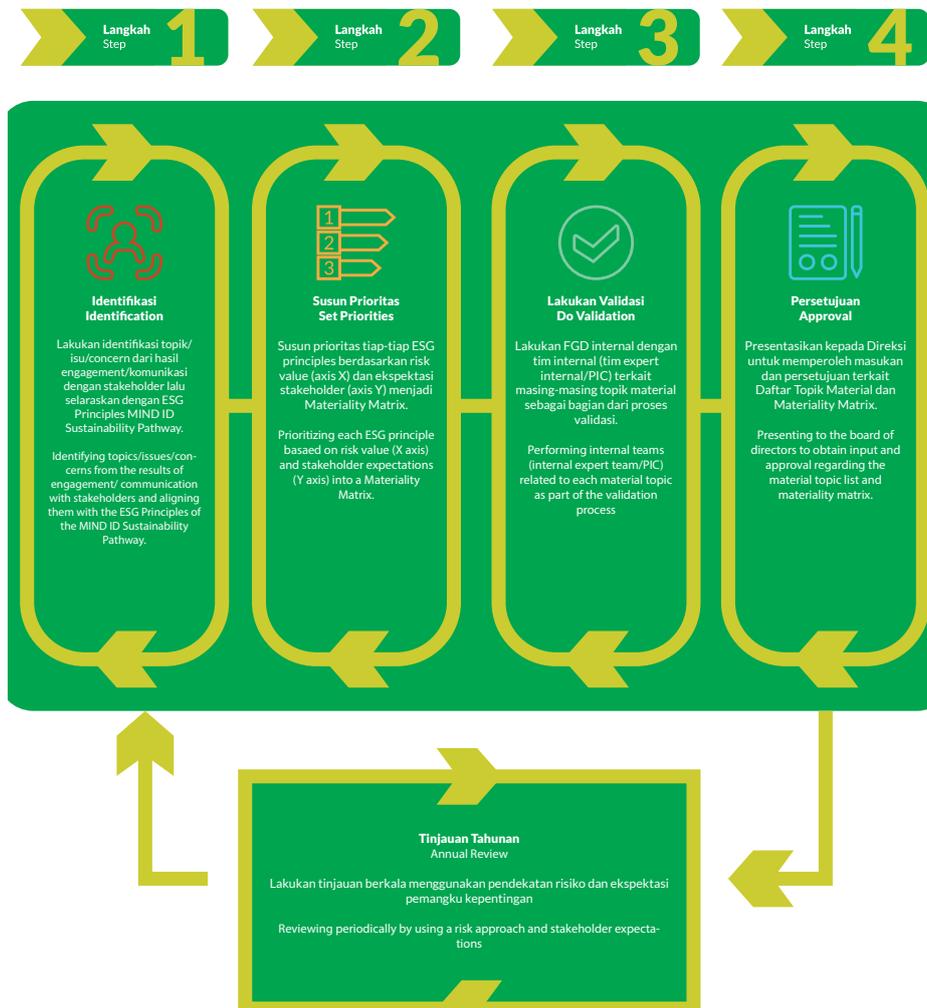
MATERIALITY FRAMEWORK & ASSESSMENT

[GRI 3-1, 3-2, 3-3]

In this case, INALUM takes a proactive approach to managing these risks and opportunities so as to generate added value for the Company and stakeholders.

Consideration of stakeholder expectations in determining material topics was used to understand their expectations regarding a topic or issue. This approach is the MIND ID Group's way of applying the double materiality concept when determining material topics. Through the double materiality concept, INALUM together with all members of the MIND ID holding considered the direct and indirect impacts of operational activities on the environment and society, as well as the impact of the Company sustainability on long-term financial and operational performance when selecting material topics.

An overview of the process of determining material topics based on the MIND ID Group materiality framework is as follows:



In accordance with these stages, as part of determining material topics for this Sustainability Report, INALUM has conducted an internal Focus Group Discussion (FGD) involving cross-divisions related to sustainability topics. The FGD also aims to gather information from all stakeholders in INALUM's operational areas in Indonesia.

The FGD was conducted in January 2024 and had 30 participants. The participants were then divided into working groups according to the six pillars of the MIND ID Sustainability Pathway to assess each ESG Topic in each pillar with issues and expectations from their respective stakeholders.



The 2023 risk assessment results were then used to develop a priority scale for each specified topic. The value of stakeholder expectations was assessed against a number of national and international standards to examine any issue that may arise, including POJK Number 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, Global Reporting Initiatives (GRI), ISO 26000 Social Responsibility Guidelines, Sustainable Accounting Standard Board (SASB) Metrics for Mining & Metals, and Aluminium Stewardship Initiatives (ASI). [ASI 3.1]

Although referring to POJK Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, this Sustainability Report presents information in the last two years, because INALUM is not an issuer or public company. In addition, INALUM will also only split off from the MIND ID holding in early 2023, and the MIND ID Sustainability Pathway as a reference for the implementation of MIND ID Group sustainability will be implemented in 2021.

As a result of this process, the following list of material topic results for 2023 was determined:



Material Topics Arrangement by Priority Scale

Top Material (18)	Very Material (5)	Material (4)
EC1: Economic Impact GO3: Business Ethics & Compliance EN1 - Biodiversity EN2 - Water & Air EN3 - Decarbonization EN4 - Responsible Production (Waste) PE1: Health & Safety PE3: Recruitment PE4: Inclusion & Diversity PE5: Learning & Development PE6: Labor Rights SO3: Stakeholder Engagement GO1: Leadership & Decision Making GO2: Transparency & Accountability GO4: Risk Management SP1 - Operation Excellence SP5: Customer Satisfaction EC4: Expansion and Diversification	EC3: Financial Performance SP2: Automation, Digitalization & Innovation SP4: Marketing & Sales SP6: Supply & Contractor Management SO2: Human Rights	SP3: Product Quality & Responsibility SO1: Community Investment Programs EC2: Creating Shared Values & Local Development PE2: Security

As such, there are 27 material topics in accordance with the GRI Standard, as follows:

Material Topics in 2023

Pillar 1 ENVIRONMENT & CLIMATE CHANGE	Disclosure
Biodiversity	
Operational Locations Close to Protected Areas and Areas with High Biodiversity Value	GRI 304-1
Significant impacts of activities, products and services on biodiversity	GRI 304-2
Habitats protected or restored	GRI 304-3
IUCN Red List species and national conservation list species with habitats in areas affected by operations	GRI 304-4
Water and Air	
Interactions with water as a shared resource	GRI 303-1
Management of water discharge related impacts Priority substances that deserve attention for disposal	GRI 303-2
Water withdrawal	GRI 303-3
Water discharge	GRI 303-4
Water consumption	GRI 303-5
Emissions of ozone-depleting substances (ODS)	GRI 303-6
Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	GRI 303-7
Decarbonization	
Energy consumption in the organization	GRI 302-1
Energy consumption outside of the organization	GRI 302-2
Energy intensity	GRI 302-3
Reducing energy consumption	GRI 302-4
Direct (Scope 1) GHG emissions	GRI 305-1
Indirect (Scope 2) GHG energy emissions	GRI 305-2
Other indirect (Scope 3) GHG emissions	GRI 305-3



Material Topics in 2023

GHG emission intensity	GRI 305-4
GHG emission reduction	GRI 305-5
Responsible Production	
Waste generation and significant waste-related impacts	GRI 306-1
Management of significant waste-related impacts	GRI 306-2
Waste generated	GRI 306-3
Waste diverted to final disposal	GRI 306-4
Waste directed to final disposal	GRI 306-5
Pillar 2 SMART OPERATION & PRODUCT STEWARDSHIP	
Disclosure	
Operational Excellence	
Programs implemented by the company to increase cost efficiency and increase productivity in company operations.	
Certification	GRI 2-5
Awards	
Automation, Digitalization, & Innovation	
Substantiated complaints regarding violations of customer privacy and loss of customer data.	
Realized automation and digitalization projects.	GRI 418-1
Realized projects related to product innovation.	
Produk Quality & Responsibility	
Number of Products recalled	OJK F.9
Assessment of the health and safety impacts of products and services	GRI 416-1
Incidents of non-compliance concerning the health and safety impacts products and services	GRI 416-2
Marketing & Sales	
Requirements for product and service information and labeling	GRI 417-1
Incidents of non-compliance concerning product and service information and labeling	GRI 417-2
Incidents of non-compliance related to marketing communications	GRI 417-3
Customer Satisfaction	
Customer satisfaction survey	OJK :F.30
Supply & Contractor Management	
New suppliers that were screened using environmental criteria	GRI 308-1
Negative environmental impacts in the supply chain and actions taken	GRI 308-2
New suppliers that were screened using social criteria	GRI 414-1
Negative social impacts in the supply chain and actions taken	GRI 414-2
Pillar 3 PEOPLE	
Disclosure	
Health & Safety	
Occupational Health and Safety Management System	GRI 403-1
Hazard identification, risk assessment, and incident investigation	GRI 403-2

Material Topics in 2023

Occupational health services	GRI 403-3
Worker Participation, Consultation and Communication on Occupational Health and Safety	GRI 403-4
Worker training on occupational health and safety	GRI 403-5
Improving the quality of workers' health	GRI 403-6
Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	GRI 403-7
Workers covered by a management system	GRI 403-8
Work accidents	GRI 403-9
Occupational illnesses	GRI 403-10
Security	
Security strategy and security performance related to OBVITNAS	GRI 12.12
Recruitment	
New employee recruitment and employee turnover	GRI 401-1
Allowances provided to full-time employees that are not provided to temporary or part-time employees	GRI 401-2
Maternity leave	GRI 401-3
Inclusion & Diversity	
Employee Information	GRI 2-7
Information on workers who are not employees	GRI 2-8
Ratio of standard entry-level employee wages by gender to regional minimum wages	GRI 202-1
Minimum notice period regarding operational changes	GRI 402-1
Diversity of governance bodies and employees	GRI 405-1
Ratio of basic salary and remuneration of female compared to male	GRI 405-2
Incidents of discrimination and corrective actions taken	GRI 406-1
Learning & Development	
Average hours of training per year per employee	GRI 404-1
Programs for upgrading employee skills and transition assistance programs	GRI 404-2
Percentage of employees who receive regular performance and career development reviews	GRI 404-3
Labor Rights	
Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	GRI 407-1
Operations and suppliers at significant risk for incidents of child labor	GRI 408-1
Operations and suppliers at significant risk for incidents of forced or compulsory labor	GRI 409-1
Joint work agreement	GRI 2-30
Pilar 4 SOCIETY	
Disclosure	
Community Investment Program	
Infrastructure Investment*	GRI 203-1
Significant indirect economic impact*	GRI 203-2
Operations with local community involvement, impact assessment, and program development	GRI 413-1
Actual and potential operations with significant negative impacts on local communities	GRI 413-2



Material Topics in 2023

* : for infrastructure investments related to local community activities

Human Rights

Incidents of violations involving rights of indigenous peoples	GRI 411-1
Security officers trained in human rights policies or procedures	GRI 410-1

Stakeholder Engagement

Approaches to stakeholder engagement	GRI 2-29
Land use problems	GRI 12.10

Pilar 5 ECONOMIC DEVELOPMENT

Disclosure

Economic Impact

Infrastructure investment and service support*	GRI 203-1
Approach to Taxes	GRI 207-1
Governance, Control and Tax Risk Management	GRI 207-2
Stakeholder Engagement and Management of Tax-Related Concerns	GRI 207-3
Country Reports	GRI 207-4

* : for infrastructure investment related to the company's operational activities

Creating Shared Values & Local Development

Proportion of senior management from local communities	GRI 202-2
Proportion of spending to local suppliers	GRI 204-1
Significant indirect economic impact	GRI 203-2

Financial Performance

Financial Reports (Production Performance and Production Targets)	OJK F2
Direct economic value generated and distributed	GRI 201-1
Obligations of defined benefit pension plans and other pension plans	GRI 201-3
Financial assistance received from the government	GRI 201-4

Expansion and Diversification

Reserves and Resources	M: EX
Investments related to business development and diversification.	OJK F3
Downstream Project	GRI 12.2

Pilar 6 GOVERNANCE

Disclosure

Leadership & Decision Making

Governance structure and composition	GRI 2-9
Nomination and election of the highest governance body	Gri 2-10
Chair of the highest governance body	GRI 2-11
Role of the highest governance body	GRI 2-12
Delegation of responsibility for managing impacts	GRI 2-13
Collective knowledge of the highest governance body	GRI 2-17
Evaluation of the highest governance body performance	GRI 2-18



Material Topics in 2023

Transparency & Accountability	
Role of the highest governance body in sustainability reporting	GRI 2-14
Communication about critical issues	GRI 2-16
Remuneration policy	GRI 2-19
Process for determining remuneration	GRI 2-20
Annual total compensation ratio	GRI 2-21
Mechanisms for seeking advice and raising concerns	GRI 2-26
Business Ethics & Compliance	
Conflict of interest	GRI 2-15
Policy commitment	GRI 2-23
Embedding policy commitment	GRI 2-24
Process for reversing negative impacts	GRI 2-25
Compliance with laws and regulations	GRI 2-27
Association membership	GRI 2-28
Operations assessed as having risks related to corruption	GRI 205-1
Communication and training on anti-corruption policies and procedures	GRI 205-2
Proven corruption incidents and actions taken	GRI 205-3
Political contributions	GRI 415-1
Risk Management	
Financial implications and other risks and opportunities resulting from climate change	GRI 201-2

IMPLEMENTATION OF MIND ID SUSTAINABILITY PATHWAY AT INALUM **[GRI 2-23] [GRI 2-24]**

As a good corporate citizen, INALUM upholds the sustainability values and implements good and responsible operating practices in its aluminium smelting activities. In 2021, INALUM together with other MIND ID members launched the MIND ID Sustainability Pathway as a joint commitment for strengthening the Company’s sustainability measures and its contribution to achieving sustainable development goals in Indonesia.

When implementing the MIND ID Sustainability Pathway, INALUM consistently takes concrete steps that will further strengthen steps on the journey towards sustainability and continues to strive to provide positive benefits for all stakeholders.



PILAR 1

ENVIRONMENT AND CLIMATE CHANGE

BEST ACHIEVEMENTS IN THE ENVIRONMENTAL FIELD

Environment and Climate Change is one of the main pillars in the MIND ID Group’s Sustainability Pathway, and is also INALUM’s reference in its biodiversity preservation, decarbonization, water and waste management, and responsible production efforts. Due to its efforts and hard work in realizing its commitment in the environmental sector, Inalum received the following:

INALUM Receives Highest PROPER Rating Thanks to its Eco Innovations



PROPER Gold
Hydroelectric Power Plant
operated by INALUM

1



Green PROPER
Smelter Aluminium Kuala
Tanjung

1

Energy Efficiency

HSD to LNG
Application in Anode
Baking Process

Emission Control

Reducing Anode Effect
Frequency Using a
Combination Method
of Using Longitudinal
and Slot Anodes in the
Shutter Gate Feeding
System

**Efficiency and Water
Load Control**

Reducing the burden
of water pollution
(TDS=Total Dissolve
Solid) by installing palm
fiber in WWTP

**3R Solid & Non-B3
Waste**

Utilizing wooden pallet
waste as a sales cart for
residents around PT
INALUM (Persero)

Reduction of B3 Waste

Reducing Laboratory
B3 Waste for AIF3
Material Testing by
Resetting Alternative
Tests Using X-Ray

INALUM prioritized several Eco Innovation projects in 2023, including energy efficiency, emission control, water load efficiency and control, reducing B3 waste, and the 3Rs of solid and non-B3 waste. INALUM also implemented several significant Community Investment programs with a focus on environmental initiatives. This program included the Meat Village Eco cultural tourism program with the aim of overcoming environmental problems, developing ecotourism potential, increasing the potential for sustainable livelihoods, preserving the Toba Batak culture and improving welfare in the Meat Village.

In addition, the Historic Beach Ecotourism and Mangrove Conservation Program aimed at promoting economic growth and environmental preservation in Perupuk Village, by integrating mangrove conservation with the tourism potential of the area. INALUM is committed to protecting biodiversity through its flagship initiatives. These include extensive tree planting activities in the Lake Toba Catchment area and conservation and protection measures for migratory birds.

Aluminium Stewardship Initiatives Certification



INALUM achieved the Aluminium Stewardship Initiative Performance Standard Certificate or ASI V3 (2022) for the Aluminium Smelting Factory in Kuala Tanjung, Batu Bara Regency, North Sumatra Province, Indonesia.

ASI certification was developed through an extensive multi-stakeholder consultation process and is the only voluntary comprehensive sustainability standards initiative in the aluminium value chain. This was the first certification issued for the Performance Standards, or ASI V3 (2022), which were updated and launched in May 2022 after going through a revision process over several years. It defines 11 principles and 62 criteria under the three Sustainability pillars, namely Environmental, Social, and Governance, with the aim of addressing pressing sustainability issues in the aluminium value chain, such as biodiversity, Indigenous Peoples’ rights, circularity, and greenhouse gas emissions. INALUM fulfilled all of these through an independent audit process by a third party, TÜV Rheinland Cert GmbH.

INALUM'S ENVIRONMENTAL MANAGEMENT

[GRI 3-3]

As a good corporate citizen, INALUM has a strong commitment to carrying out good operational activities, by trying to reduce negative impacts on the environment, while protecting and preserving biodiversity around the Company's operational areas.

To show its commitment, INALUM as part of MIND ID, through the MIND ID Group's Sustainability Pathway, has prepared strategic plans and programs related to protecting biodiversity around the Company's operational areas. INALUM has an environmental management policy, as stated in Circular Letter No. 001/O/DIROP/2022 concerning Occupational Safety and Health, Environment, Energy and Human Rights Policies. In these policies, INALUM emphasizes its commitment to environmental management through the Environmental and Energy Management System.

In this document, there are 13 INALUM commitments that serve as guidelines for implementing environmental management procedures, including:

1. Carrying out environmental protection and preventing environmental pollution.
2. Managing Hazardous and Toxic (B3) waste by prioritizing the "reduce, reuse, recycle and recovery (4R)" program
3. Managing non-B3 waste by prioritizing the "reduce, reuse, recycle and recovery (4R)" program
4. Carrying out mitigation efforts for environmental damage (water, air and land).
5. Carrying out mitigation efforts to reduce the value of the Biodiversity Index (1KHB).
6. Participating in reducing the impact of conventional air emissions and Greenhouse Gases (GHG).
7. Carrying out water efficiencies, including efforts to reduce the burden of wastewater pollution.
8. Making efforts to improve environmental performance in a sustainable manner based on a life cycle assessment.
9. Carrying out environmental management efforts that contribute to sustainable development goals (SDGs).
10. Making energy efficiencies and optimizing the use of renewable energy sources and conservation of natural resources.
11. Making continuous improvements to improve the performance of the Environmental and Energy Management System.
12. Complying with applicable laws and regulations and other requirements, including stakeholder requirements.
13. Empowering the communities and environment around the Company through CSR

The Environmental and Energy Policies are determined, communicated and implemented to all INALUM stakeholders consistently, and are evaluated and continuously improved to ensure their effectiveness.

This commitment is also a form of INALUM's compliance with statutory regulations, including:

1. 1970 Law Number 1 concerning Work Safety;
2. 2009 Law Number 32 concerning Environmental Protection and Management;
3. 2007 Law Number 30 concerning Energy;
4. 1999 Law Number 39 concerning Human Rights;
5. 2012 Republic of Indonesia Government Regulation Number 50 concerning Implementation of the Occupational Safety and Health Management System dated 12 April 2012;
6. 2009 Republic of Indonesia Government Regulation Number 70 concerning Energy Conservation dated November 16, 2009;
7. 2021 Republic of Indonesia Government Regulation Number 22 concerning Environmental Protection and Management dated February 02, 2021;
8. ISO 9001:2015 Standard concerning Quality Management Systems
9. ISO 14001:2015 Standard concerning Environmental Management Systems
10. ISO 45001:2018 Standard concerning Occupational Safety and Health Management Systems
11. ISO 50001:2018 Standard concerning Energy Management Systems
12. Aluminium Stewardship Initiative (ASI) Performance Standard version 3 dated May 2022.

Everything is done so that INALUM's operational activities are in line with environmental management standards. Another certification that INALUM received was ISO 14001:2015 concerning Environmental Management Systems. INALUM is very concerned about controlling pollution to avoid the impact of operating smelting plants. Substantial investments have been made in the environmental management of its activities, especially related to emission control systems as an integral part of the smelter's operations.

INALUM is committed to carrying out environmental management to avoid the impact of operating the smelting plants, and supports the Sustainable Development Goals (SDGs 2030) stated in the Company policy. [GRI 3-3]

BIODIVERSITY AND CONSERVATION [OJK F.10, EM-MM-160a.1, ASI 8.2]

INALUM understands that its operational activities are close to natural conservation areas, therefore INALUM has a high commitment to preserving nature, not only when carrying out operational activities but also at the same time preserving biodiversity around operational areas. INALUM has confirmed this commitment by making the Environment and Biodiversity and Conservation aspects one of INALUM's ESG Topics, and has instigated a Biodiversity



Policy that includes a number of approaches for biodiversity management strategies, including:

1. Regular monitoring of the Biodiversity Index;
2. Carrying out revegetation in the Company's operational areas;
3. Conserving flora and fauna that are endemic species
4. Carrying out maintenance of river watersheds around operational areas
5. Planting trees with various types of plants, such as MPTS (Multi Purpose Tress Species) and hardwood trees in the Lake Toba DTA.
6. Preventing abrasion and erosion in order to maintain aquatic ecosystems and coastlines
7. Collaborating with stakeholders including local communities, regional governments, third parties, and other parties to ensure cooperation in conservation activities for wild and protected animals, including conducting socialization on the importance of protecting biodiversity.

OPERATIONAL LOCATIONS ADJACENT TO PROTECTED AREAS AND AREAS WITH HIGH BIODIVERSITY VALUE [OJK F.9, GRI 304-1]

INALUM has several operational areas adjacent to protected areas. Based on PPRI No. 76 of 2016, there are 350.86 hectares in the Toba Regency, 207.05 hectares in the Asahan Regency, and 20.86 hectares in the Simalungun Regency area.

Then, based on the Borrow-to-Use Protected Forest Area Permit No. 35/1/IPPKH/PMDH/2016, INALUM has permission to carry out its operations in the Protected Forest Area in Toba Regency and Asahan Regency covering an area of 0.31 hectares, where the IPPKH area is used for the Microwave Tower and its Supporting Facilities.

Meanwhile, for Biodiversity, PT INALUM has built a Biodiversity Park (Taman Kehati) located in the PT INALUM Paritohan Housing Complex, Pintupohan Meranti District, Toba Regency covering an area of ± 4 Ha, where activities in the Biodiversity Park include carrying out conservation programs, such as cultivating plants endemic to Toba, cultivating koi fish, mixing eco-enzymes in ponds and other activities.

SIGNIFICANT IMPACT OF OPERATIONAL ACTIVITIES ON BIODIVERSITY [OJK F.9, GRI 304-2]

INALUM is very aware that operational activities carried out every day can have a significant impact on biodiversity around its locations if good management is not carried out.

INALUM is only smelting, so there is no significant impact on biodiversity. The program carried out as an INALUM initiative is to maintain the stability of Lake Toba's water level.

Positive Impact

The positive impacts of INALUM's Taman Kehati are the preservation of Toba endemic plants and become a location for increasing community knowledge knowledge by opening space for the community to the community for comparative studies or learning at the Taman Kehati INALUM.

Concrete steps taken to maintain biodiversity biodiversity, among others, the Company has a biodiversity policy in which contains goals to be achieved and reviewed annually. The Company has also developed a strategic plan biodiversity aspects for the period 2020-2024.

1. Planting trembesi trees around the Head Office INALUM Head Office;
2. Deer breeding in the Tanjung Gading Housing Complex, North Sumatra;
3. Mangrove tree planting, in collaboration with Love Mangrove Farmer Group and the TNI;
4. Macadamia planting with the plant distancing method;
5. Greening of the Sei Suka High School area;
6. Tree planting in the Lake Toba DTA;
7. Establishment of Taman KEHATI Paritohan.

Environmental Cost Table [OJK F.4]

Type of Environmental Programs	Total Cost (Rp) 2022	Total Cost (Rp) 2023
Reclamation and Revegetation	-	-
Erosion and Sedimentation Control		
Waste Management	16.873.091.600	18.948.983.940
Research and Partnership	497.086.200	-
Environmental Monitoring	834.386.000	835.948.000
Tree Planting	3.964.874.944	4.773.596.593
Mangrove Planting	182.012.000	135.000.000
Dredging the watershed leading to the Dam	4.064.086.000	11.526.058.204
Siguragura Dam Dredging	3.530.239.000	3.157.326.553
TOTAL	29.945.775.744	39.376.913.290

Foster Trees: Planting Mangroves to Sustain Coastal Ecosystems

This program initiated by INALUM seeks to protect maritime areas and preserve existing potential through mangrove planting. The Foster Tree Program is oriented towards long-term growing success so that the benefits of mangrove planting can be achieved properly. In the future, INALUM will continue to develop the foster tree program with other parties, by inviting not only companies, but also individuals who can join this program to adopt more mangrove trees.

This Mangrove Planting Program was started by INALUM in the Aluminium Smelting Factory area located in Batu Bara Regency, North Sumatra. In 2023, INALUM in synergy with the Mangrove Love Farmers Group (KTCM) and other related parties planted 23,000 mangrove seedlings. This activity not only preserves the mangrove ecosystem, but also increases public awareness and understanding of the importance of preserving the environment in coastal areas to reduce the impact of climate change. The funds used for the mangrove planting program in 2023 amounted to Rp157,012,500, an increase of 28.7% from Rp122,012,500 in 2022.

Migratory Waterbird Conservation

INALUM is committed to carrying out biodiversity programs through conservation efforts carried out in several areas around the Company’s operational areas. These include efforts to protect migratory birds in several areas in Batu Bara Regency. The aim of this program is to conserve various species of birds that often migrate to the Batu Bara Regency coast.

This effort is also in support of the Government’s steps to conserve protected flora and fauna by complying with 1990 Law No. 5 concerning Conservation of Natural Resources and Ecosystems and Minister of Environment and Forestry Regulation P.106/MENLHK/SETJEN/KUM.1/12/2018 concerning Types of Protected Plants and Animals. INALUM also socializes the protection of

rare animals in the coastal areas of Batu Bara Regency in the region, and in the Company’s operational area.

The migratory bird protection program began with concerns about illegal hunting activities for migratory birds around the coast of Perjuangan Beach and several other areas in the Batu Bara Regency area. The coastal area of Batu Bara Regency is designated as a Key Biodiversity Area (KBA). KBA is an area with a population of unique, rare or endangered species or ecosystems. Thus, this area is important to manage and has become the focus of conservation efforts to maintain a holistic ecosystem balance. The stretch of mudflats on the coast of Batu Bara Regency is a stopping-off place for migratory waterbirds.

The Migratory Waterbird Conservation Program collaborates with the Living Heritage of Sumatra Indonesia (WHIS), the Love Mangrove Farmers Group (KTCM), and the Jono Beach Community (KMPJ). Through this program, INALUM encourages efforts to prevent poaching, and to protect the habitats of animal in protected categories with an endangered status due to illegal hunting activities, which includes various types of migratory birds.

INALUM will continue to develop the Migratory Waterbird Conservation program to maintain the migratory bird population and will carry out socialization to several important stakeholders including the Batu Bara Regency Environmental Service and Village Government along the coast of Batu Bara Regency. Realized funds for the Migratory Waterbird Conservation Program in 2023 reached Rp53,000,000, an increase of 137% compared to Rp22,320,000 in 2022.

The Migratory Waterbird Conservation Program activities in 2023 included public awareness activities about the existence of Migratory Waterbirds through environmental campaign activities in the form of a Photo Contest and Coloring Contest with the theme “Wetland and Its



Biodiversity". In this activity, 212 children from 4 local elementary schools took part in the coloring competition, and 91 photographers from 17 provinces were selected to become 8 hunting finalists at the Sujono Beach, Lalang Village with the same theme "Wetland and Its Biodiversity". On the sidelines of the photo competition, WWF Hong Kong also gave a presentation on the conservation practices of migratory waterbirds and the use of wetlands in the Mai Po Reserve for the photo hunting finalists.

Contribution to the Environmental SDGs

1. Increased the agricultural productivity and income of small-scale food producers, especially women and indigenous communities and farmers.
2. Increased the sustainable food production system.
3. Increased the use of renewable energy.
4. Reduced the impact of climate change through carbon absorption by planted trees.
5. Managed and protected marine and coastal ecosystems in a sustainable manner.
6. Increased economic benefits through sustainable management of fisheries, aquaculture and tourism.
7. Improved conservation, restoration and sustainable use of terrestrial ecosystems.
8. Maintained protected flora and fauna.
9. Integrated ecosystem and biodiversity values into poverty reduction.
10. Increased the capacity of local communities for sustainable livelihood opportunities.

PROTECTING FLORA AND FAUNA [OJK F.10, GRI 304-3, 304-4]

In line with its commitment to maintaining biodiversity, INALUM has carried out mapping of species on the International Union for Conservation of Nature (IUCN) red list and national conservation list species located around the operational areas.

Conservation Efforts Carried Out by INALUM

The following are the species that have been conserved by INALUM based on the IUCN List. Conservation has been carried out in 2 locations, the beaches in Batu Bara Regency, namely the Sejarah Beach and the Perjuangan Beach as well as in the villages around the location of these two beaches.

Species of Flora and Fauna Conserved by INALUM

Species Name	IUCN Status
Bangau Bluwok (Mycteria Cinerea)	Endangered (EN)
Bangau Tongtong (Leptoptilos Javanicus)	Vulnerable (VU)
Kedidi Besar (Calidris Tenuirostris)	Endangered (EN)
Gajahan Timur (Numenius Madegascariensis)	Endangered (EN)
Trinil Lumpur Asia (Limnodromus Semipalmatus)	Near Threatened (NT)
Trinil Lumpur Nordman (Tringa Guttifer)	Endangered (EN)
Gajahan Erasia (Numenius Arquata)	Near Threatened (NT)
Cerek Melayu (Charadrius Peronii)	Near Threatened (NT)
Kedidi Merah (Calidris Canutus)	Near Threatened (NT)
Kedidi Ekor Tajam (Calidris Acuminata)	Vulnerable (VU)
Kuntul Cina (Egretta Eulophotes)	Vulnerable (VU)
Kedidi Paruh Sendok (Calidri Pygmaea)	Critically Endangered (CR)

INALUM'S LEADING BIODIVERSITY PROGRAM

Planting in the Lake Toba Water Catchment Area

Lake Toba is very important for the sustainability of the INALUM hydropower plant, so INALUM cares and continues to carry out tree planting activities in an effort to ensure environmental sustainability and the maintained stability of the water level of Lake Toba. In 2023, Inalum planted trees covering an area of 370 Ha, or 185,000 trees planted in 7 districts around the Lake Toba Water Catchment Area (DTA).

The types of plants included wood species and Multi Purpose Trees Species (MPTS), such as fruit-bearing trees. The wood planted included pine, African wood, resin and mahogany. While the types of trees that produce fruit and suit community needs included petai, jengkol, candlenut, matoa, mango, avocado, durian, macadamia nuts and sugar palm.

As well as maintaining the stability of Lake Toba's water level, it is hoped that planting trees will improve the community's economy when they produce fruit or sap.



Conservation/Protection of Migratory Birds

35, Bird species migrate to the Batu Bara coast, but as they have become targets for hunting, INALUM together with the Living Heritage of Sumatra (WHIS) is encouraging efforts to prevent hunting and protect their habitat.



Great Sandpiper
(*Calidris Tenuirostris*) EN



Asian Mud Trinil
(*Limnodromus Semipalmatus*) NT



Trinil Nordman
(*Tringa Guttifer*) EN



Bluwok Crane
(*Mycteria Cinerea*) EN



Eastern Elephant Bird
(*Numenius Madagascariensis*) EN



Tongtong Crane
(*Leptoptilus Javanicus*) VU

4 Villages

A Village Regulation concerning Bird Conservation which has also been massively socialized to various groups

1. Lala Village (Perjuangan Beach)
2. Durian Village
3. Gambus Laut Village
4. Pematang Nibung Village

WATER AND AIR

WATER MANAGEMENT [OJK F.8, GRI 303-1, EM-MM-140a.1, EM-MM-140a.2, ASI 6.2, 7.1, 7.2]

INALUM is very aware that the risks to the Company and the surrounding community and environment will increase when water is not managed properly or is overexploited.

Water is a very important factor for daily operational activities, both in the office and at factory locations. INALUM has a water management policy that includes procedures for water conservation to protect rivers, lakes and other springs from activities that can disrupt and damage water quality, the physical condition of the banks and bottom, as well as for safeguarding the flow of rivers, lakes and other springs. INALUM is committed to reducing the extraction of new water from nature, increasing water recirculation, and ensuring that the quality of the water that is transferred back is in accordance with applicable quality standards.

Until the end of 2023, INALUM has no cases of non-compliance with water quality standards and statutory regulations.

Water sources [GRI 303-3]

The main source of water used by INALUM comes from surface water. INALUM takes water from public water bodies, including surface water, ground water and water purchased from third parties. The following shows the new water withdrawals based on water sources in 2023.

Total Water Intake (Mega Liter)		
Water Source	2023	2022
Surface Water	1.580,80	1.650,00
Total	1.580,80	1.650,00

INALUM has a strong commitment to manage water discharge in accordance with established quality standards. Through strict policies and procedures, INALUM strives to minimize the negative impact of water discharge on the environment, and to maintain high water quality. INALUM actively monitors and controls water quality parameters including physical, chemical and biological parameters in accordance with established standards.

By the end of 2023, the amount of water discharged to water bodies reached 121 mega liters, of which 100% was discharged to surface water. [GRI 303-4]

Amount of Water Discharged to Water Bodies (Mega Liter) [OJK F.13]		
Receiving Water Bodies	2023	2022
Sea	132,00	121,00
Total	132,00	121,00

Total Water Consumption (Mega Liter)		
Water Source	2023	2022
Surface Water	1.448,80	1.529,00
Total	1.448,80	1.529,00



Improvements to the Sigura-gura Hydroelectric Power Plant to Increase Water Usage Efficiency

Significant improvements to the Sigura-gura hydroelectric power plant has had a positive impact in reducing the use of water needed to generate electricity per kilowatt hour (kWh). Through these efforts, INALUM has introduced innovative technology and strategies aimed at increasing energy efficiency and more sustainable water resource management.

By adopting more efficient technology, the Sigura-gura PLTA has minimized unnecessary water loss and increased optimal use of water in the electricity generation process. This step not only reduced the negative impact on the environment, but also contributed to operational efficiency and water savings

The reduction in water usage of 1.53 m³/s to generate every kilowatt-hour of electricity shows INALUM's strong commitment to maintaining the sustainability of water resources and playing an active role in reducing the environmental impact associated with electricity generation. Through these innovative steps, INALUM is looking to create a more eco-friendly future in the electricity generation industry.

INALUM PLTA Distributes Surplus Electricity to PLN

INALUM operates 2 hydroelectric power plants (PLTA) with a capacity of 603 MW, namely the Sigura-gura PLTA and the Tangga PLTA. More than 90% of INALUM's energy needs are met by these two PLTA, which makes INALUM currently the largest aluminium smelter in Indonesia that uses renewable energy.

The two PLTA are located in Paritohan, Toba Samosir Regency, North Sumatra Province, and rely on water supplies from Lake Toba to generate electrical energy used in the INALUM processing plants. For this reason, maintaining Lake Toba's water supply is very important for operational sustainability and INALUM continues to collaborate with stakeholders to maintain the sustainability of the Lake Toba area, starting from the rivers that supply water to Lake Toba, the Lake Toba Water Catchment Area, to the regions the Asahan River Flows into.

In 2022, the two hydroelectric power plants produced a total of more than 4 million MWh of electricity that was used for INALUM's operational needs, with the surplus electricity distributed to PT Perusahaan Listrik Negara (Persero) to help meet the electricity needs of the surrounding communities.

DECARBONIZATION

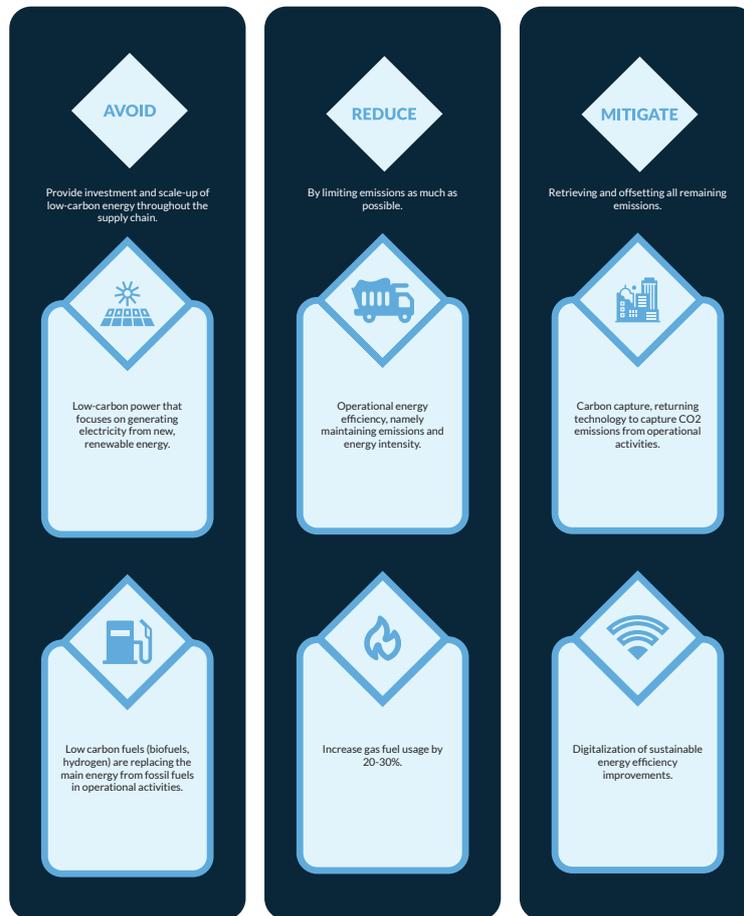
Decarbonization is the process of significantly reducing or eliminating carbon dioxide (CO₂) and other greenhouse gas (GHG) emissions from the atmosphere. Decarbonization is an effort to capture GHG emissions, including carbon dioxide, methane, nitrous oxide, sulfur hexafluoride, nitrogen trifluoride, perfluorocarbons and hydrofluorocarbons. GHG potential is measured by global warming potential, and is expressed in CO₂ equivalents.

The more greenhouse gas emissions released into the atmosphere, the warmer the planet becomes. The warmer the planet becomes, the more significant the impact of climate change becomes. In 2015, nearly 200 countries committed to the Paris Agreement with a goal of limiting global warming to below 2°C (3.6°F) above pre-industrial levels. The parties agreed that efforts to limit temperature increases to 1.5°C above pre-industrial levels would significantly reduce the risks and impact of climate change.

As a good corporate citizen, INALUM also has a high commitment to decarbonization as part of efforts to overcome the impact of climate change. INALUM has launched an initiative to reduce greenhouse gas emissions with quite significant targets.

INALUM targets to reduce emissions from its energy sector and factory process activities, including reducing its carbon footprint by 16% by 2030 from business-as-usual emissions in that year, and supports the Indonesian Government's net zero emission aspiration for 2060. The following shows INALUM's decarbonization strategy

MIND ID Group's Three Decarbonization Strategies



INALUM Long Term Decarbonization Plan

- Increased use of hydropower
- Watershed Conservation
- Tree Planting in the Lake Toba DTA

ENERGY CONSUMPTION

Total energy consumption [OJK F.6, GRI 302-1, EM-MM-130a.1]

Since its inception, INALUM's founders have mapped out an electricity supply that will provide energy for activities at the aluminium smelting factory that is affordable and environmentally friendly, namely by establishing a hydroelectric power plant that utilizes the power of the Asahan River current that flows from Lake Toba in North Sumatra. This project is called the Asahan River Project 1.

To date, INALUM has 3 dams and two hydropower plants (PLTA) in the Asahan 2 Project, namely a Regulator Dam, Siguragura Dam and Tangga Dam, as well as the Siguragura PLTA and the Tangga PLTA that use the potential of the Asahan River water that flows from Lake Toba in North Sumatra as the basic energy for the Company's Hydroelectric Power Plants.

The Siguragura PLTA has a maximum capacity of 286 MW, while the Tangga PTA has 317 MW. Electric power produced by the Siguragura and Tangga PLTA are distributed via a 120 km long transmission network with 271 towers at a voltage of 275 KV to Kuala Tanjung.

Through the Kuala Tanjung substation, the voltage is distributed to three reduction furnace buildings and other supporting buildings via 2 silicon rectifier units with DC 37 KA and 800 V.

In addition to using electrical energy sourced from the PLTA, INALUM also uses fuel and gas energy in the anode roasting and aluminium molding processes as well as smelting factory operations.

Up until the end of 2023, INALUM used a renewable energy mix of 98.41% compared to total energy use. INALUM's renewable energy sources mostly come from 2 (two) PLTA located on the Asahan River that is currently the main energy source for all Company operations at the Kuala Tanjung Smelting Plant.



ENERGY CONSUMPTION AND INTENSITY [OJK F.6, GRI 302-2, 302-3][ASI 5.1]

Energy Source	Unit	Total Usage	
		2023	2022
Non-Renewable Energy	Gigajoule	206.471	346.152
Renewable energy	Gigajoule	12.778.887	13.509.821
Total	Gigajoule	12.985.357	13.855.972
Total Production	Ton	211.424	226.736
Energy Intensity	Gigajoule/ Product Ton	61,42	61,11

Note :

- INALUM's energy calculations have taken into account the amount of renewable energy from electricity sold to PLN
- Conversion factors use IPCC (UNEP) 2006 standards, GHG Protocol (WBCSD, WRI), KESDM 2021, ISO 14064

ENERGY EFFICIENCY AND USE OF RENEWABLE ENERGY [OJK F.7][GRI 302-4, 302-5]

The decarbonization efforts include energy efficiency and increasing the use of renewable energy. INALUM has a high commitment to efficient energy use as part of its environmental management policy.

Energy management is a strategic approach that aims to optimize energy use in an efficient and sustainable way. This involves identifying, measuring, monitoring and controlling energy consumption, as well as implementing corrective actions that can reduce unnecessary energy consumption and reduce negative impacts on the environment.

Proof of INALUM's commitment is the achievement of ISO 50001:2018 Energy Management System certification, an international standard for energy management systems. This standard is designed to support Companies in improving energy efficiency, through the development of an energy management system (EnMS).

In addition, INALUM has also made breakthroughs/innovations in the field of saving LPG usage. The innovations include a program to optimize the aluminium molding process so as to save fuel by using other gas substitutes.

Realization of Electricity and Fuel Energy Savings

	Unit	2023	2022
Smelter	Gigajoule	86.070,98	85.256,74
Carbon Factory	Gigajoule	49.689,97	48.240,05
Reduction Plant	Gigajoule	126,14	563,66
Casting Factory	Gigajoule	35.138,67	35.899,50
Storage Yard	Gigajoule	296,44	147,00

While for energy consumption outside the organization, such as fuel used by suppliers/partners, INALUM cannot report as in the cooperation agreement with suppliers there is no clause related to recording the volume of energy released by partners.

[GRI 302-2]

Efforts to control energy consumption [GRI 302-5]

No	Name of Program	Target	Success Indicators	Implementation Schedule				
				2020	2021	2022	2023	2024
1	Optimizing the electric baking process in pots (from 72 hours to 48 hours)	Energy Saving in Production Facilities	Energy Saving of 500 GJ					
2	Optimizing the billet & alloy molding process thereby saving LPG usage	Energy Saving in Production Facilities	Energy Saving of 500 GJ					
3	HSD to LNG application in the anode baking process	Energy Saving in Production Facilities	Energy Saving of 500 GJ					
4	Installing Variable Speed Drive for Exhaust Fan 1F-301E	Energy Saving in Support Facilities	Energy Saving of 300 GJ					
5	Installing Variable Speed Drive for Crusher CR-201 (Coke Crushing System)	Energy Saving in Support Facilities	Energy Saving of 300 GJ					
6	Installing Variable Speed Drive for Table Feeder TF-201 (Coke Grinding System), Air Separator AS-201 (Coke Grinding System) and Crusher CR-202 (Butt & GS Receiving System)	Energy Saving in Support Facilities	Energy Saving of 300 GJ					
7	Installing Variable Speed Drive for Vacuum Pump SM-201 (Block Forming System)	Energy Saving in Support Facilities	Energy Saving of 300 GJ					
8	Installing Variable Speed Drive for Anode Baking Crane ABC-301 & 303	Energy Saving in Support Facilities	Energy Saving of 40 GJ					
9	Replacing lighting in the Green Plant area	Energy Saving in Support Facilities	Energy Saving of 40 GJ					



No	Name of Program	Target	Success Indicators	Implementation Schedule				
				2020	2021	2022	2023	2024
10	Renewing spotlights in the factory fence area	Energy Saving in Support Facilities	Energy Saving of 40 GJ					
11	Replacing street lights in the Main Office area	Energy Saving in Support Facilities	Energy Saving of 40 GJ					
12	Replacing street lights in the Gas Cleaning area	Energy Saving in Support Facilities	Energy Saving of 40 GJ					
13	Replacing lighting in the Warehouse area (SWH)	Energy Saving in Support Facilities	Energy Saving of 40 GJ					
14	Replacing lighting in the Auxiliary Rodding Plant area	Energy Saving in Support Facilities	Energy Saving of 40 GJ					
15	Replacing fluorescent lamps with LEDs in Gas Cleaning	Energy Saving in Support Facilities	Energy Saving of 40 GJ					
16	Renewal Lighting Fixture at Green and Carbon Office	Energy Saving in Support Facilities	Energy Saving of 40 GJ					
17	Replacing Substation Outdoor Lighting Bulbs	Energy Saving in Support Facilities	Energy Saving of 40 GJ					
18	Replacing Lamp Fixtures at the Anode Mounting Factory	Energy Saving in Support Facilities	Energy Saving of 40 GJ					
19	Replacing Outdoor and Indoor Lights in the MTH Area	Energy Saving in Support Facilities	Energy Saving of 40 GJ					
20	Renewal Lighting Fixture Green	Energy Saving in Support Facilities	Energy Saving of 40 GJ					
21	Replacing Street Lighting in the Baking Plant Area	Energy Saving in Support Facilities	Energy Saving of 40 GJ					

No	Name of Program	Target	Success Indicators	Implementation Schedule				
				2020	2021	2022	2023	2024
22	Replacing Mercury Outdoor Lights with LED in the Reduction area	Energy Saving in Support Facilities	Energy Saving of 40 GJ					
23	Replacing TL lamps with LEDs in the Alumina Handling	Energy Saving in Support Facilities	Energy Saving of 40 GJ					

TABLE SOURCE: INALUM INTERNAL ANALYSIS

CONTROL OF GREENHOUSE GAS EMISSIONS [OJK F.11, GRI 305-1, 305-2, EM-MM-110a.1, ASI 5.1]

INALUM looks at the topic of Emission Management and Control as an important sustainability topic as combustion emissions can potentially impact air pollution, or affect the quality of the surrounding air. Air pollution, or a decrease in air quality, can have a negative impact on the environment, including plants, animals and human life.

For this reason, INALUM always controls the quality of emissions resulting from aluminium smelting so they do not exceed the threshold or Emission Quality Standards set by regulators. This also aims to ensure that the emissions produced do not pollute or affect the quality of air emissions on the environment, to help achieve Indonesia’s zero carbon emissions or Net Zero Emissions (NZE) target by 2060.

The Company’s commitment to environmental management includes reducing the impact of conventional air emissions and Green House Gases (GHG). CDM (Clean Development Mechanism) is a mechanism for reducing GHG emissions that involves both developed and developing countries and INALUM as one of the industries in a developing country (Indonesia) has voluntarily become involved in its implementation.

For its CDM, INALUM received an international award related to carbon credits from LRQA in 2012. In addition, based on the 2022 LME Passport – Sustainability Disclosures, PT INALUM is categorized in range one, namely 0-4 tons CO2-e/MT of aluminium products.

GHG Emission Intensity [OJK F.11, GRI 305-4]

Greenhouse gas emissions are a global challenge that continues to be of concern. INALUM is committed to responding to this challenge, one way being through instigating various mitigation actions, and by keeping an accurate inventory of GHG emissions. Until 2023, INALUM carried out routine Scope 1 and Scope 2 GHG inventories in accordance with the 2011 Republic of Indonesia Presidential Regulation No. 71 concerning Implementation of the National Greenhouse Gas Inventory.

The main sources of scope 1 greenhouse gas emissions are energy consumption from non-renewable energy sources made from fossils, and electrical energy consumption from renewable energy sources, namely solar power. While scope 2 emissions originate from electricity generation purchased or obtained from PLN or produced by the INALUM generators. For Scope 3, INALUM has identified relevant energy consumption outside the organization, including the upstream category in the form of business travel, especially travel by airplane. In this report, travel by airplane refers to travel by the Commissioners and Directors, as well as officials one level below the Board of Directors.

In the production process, INALUM also produces other air emissions, apart from CO2, such as NOx, SOx and other particulate matter. The following shows the amount of other air emissions produced by INALUM. [OJK F.11, GRI 305-1, 305-2, 305-3, 305-7, EM-MM-120a.1] [ASI 6.1]



INALUM Emission Intensity Produced

Emission Sources	Unit	2023	2022
Scope 1	TCO ₂ eq	869.764,34	804.429,61
Scope 2	TCO ₂ eq	28.375,29	63.030,43
Scope 3	TCO ₂ eq	46,28	35,85
Production quantity of molten aluminum	Ton	214.105	226.736
GHG Emission Intensity/ton	TCO ₂ eq/Ton	4,20	3,82

Note:

- The calculation of GHG emissions in this report refers to the following references:
- GWP100 and lifetime values in the atmosphere based on AR6 WGI (IPCC), 2019 refinement to 2006 IPCC Guidelines for National GHG, Greenhouse Gas Inventory Guidance, Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression and Industrial Gases (United State Environmental Protection Agency, 2014), IPCC Guidelines for National Greenhouse Gas Inventories, 2006, Director General of Oil and Natural Gas Regulation No. 486 K.10/DJM.S/2017, Director General of Oil and Natural Gas Regulation No. 146 K.10/ DJM/2020, GWP100- AR6 SM7, EF for CO₂: Director General of electricity systems in 2019, EF Source: Ecometrica (2011).Electricity-specific emission factors for grid electricity, EPA .2013, CoM Default Emission Factors for the Member States of the European Union, Dataset Version 2017 , <https://www.icao.int/environmental-protection/Carbonoffset>.
- Scope 1 emissions consist of direct emissions from immobile combustion (use of B30 biodiesel, LPG and Natural Gas), direct emissions from mobile combustion (use of biodiesel and pertalite for transportation), direct emissions and absorption from industrial processes (Prebake CO₂ emissions from electrolysis and oxidation of bake furnace volatiles, consumption of soda ash, PFC Emissions), direct fugitive emissions from GHG emissions in anthropogenic systems (Use of AC and APAR).
- Scope 2 emissions consist of indirect emissions from imported electricity (Electricity from PLTA and PLN)
- Scope 3 emissions from BOD and BOC official travel.
- The above GHG emissions calculation table includes: CO₂, CH₄ and N₂O.

Other Air Emissions

Air Emissions	Unit	Total
NOx	Ton	96,94
SOx	Ton	2.489,03
Particulate material (PM)	Ton	236,08

SOx and NOx were measured using a flue gas analyzer 350, while particulate matter was measured directly with a high volume air sampler.

GHG Emission Reduction [OKL F.12] [GRI 305-5] [EM-MM-110A.2] [ASI 5.3]

The Company continues to strengthen its commitment to running integrated aluminium smelting operations that are profitable, safe and environmentally friendly to increase value for stakeholders as stipulated in the Company's mission. The INALUM aluminium smelting plants are equipped with a Gas Cleaning System to avoid pollution caused by exhaust gases including fluoride and dust from the reduction plants as well as SOx and tar from the Anode Roasting Plants.

The smelters also have 27 (twenty seven) dry scrubbing units connected to three potting lines. For processing gas emissions, alumina is sprayed into a gas stream containing fluoride. Nearly all the fluoride in the gas reacts with the alumina and is absorbed. The fluoride-enriched alumina and other particulates are then returned to the melting furnace while the clean gas is exhausted through a chimney.

INALUM has also instigated a flagship program for reducing emission loads, namely a program to use LNG fuel as a substitute for LPG. This innovation program is based on an LCA study conducted by an independent party to reduce the impact of Global warming potential (GWP) from the emissions produced.

In accordance with the Company's decarbonization commitment, INALUM continues to strive to reduce Green House Gas (GHG) emissions with a target of achieving a 16% reduction in GHG emissions by 2030 from business-as-usual emissions in that year.

This target has been set as INALUM's Key Performance Indicator (KPI) as a MIND ID Member. INALUM also has a Continuous Emissions Monitoring Systems (CEMS). In addition, monitoring of emissions and ambient air quality in the environment is carried out periodically by an independent third party accredited by KAN and the Environmental Laboratory in accordance with the provisions of applicable regulations and laws.

The following shows INALUM’s Strategic Plan for Reducing Emissions:

Strategic Plan 2020-2024 Emission Efficiency Aspects

No	Name of program	Target	Emission Reduction Target	Schedule				
				2020	2021	2022	2023	2024
1	Revamping Anode Baking Furnace	Reducing Emissions in Production Facilities	2.862,64 TCO ₂ eq					
2	Installing a blue box for process control in the reduction furnace	Reducing Emissions in Production Facilities	30.098,00 TCO ₂ eq					
3	Application of Longitudinal Slotted Anode	Reducing Emissions in Production Facilities	1.052,12 TCO ₂ eq					
4	Modified busbar arrangement	Making Energy Savings in Production Facilities	129,00 TCO ₂ eq					
5	Changing electric baking duration from 72 hours to 48 hours	Making Energy Savings in Production Facilities	0,72 TCO ₂ eq					
6	Pilot project upgrading 3 pots to 1 potline	Making Energy Savings in Production Facilities	19,27 TCO ₂ eq					
7	Increasing CE in transition pot	Making Energy Savings in Production Facilities	81,88 TCO ₂ eq					
8	Warming the ladle in the pot	Making Energy Savings in Production Facilities	422,00 TCO ₂ eq					
9	Using LNG as a substitute for LPG in the INALUM Business Process	Making Energy Savings in Production Facilities	1.312,22 TCO ₂ eq					
10	Reducing the anode effect frequency using a combined method of using longitudinal slot anodes and slots in the shutter gate feeding system	Making Energy Savings in Production Facilities	3.830,02 TCO ₂ eq					
18	Cleaning gas building lights	Making Energy Savings in Support Facilities	1,24 TCO ₂ eq					



Strategic Plan 2020-2024 Emission Efficiency Aspects

No	Name of program	Target	Emission Reduction Target	Schedule				
				2020	2021	2022	2023	2024
19	Replacing lights at the station	Making Energy Savings in Support Facilities	0,38 TCO ₂ eq					

Substitution from B30 Diesel to Natural Gas Reducing INALUM’s Emission Intensity

INALUM has taken significant steps in an effort to reduce the environmental impact by converting fuel from B30 Diesel to LNG in its operational processes. This conversion has had a positive impact in reducing the emissions intensity produced by factories. By using natural gas as fuel, INALUM has reduced greenhouse gas emissions and other pollutants resulting from the aluminium smelting process. This is a strategic step in increasing operational sustainability and reducing the Company’s carbon footprint by 2,027.61 tons CO₂eq.

In the process of converting B30 Diesel to LNG, it involves a cleaner energy source and has lower emissions compared to B30 Diesel. INALUM has reduced its CO₂ emissions and other pollutant gas emissions intensity, and provided a positive impact on air quality in the environment around the factory. This step is also in line with INALUM’s commitment to supporting a sustainable energy transition.

INALUM’s efforts in reducing the Anode Effect

The Anode Effect or AE is a phenomenon that can occur during the production of liquid aluminium using the Hall-Haroult electrolysis principle. This occurs due to a voltage spike in the furnace caused by a minimal concentration of alumina raw materials in the electrolyte solution. As a result, gases such as carbon dioxide, fluorine and chlorine are formed to accumulate and be trapped under the anode. The large amount of retained gas has the potential to react with the carbon anode used in this electrolysis process, resulting in the release of greenhouse gas effects such as carbon monoxide, methane and perfluorinated carbon (PFC).

Reducing the Anode Effect is very important to minimize carbon emissions in the aluminium industry, especially PFC compounds produced when AE occurs. Therefore, INALUM strive to improve anode technology and operational practices to minimize the Anode Effect and reduce carbon emissions.

The steps taken include:

- Selecting good quality carbon material to be used as an anode so that it can reduce the occurrence of the Anode Effect.
- Maintaining the quality of available carbon materials by carrying out regular testing and obtaining quality guarantees from material supply companies.
- Optimizing operational supervision during the production process to minimize the occurrence of the Anode Effect.
- Improving monitoring and control of the alumina processing system so as to reduce the possibility of the Anode Effect occurring.
- Training and socialization to employees about new aluminium industry technology as well as measures to prevent the occurrence of the Anode Effect.

By controlling the Anode Effect, INALUM can reduce carbon emissions resulting from the liquid aluminium production process. This is in line with the MIND ID Members’ commitment to mitigate environmental impacts and contribute to global efforts to address climate change.



RESPONSIBLE PRODUCTION ACTIVITIES

USE OF ENVIRONMENTALLY FRIENDLY MATERIALS [OJK F.5, ASI PRINSIP 4]

The main raw material for aluminium is alumina. INALUM obtains Alumina from a third party, MIND Trading (South 32, Glencore, Trafigura, Well Harvest Wining).

INALUM is very aware of the limited natural resources of bauxite. Aluminium has very special properties that make it a great resource for the transition to a sustainable economy – these include its light weight and excellent recyclability. However, at the same time, aluminium production has a significant impact on the planet, which needs to be managed and reduced. In the aluminum production process, INALUM uses electrical energy from hydropower.

LCA Assessment of Greener Products [GRI 305-6]

INALUM is a company operating in the aluminium smelting industry with a production capacity of 214,883 tons in 2023. The main raw material (cradle) is alumina which is then processed at the Company's production unit (gate) to produce the main aluminium products in the form of ingots, alloy, and billets. The aluminium products produced are then distributed to customers (grave).

As a form of commitment to make the Company's main products more environmentally friendly and globally competitive, on September 22, 2023 INALUM conducted a Life Cycle Assessment (LCA) assessment, namely a study of the environmental footprint impact arising from all of the Company's operational activities, so that the results will serve as a guide for INALUM to develop improvement programs and identify opportunities to improve its environmental performance so that it can consistently reduce any environmental impact.

The LCA study using a cradle to grave scope was prepared according to the following standards :

- ISO SNI 14040:2016 and ISO SNI 14044:2017;
- PCR Basic Aluminium Products and Special Alloys, 08:2022 Version 1.0 UN CPC: 4153;
- LHK Ministerial Regulation No. 1 of 2021.

Based on the LCA study, it was concluded that the following significant impacts arise in the aluminium production process:

Cradle, gate, grave points are Global warming potential (GWP), potential for ozone depletion, potential for acid rain, potential for eutrophication, photochemical oxidation, abiotic degradation (fossil and non-fossil), biotic degradation, carcinogenic, toxicity, water footprint, land use change, and cumulative energy demand.

This LCA study can be used as the initial stage of the LCA study so that a more comprehensive LCA study can then be carried out in accordance with the provisions established for making Environmental Product Declarations-Share Environmental Metrics of Products to Customers.

Summary of INALUM LCA Study Results

No	Impact Category	Unit	Method	Reduction Plant	Printing Plant	WWTP	B3 Waste Management	Non-B3 Waste Management
Primary Impact								
1.	Global warming potential	%	ReCiPe 2016 Midpoint(H) V1.03 and IPCC, 2019	0	0	0	91,98	8,02
2.	Potential for ozone depletion	%	ReCiPe 2016 Midpoint(H) V1.03	0	0	0	0	0
3.	Potential for acid rain	%	ReCiPe 2016 Midpoint(H) V1.03	98,16	0	0	0	0
4.	Potential for eutrophication	%	CML-IA Baseline V3.05	51,21	0	0	0	0
Secondary Impact								
5.	Photochemical oxidation	%	CML-IA Baseline V3.05 dan IPCC, 2019	97,76	0	0	0	0



No	Impact Category	Unit	Method	Reduction Plant	Printing Plant	WWTP	B3 Waste Management	Non-B3 Waste Management
Potential for abiotic decline (fossil and non-fossil), consisting of:								
6.	• Abiotic depletion (fossil fuels)	%	CML-IA Baseline V3.05	0	0	0	0	0
	• Abiotic deletion	%	CML-IA Baseline V3.05	0	0	0	0	0
Potential for biotic decline, consisting of:								
7.	• Terrestrial ecotoxicity	%	ReCiPe 2016 Midpoint(H) V1.03	96,30	0	0	0	0
	• Freshwater ecotoxicity	%	ReCiPe 2016 Midpoint(H) V1.03	96,30	0	0	0	0
	• Marine ecotoxicity	%	ReCiPe 2016 Midpoint(H) V1.03	96,30	0	0	0	0
8.	Carcinogenic	%	ReCiPe 2016 Midpoint(H) V1.03	96,30	0	0	0	0
9.	Toxicity	%	CML-IA Baseline V3.05	95,65	0	0	0	0
10.	Water Footprint	%	ReCiPe 2016 Midpoint(H) V1.03	0	0	0	0	0
11.	Land Use Change	%	ReCiPe 2016 Midpoint(H) V1.03	0	0	0	0	0
Impact of Energy Usage								
Cumulative Energy Demand, consisting of:								
12.	• Non Renewable	%	Cumulative Energy Demand	0	52,93	0	0	0
	• Renewable	%	Cumulative Energy Demand	98,33	0,54	0	0	0

From the results of this study, the critical points that cause environmental impacts can be identified, both from the production process and its products, so that INALUM is able to address the impact on the target. INALUM has treated the waste generated, and there is no significant impact from the waste generated by INALUM's operational activities. [\[GRI 306-1\]](#)

WASTE MANAGEMENT [\[EM-MM-150A.7, EM-MM-150A.8, EM-MM-150A.9, EM-MM-150A.10\]](#) [\[ASI 6.5\]](#)

INALUM fully understands the importance of responsible waste management to protect the environment and public health. Waste generated from the aluminium production process has environmental and social impacts. Water, soil and air pollution caused by this waste has the potential to disrupt the ecosystem and health.

When managing waste, the Company refers to applicable laws and regulations where the processing, storage and disposal processes are always monitored and reported to the K3LH function and related agencies. Some of the waste generation is managed by third parties who have permits from the Ministry of Environment and Forestry (KLHK) based on agreed contracts. Until the end of 2023, there were no significant incidents related to the management of hazardous materials and waste. [\[GRI 306-2, 306-3, 306-4, 306-5\]](#)

The following shows the waste management methods carried out by INALUM

Types of Waste	Management and Monitoring Program
Non Toxic and Hazardous (B3) Solid Waste	<ul style="list-style-type: none"> • Manage the domestic waste generated. • Carry out the 3R (Reduce, Reuse, Recycle) program for domestic waste. • Carry out waste separation and sorting (organic-non-organic). • Collaborating and providing assistance to the Waste Bank with the community. • Reduce plastic use.
Toxic and Hazardous (B3) Waste	<ul style="list-style-type: none"> • Manage the B3 waste generated. • Carry out a B3 waste reduction program. • Store B3 waste at licensed LB3 TPS facilities. • Carry out transportation and final processing of B3 waste in collaboration with third parties who have permits from the relevant agencies.

Total Waste Generated

Waste Type	Unit	2022	2023
Hazardous Solid Waste	Ton	20.483,83	22.156,74
Non hazardous solid waste	Ton	2.318,35	2.302,80
Total		22.802,18	24.459,54

Total Waste Diverted from Final Disposal

Types of Sewage Treatment	Unit	2022		2023	
		Hazardous Solid Waste	Non hazardous solid waste	Hazardous Solid Waste	Non hazardous solid waste
Preparation for reuse	Ton	0,00	0,00	0,00	0,00
Recycling/ Kompos	Ton	0,00	92,23	0,00	105,33
Other Recovery Operation: Reuse of anode butts (butt to producing new anodes))	Ton	47.081,66	0,00	46.359,94	0,00
TOTAL		47.081,66	92,23	46.359,94	105,33

Total Waste Diverted from Final Disposal

Types of Sewage Treatment	Unit	2022		2023	
		Hazardous Solid Waste	Non hazardous solid waste	Hazardous Solid Waste	Non hazardous solid waste
Insinerasi (with energy recovery)	Ton	202,88	2.226,12	26,37	2.197,47
Insinerasi (without energy recovery)	Ton	0,00	0,00	0,00	0,00
Landfilling	Ton	0,92	0,00	3,09	0,00
Other ways of disposal	Ton	19.707,03	0,00	21.896,35	0,0
TOTAL		19.910,83	2.226,12	21.925,81	2.197,47

	2022		2023	
	Hazardous Solid Waste	Non hazardous solid waste	Hazardous Solid Waste	Non hazardous solid waste
Divertion Rate	98,85%	99,62%	3,98%	4,57%



MATERIAL SPILL AND LEAKAGE CONTROL

[OJK F.15] [EM-MM-150A.9] [ASI 6.3, 6.4]

The company has a structure of hazardous and toxic waste management emergency team to carry out efforts to control spills and leakage of materials and waste. Implementation procedures have been established in the Oil Spill Response Plan document and the Toxic Hazardous Material Management Emergency Document.

The series of material and waste spill and leakage control includes the process of identifying processes and locations that have the potential to cause spills, applying spill prevention methods in the process of moving and storing materials and waste, preparing equipment and spill handling resources consisting of internal company parties and third party partners according to the required scale (Tier 1, Tier 2, and Tier 3), and increasing competence through regular simulations for the spill and material leakage control team. Due to responsible material and waste management efforts, there were no spills and leaks of hazardous materials and waste throughout 2023.





PILAR 2

SMART OPERATIONS & PRODUCT STEWARDSHIP



EXCELLENT OPERATIONS [SP:1]

INALUM has a strong commitment to continue realizing Operational Excellence (OE) with a focus on increasing efficiency, quality, customer satisfaction, thereby creating added value for the Company for Shareholders and other stakeholders.

To encourage operational excellence, INALUM has instigated Policy No. SE-001/DIROP/2022 dated August 9, 2022. This policy regulates and directs continuous improvement in product quality, minimizing waste, maximizing the efficiency of the production process through the use of technology, meet environmental and work safety standards, as well as collaborating with suppliers to ensure quality raw materials that are available according to schedule.

This policy also directs the Company to provide training and certification for employees to increase competencies, and ensure operational standards are applied, as well as regular monitoring and evaluation of the production process to determine directions for improvement.

Among the programs that INALUM has implemented is Shop Floor Management that functions to strengthen operational control in achieving the Company's Key Performance Indicators (KPI) through the application of 5R (Concise, Neat, Clean, Careful and Diligent) and 3 pillars (Standardized Work, Point Management and Ownership Maintenance). The Company is also committed to implementing safe and secure operations by forming a Central Safety Committee (CSC) that functions as a control over management's commitment to implementing the Company's Occupational Safety and Health (OHS) program.

CERTIFICATION

As a form of INALUM's commitment to encouraging superior operations, INALUM's certification includes:

Name of Certificate	Scope of Certification	Validity Period	Certification Body
ISO 9001 : 2015 concerning Quality Management Systems	Aluminium Smelting and Molding, and Hydroelectric Power Generation (PLTA)	October 5, 2024	SGS United Kingdom Ltd
ISO 50001 : 2018 Energy Management Systems	Aluminium Smelting and Molding, and Hydroelectric Power Generation (PLTA)	January 2, 2025	British Standards Institution
ISO 45001 : 2018 Occupational Health and Safety Management System	Aluminium Smelting and Molding, and Hydroelectric Power Generation (PLTA)	November 21, 2025	SGS United Kingdom Ltd
Aluminium Stewardship Initiative Performance Standards	Smelter	January 4, 2026	Aluminium Stewardship Initiative Ltd
ISO 14001 : 2015 Environmental Management System	Power Plants, Smelters, and Clinics	April 5, 2026	Aluminium Stewardship Initiative Ltd
Occupational Safety and Health Management System (PP No. 50 of 2012)	Aluminium Smelting and Molding	June 9, 2026	Republic of Indonesia Minister of Manpower
Occupational Safety and Health Management System (PP No. 50 of 2012)	Hydroelectric Power Generation (PLTA)	June 9, 2026	Republic of Indonesia Minister of Manpower
ISO 37001 : 2016 Anti-Bribery Management System	Aluminium smelter and hydroelectric power plant, include supporting units	August 11, 2026	Mutu International
International & Port Facility Security (ISPS) Code	TUKS Kuala Tanjung Smelting Plant	April 6, 2027	Republic of Indonesia Director General of Maritime Transportation
ISO 27001 : 2013 Information Security Management System	Kuala Tanjung Smelting Plant Data Center Operations	October 31, 2025	British Standards Institution
ISO/IEC 17025 : 2017 KAN Accredited Testing Laboratory	<ul style="list-style-type: none"> Testing Laboratory and Calibration Laboratory Kuala Tanjung Aluminium Smelter 	July 7, 2024	KAN

INALUM'S ACHIEVEMENTS IN 2023

INALUM received awards recognizing its achievements and contributions in various fields. These awards reflect the Company's dedication and commitment to being the best in the industry and contributing positively to society and the environment.

1. 5th Indonesia Best CSR Award 2023
 - a. Indonesia Best CSR Award 2023
 - b. The Iconomics

2. 3rd Top Digital Public Relations Award 2023
 - a. Indonesia Top Digital PR Award 2023, special achievement for BUMN, Subsidiary BUMN & BUMD
 - b. Info Ekonomi

Productivity Optimization and Continuous Improvements

Upgrading Pot Furnaces: Towards Double Capacity Production

In 2023, INALUM in collaboration with Emirates Global Alumina (EGA) succeeded in completing 5 (five) smelting furnaces that had been refurbished or increased their production capacity using technology from EGA. This step is part of INALUM's big plan to increase production to double capacity.

EGA is a global aluminium company based in the United Arab Emirates with expertise in the field of modern technology in the aluminium smelting sector. The success of these five furnaces is an important historical milestone in the application of more modern smelting technology at INALUM. The completion of the pilot furnace was the initial part of INALUM's big plan to develop 298 furnaces in Potlines 1 and Potlines 3 at the Kuala Tanjung Smelter. Targeting an increase in energy power from 195ka to 215ka, and is estimated to increase production by up to 10%.

In line with INALUM's aspirations to become a market leader in the aluminium commodity sector and increase market share, INALUM continues to make continuous improvements, including efforts to improve and develop innovations in various aspects, especially in the production sector, on an ongoing basis.

This continuous improvement effort begins with evaluating, then improving and innovating, starting from the production process, to customer service. This aims to optimize production capacity and maintain the Company's future business continuity.

Digitalization Project Name	Brief Description	Objective and Target	Collaborating Parties	Progress by the End of the Reporting Year
<ul style="list-style-type: none"> • Stub to Carbon Design Improvement 	<p>In the aluminium electrolysis process, energy consumption of 14,000 kWh/T.Al is required. The high voltage drop causes large energy consumption with being the voltage drop in the stub to carbon (STC) area.</p> <p>The voltage drop under existing conditions is 194 mV and in global benchmarking is 120 mV. Therefore, to reduce the voltage drop in the existing STC, design modifications were made to reduce the voltage drop so that energy consumption to produce aluminium was reduced.</p>	<ul style="list-style-type: none"> • Optimize energy consumption by reducing Stub to carbon voltage drops to 25 mV • Reduce cast iron consumption by up to 39% 	Internal INALUM	100%



Digitalization Project Name	Brief Description	Objective and Target	Collaborating Parties	Progress by the End of the Reporting Year
<ul style="list-style-type: none"> Technology Innovation Of Alf3 Distribution Vehicle By AFM (Aluminium Fluoride Mobile) 	<p>Aluminium Fluoride Car (AFC) is equipment used to distribute and insert ALF3 material into the reduction pot. AFC often experiences many problems and vehicle availability begins to decline, causing pot stability to be disrupted making it difficult to achieve the High Purities Metal (HPM) pot criteria.</p> <p>Aluminium Fluoride Mobile (AFM) is proposed as a solution to the problems that occur in AFC operations. AFM can be a solution to protracted AFC problems so that the distribution and entry of ALF3 material into the reduction pot can be more optimal so that the condition of the reduction pot is better.</p>	<ul style="list-style-type: none"> Overcome the problem of low AF Car availability. Reduce AF Car procurement/renewal costs. Reduce man hours and increase ALF3 feeding accuracy compared to manual operations. 	Internal INALUM	100%
<ul style="list-style-type: none"> Granulometry Enhancement in the Raw Anode Manufacturing Process at the Green Plant 	<p>For manufacturing anodes, materials such as coke, CTP, and Butt are needed. Over time, the quality of the anode is expected to remain good even though the quality of the existing material continues to decline. Therefore, a new recipe is needed to adjust the manufacture of anodes so that the anodes produced have good quality and are maintained.</p> <p>The chemical properties of coke such as Vanadium and sodium, mass density and particle size of 4 mesh and above, as well as the solubility of Quinoline and Toluene in CTP greatly influence the quality of anode manufacture. It is hoped that anode quality can be achieved through simulations carried out in the laboratory, but achieving this on a factory scale requires adjustments to the dry aggregate so that the composition created follows the simulation calculations in the laboratory. Therefore, the anode granulometry graph will be adapted to the actual composition of the available materials and their chemical properties.</p>	<ul style="list-style-type: none"> Optimize the use of raw materials for making raw anodes based on the characteristics of the available materials Maintain the quality of the raw anode produced 	Internal INALUM	100%

Digitalization Project Name	Brief Description	Objective and Target	Collaborating Parties	Progress by the End of the Reporting Year
<ul style="list-style-type: none"> Modification of the Fume Hood Design on the Atomic Absorption Spectrometer to Optimize Suction Power in an Effort to Reduce the Risk of Exposure to Toxic Gases in the Analysis Process 	<p>One of the analysis carried out at the PT INALUM Laboratory is the analysis of metal content in samples. The metal analysis uses an instrument called an Atomic Absorption Spectrometer (AAS). In the analysis process, this tool will produce exhaust gas from the combustion process. This gas is very dangerous and poisonous. This AAS tool is equipped with a fume hood or fume extraction system which functions as a sucker for exhaust gases resulting from combustion, thereby reducing the risk of exposure to exhaust gas emissions for workers in the analysis room.</p> <p>A problem in the SQA Laboratory involves the existing fume hood design that has not been able to function optimally. After testing with an anemometer, the fume hood suction power was found to be 0.2 m/s while the minimum fume hood suction power was 0.5 m/s (LAK Standard). This was due to the position of the fume hood being too far from the exhaust gas source and the cross-section of the fume hood was also too wide. The consequence of this problem was that all personnel working in the analysis room must wear a gas mask, because they still smell of exhaust gas from the combustion process. For this reason, an idea arose to modify the fume hood design so that it could function optimally and the modification was carried out using existing materials and technicians. With this modification, a fume hood with a new design was obtained which had an optimal suction power of 0.8~1 m/s, reducing the exposure value of exhaust emissions in the analysis room, and increasing efficiency in the procurement of a new fume hood and efficiency in the use of PPE (Gas Mask), as the personnel in the room no longer use PPE when there is analysis using AAS in the room.</p>	<ul style="list-style-type: none"> Increase the suction power of the fume hood Reduce exposure to toxic gases 	<p>Internal INALUM</p>	<p>100%</p>



Digitalization Project Name	Brief Description	Objective and Target	Collaborating Parties	Progress by the End of the Reporting Year
New Formulation of Charging AIF3	<p>One of very important pot operating parameter in operation is the bath temperature and AIF3 consumption that must always be maintained within the standard value range as a consideration in the indication of maintaining the side walls in the pot. Based on developments and current operational conditions, in the observation process it was found that around 40% of the bath temperature was lower than the standard, 25% of the bath temperature was higher than the standard and only 35% of the bath temperature was within the standard.</p> <p>So an attempt was made to formulate the inclusion of AIF3 to obtain a standard acidity of 10 - 12% and a bath temperature of 946 - 959 °C. The AIF3 intake formulation was carried out in 10 pots in block 6-2 (622 - 631) with reference pots in 10 pots (632 - 641) using the existing method for 37 days.</p> <p>Based on the results of the pot performance analysis, it was found that using the new AIF3 injection formulation method could maintain the bath temperature and pot acidity in 90% of the pot samples. It also had an impact on increasing other pot performance parameters, namely current efficiency and DC Consumption.</p>	<ul style="list-style-type: none"> Evaluate the pot performance between the existing formulation and the new formulation. Analyze differences in AIF3 consumption based on the new formulation. 	Internal INALUM	100%
Research on the Utilization of Baking Filter Dust Products for Making Charcoal Briquettes	<p>Baking filter dust (BFD) is one of the by-products produced in the anode baking process at the Baking Plant. The coke material used in cycles in the Baking Plant will eventually become finer and cannot be reused and will accumulate.</p> <p>Therefore, research collaboration was carried out with Universitas Sumatera Utara (USU) to examine the use of BFD as a raw material for making charcoal briquettes.</p>	<ul style="list-style-type: none"> Utilize BFD material as raw material for making charcoal briquettes 	Universitas Sumatera Utara	80%

AUTOMATION, DIGITALIZATION AND INNOVATION [OJK F.26]

IMPLEMENTATION OF INDUSTRY 4.0 AND DIGITALIZATION IN OPERATIONAL ACTIVITIES

Implementing Industry 4.0 and digitalization in operational activities is an important part of the business strategy to increase efficiency, productivity and sustainability. INALUM has adopted digital technology and automation in various operational and production activity lines, including:

1. Reduction Furnace Control System
Improving the furnace control system using a Programmable Logic Controller (PLC), changing manual control parameters to auto, had a significant impact in maintaining furnace stability.
2. Super Dense Phase Control System (SDPCS)
Automation of alumina raw materials distribution using SDPCS (Alumina Conveying System). Delivery of alumina material from storage to the Reduction Pot is automatic, whereas previously it was done via ACC/PTM. SDPCS is one type of Pneumatic Conveying System
3. Cavity Cleaner
Automation was carried out to replace manual work for removing scale or solid and hot material contained in the reduction pot

Digitalization at INALUM

Apart from automation programs and initiatives, INALUM also carried out the following digitalization initiatives:

Name of Digitalization Project	Brief Description	Goals and Targets
Development of Human Capital Information Systems (HCIS)	Support improving the quality and service of Human Capital to all employees as well as operational excellence. INALUM officially developed the new HCIS called Workplaze in collaboration with the IMT Department and DataOn Consultants. Officially the HCIS Workplaze system was launched to coincide with INALUM's 48th anniversary. HCIS aims to improve services from the HC side and employee activity through menus and features that prioritize Employee Self-Service.	To increase the effectiveness and efficiency of the HC management process in INALUM
DMS (Document Management System) Development	DMS is software used to manage, store and track electronic documents with digital asset management, document imaging, workflow systems and archive management systems.	To support the document digitization process in INALUM
Upgrade Sistem ERP-SAP	SAP is an ERP (Enterprise Resource Planning) application that is an integration system aimed at supporting operational activities in business effectively to achieve the results targeted by the Company.	To upgrade to SAP S/4HANA to meet INALUM's future business development needs.
Revamping Dashboard System	The Dashboard System is an application system that displays vital data from various lines of the Company's business as data to support decision making.	To increase efficiency, visibility and fast and informed decision making. The Company can more easily adapt to changing business needs and rapidly developing strategies.
EProcureMIND Integration Implementation	Centralized procurement system involving the MIND ID Company subsidiaries.	To increase operational efficiency and reduce costs and provide significant added value to the Company for the performance of the procurement department.
HSE digitalization	Information system and monitoring of employee HSE (Health, Safety and Environment) compliance	To increase employee safety and health, reduce risks, and provide significant added value to the Company.



CYBER SECURITY AND DATA PRIVACY

The development of the digitalization era and the adoption of technology makes daily operational activities easier. However, digitalization also brings with it the threat of cyber security risks, including theft, losses, manipulation and misuse of data, disclosure of sensitive information, and illegal destruction of information that can threaten the confidentiality, integrity and availability of information.

Therefore, so that the use of information technology is more focused, and according to the needs and in line with the Company's vision, mission, values and culture, the Company has implemented information technology (IT) governance. IT Governance describes principles related to management and organization, data and information principles, application principles and technology principles. It also explains the role of Information and Communication Technology (ICT), the ICT organization and the processes that ensure the IT system can support the achievement of the Company's goals.

While, managing Cyber Security/ICT Security is the joint responsibility of all parties within the Company, and internal and external parties who access INALUM's devices, applications, data and information. To ensure all risks related to cyber security, INALUM manages ICT in accordance with policies, and reports periodically to the Board of Directors through the Enterprise Risk Management monitoring data reporting.

INALUM's cyber security management policies includes the following:

1. ISO 20000-1:2018 certificate as a sustainable development of the assessment carried out in 2023.
2. Implementing best practices related to cyber security in application system development, such as security technology standards used, testing application security gaps through penetration testing, and single sign-on (SSO) to optimize protection of application access points.
3. Increasing the Company's HC awareness of the dangers of cyber security and important steps that can be taken to increase employee resilience from cyber security attacks through the Security Awareness Campaign program and training/webinars.
4. Standardizing steps and protective application systems against cyber security attacks, both from the user, network and server side, and carrying out continuous monitoring to identify attacks early. These standards have been finalized and stated in the SOP Procedure Manual and Working Instruction documents.

In an effort to overcome risks that will impact operations, the Company has a Business Continuity Management policy that was ratified through a Board of Directors Regulation. This takes the form of disaster recovery management to ensure that all of the Company's main risks have been identified, managed and reported to the Board of Directors and Board of Commissioners.

IT Security Audit

When implementing the information security management system, INALUM carried out security audits or vulnerability assessments or penetration tests on company systems, products and user data both internally and externally.

Item	Description
IT implementation strategy and planning	INALUM has a standardized IT implementation strategy and plan and has considered the costs, risks and quality of each process.
Implementation of IT operations	The IT implementation at INALUM has been adjusted to the planning carried out. In its implementation, INALUM also has controls to maintain the continuity of IT operations.
Evaluation of IT implementation	INALUM has carried out regular monitoring and evaluation of the IT implementation. INALUM has also set and continuously evaluated targets for achieving IT implementation in the Company.

While several points that will be the focus of development are as follows:

Item	Description
The Company does not yet have Enterprise Architecture	INALUM and all holding members plan to hold a joint Enterprise Architecture. The kick off project will take place in November 2023 with estimated completion by May 2024.
The preparation of system development documents (FSD, TSD, Go Live Checklist) is not consistent	INALUM, with the help of vendors, has prepared a standard document which will then be used in all future system development.
The Company does not yet have a Configuration Management Database (CMDB)	The development of the Configuration Management Database (CMDB) is part of ISO 20000-1 that is currently underway at INALUM with estimated completion by April 2024.

In 2023, no cyber attacks or violations of customer privacy occurred at INALUM. [\[GRI 418-1\]](#)



QUALITY AND RESPONSIBLE PRODUCTS [SP:3]

Ensuring the Quality of Products and Services

INALUM has a strict quality control program to ensure the products produced meet the standards set by regulators and customer requirements. One is by carrying out sampling tests and quality testing of products before they are distributed to buyers in accordance with international standards. This is to guarantee that all products marketed by INALUM have been evaluated from a product safety and consumer safety aspect and have no impact on the health and safety of customers.

INALUM products have also been certified by the ISO 9001:2015 quality management system and ISO 17025:2017 certification for laboratories used for product sampling testing. All INALUM products have been 100% assessed. [OJK F.27] [GRI 416-1]

Number of Products Recalled

During the reporting year, the Company had no incidents of non-compliance related to the health and safety impacts of its products and services. In addition, the Company had no incidents of non-compliance with product quality as stated in the Company's marketing brochures or product marketing campaigns. Up to the end of 2023, no INALUM products were recalled from the market. [OJK F.29] [GRI 416-2]





MARKETING & SALES

Labeling and Product Information

INALUM has 3 (three) main aluminium products, namely ingots, billets and alloys. Every product marketed contains the INALUM product brand logo in the form of a barcode label on each product that contains the product identity (Bundle Number, Lot Number and Production Time). Other additional information such as chemical composition and product weight is provided through a certificate based on the identity on the product label. INALUM's products have also been registered on the LME exchange with the identity INALUM for Aluminium Ingots. [OJK F.28][GRI 417-1]

Marketing practices and Customer Complaint Handling

INALUM strives to provide the best service to maintain the existing market and expand the market. The marketing strategies that INALUM instigated in 2023 included::

1. Making regular visits to buyers to maintain engagement;
2. Providing support and appreciation to existing buyers through sponsorship activities, customer gatherings and customer loyalty programs;
3. Cooperating to develop the progress of Indonesian aluminium with customers in the Seminar: Aluminium Talk, which Inalum holds annually. This activity is a forum for the exchange of knowledge and information on the progress of the Indonesian aluminium industry;
4. Certifying Green Aluminium Product as Inalum's new competitive advantage. This is specifically aimed at expanding the global market;
5. Optimizing stock and product mix to increase Company profits and support the implementation of the Just-In-Time system at inventory level;
6. Developing new products to accommodate the needs of domestic Aluminium VAP types;
7. Adjusting discounts for Aluminium Alloy products in an effort to support penetration of the Domestic Automotive sector.

Up until the end of the reporting year, INALUM focused on meeting domestic aluminium needs. 96% of INALUM products are to supply domestic needs, while 4% are for export with the aim of maintaining the existence of the INALUM brand in the global market.

62% of Indonesia's aluminium needs are supplied by INALUM and are used in several industrial sectors, such as extrusion (38%), automotive (22%), cable manufacturing (22%), aluminium sheet/plate/foi manufacturing (11%), manufacturing cathodic protection (1%), household equipment manufacturing (1%) and other industrial sectors including water treatment, galvalume manufacturing, and others (3%).

INALUM ensures that all customer rights are fulfilled properly and that customers receive equal treatment. To receive input and complaints from customers, INALUM has a complaint channel for consumers via email smh@inalum.id and sss@inalum.id. [OJK F.17]

Customers can also send their complaints and grievances through various media, such as when the Company conducts presentations, customer gatherings, customer visits, or during direct meetings between the Company and customers. During the reporting year INALUM did not receive grievances or complaints from consumers regarding product marketing. [GRI 417-2, 417-3]



CUSTOMER SATISFACTION [OJK.F.30]

INALUM is committed to ensuring customer safety and health. This is realized through the implementation of strict work safety standards in all operational areas, including in the processing factories and when shipping goods.

INALUM strictly maintains compliance with standards and procedures, especially safety, health and product quality requirements. All products produced by INALUM have been assessed for compliance, and during the reporting year there were no compliance violations related to the products produced, in particular no products were recalled.

As a form of our commitment to customers, INALUM conducts surveys to measure customer satisfaction to ensure that the products and services offered meet or exceed customer expectations. The following shows the results of the INALUM customer satisfaction survey:

2021		2022		2023	
Satisfaction	Attachment	Satisfaction	Attachment	Satisfaction	Attachment
95,04%	99,17%	97,67%	99,49%	96,36%	97,36%



SUPPLIER AND CONTRACTOR MANAGEMENT

[SP:6]

In line with the Aluminium Stewardship Initiative (ASI) Performance Standards, INALUM has established Responsible Sourcing guidelines and Provider Registration and Evaluation Procedures to ensure suppliers and business partners reflect the values and principles implemented by INALUM. For a responsible procurement process, INALUM has adopted the OECD basic principles related to Responsible Supply Chains with a commitment not to carry out procurement processes from countries in conflict (CAHRA). This commitment is stated in the responsible sourcing document and integrity pact that must be signed by all suppliers who are INALUM partners as a statement of compliance with corporate, environmental and social governance in running their business. [GRI 308-1]

Reliable Supply Chain Management

INALUM understands that the procurement process is a process that is prone to the risk of fraud and corruption. Therefore, INALUM has ratified ISO 37001:2016 certification regarding the Anti-Bribery Management System. This system is implemented to prevent corruption, collusion and nepotism, including in the process of procuring goods and services. For this reason, INALUM is committed to consistently implementing the Supply Chain Management (SCM) system to manage its supply chain. This system includes managing supply requests, procurement, delivery, and inventory management.

Some of the policies implemented by INALUM include mandatory registration requirements in the e-procurement system, and include signing an integrity pact that states that suppliers are committed to implementing anti-bribery practices and can carry out work contracts in accordance with mutual agreements.

INALUM also continues to establish professional communication with goods and services suppliers. Communication is carried out through e-SCM media and the establishment of communication forums with suppliers. In addition, INALUM regularly conducts surveys with suppliers to determine their level of satisfaction, expectations and complaints from suppliers, with the aim of continuous improvement. [GRI 308-2, 414-2]

Selection and Performance Evaluation of Suppliers and Contractors

INALUM's supply chain has actual and significant economic, environmental and social impacts. Even though it contributes to economic growth and employment, negative impacts such as water pollution, land damage and social conflict need to be managed well.

INALUM has a selection and performance evaluation procedure for suppliers and contractors to ensure safety, good quality products and services, responsible environmental management, and supplier commitment to social issues such as labor and human rights protection aspects, as well as a commitment to local communities. INALUM also sets environmental and social criteria in the supplier selection and evaluation process.

When carrying out work, all new suppliers are required to sign an Integrity Pact to fulfill OHS policies, care for the environment, meet social criteria such as criteria related to labor and local communities. Due to these requirements, in the reporting year 100% of new suppliers were evaluated using environmental and social criteria.

Evaluation of supplier performance, including environmental and social performance covering employment, OHS and human rights, continues to be carried out regularly, especially for main suppliers related to core operations. Up until the end of 2023, the results of supplier evaluations related to core operations indicated good results in all evaluation parameters. [GRI 308-1, 414-1, 308-2, 414-2]



PILAR 3

HUMAN RESOURCES

INALUM'S BEST ACHIEVEMENT IN THE FIELD OF OHS

Occupational safety and health for employees, contractors and people in the work environment is INALUM's priority. INALUM, through all work sections/units and contractors, proactively and continuously identifies hazards and controls risks in accordance with the OHS risk control hierarchy.

INALUM has implemented an Occupational Health and Safety Management System (OHSMS) in accordance with Republic of Indonesia Government Regulation No. 50 of 2012. For its implementation of OHSMS, in 2023, INALUM received the following awards:

Lagging Indicator	2023 Achievement
Fatality (work accident that results in death)	0
Total Recordable Incident Rate (TRIR)	0.06 times per 200 thousand working hours
Occupational illness	0

*) The above achievements are a combination of INALUM, Subsidiaries and Contractors performance



SAFETY, OCCUPATIONAL HEALTH AND SECURITY [PE:1, PE:2]

DECENT AND SAFE WORKING ENVIRONMENT [OJK F.21]

To create a decent and safe working environment, INALUM focuses on achieving no work accidents resulting in death or serious injury, no work-related illnesses, and no pollution, and minimizing negative impacts on the environment. A safe, decent and comfortable work environment in accordance with Occupational Health and Safety (OHS) principles is an important factor in INALUM's operations. INALUM believes that the combination of safe, decent and comfortable working environment conditions will encourage worker productivity and improve the Company's performance in achieving its targets.

Success in creating the best work environment is supported by a number of factors, including the growth of an OHS culture among management, employees, contractors, work partners and other stakeholders. Also, compliance in applying work security and safety procedures is an important factor that should not be underestimated.

The next factor, which is no less important, is the availability of OHS facilities and infrastructure, including when facing emergencies. The combination of these factors will help INALUM to realize its goal of creating a decent and safe work environment, with zero work accidents and no work-related illnesses.

OHS MANAGEMENT SYSTEM

The Occupational Health and Safety Management System (OHSMS) is a management system that aims to ensure optimal occupational health and safety for all employees in INALUM. INALUM's policy related to OHSMS is contained in the INALUM Directorate Circular document No. SE-001/O/DRIP/2022 concerning PT Indonesia Asahan Aluminium Occupational Health and Safety, Environment, Energy and Human Rights Policy dated August 9, 2022.

INALUM's OHSMS policy refers to the international standard ISO 45001:2018 (Occupational Health and Safety Assessment Series) and follows the guidelines in Government Regulation No. 50 of 2012

Emergency preparedness is an important element in implementing the OHS and Environmental Management System. The Company issued SK-018/DIRPEL/2021 concerning the Emergency Management Team, and based on this decree, each Emergency Management Team prepares the programs needed to prepare and respond to emergency situations to ensure the safety and health of employees, contractors, guests and the surrounding community and avoid environmental pollution. The Company regularly conducts training for its emergency response teams, and carries out simulations. [ASI 2.7]

To ensure that OHS standards have been implemented, as well as to show its commitment to safe operational activities, INALUM integrates its operational systems with OHS management aspects. To achieve this commitment, INALUM carries out its operations in all respects by adhering to the following principles:

1. Creating a safe, comfortable, healthy and efficient workplace and continuously improving the quality of work safety management by implementing an Occupational Safety and Health Management System to prevent work accidents, fires, dangerous incidents and work-related diseases.
2. Identifying, assessing, evaluating and controlling OHS risks to calculate or reduce the potential for work accidents.
3. Complying with applicable laws and regulations and other requirements, including stakeholder requirements.
4. Making continuous improvements to improve the performance of the OHS Management System by involving workers in the consultation and worker participation process.
5. Everyone has the right to stop work if unsafe acts or conditions and violations or non-compliance with applicable OHS procedures are found.

Management of OHSMS at INALUM does not only involve INALUM employees but also contractors, suppliers or partners through the INALUM Contractor Management for Environmental Safety Health (ICMESH). ICMESH is a system used to assess prospective contractors who collaborate with INALUM. In ICMESH, all parties working in the INALUM area must fulfill the OHSSE aspect requirements based on work risks as a requirement for participating in the job auction process. Contractors must go through qualification stages consisting of risk assessment, initial assessment of OHSE performance and contractor selection. Only contractors who have met ICMESH requirements can work at the INALUM locations, including contractors who can manage low, medium and high risk work. Assessments are also carried out at the implementation stages in the field, namely initial work activities, during work and final evaluation and corrective actions.

The objectives of the ICMESH program include:

1. Facilitating access to initial contractor OHSSE performance assessment services for prospective contractors/existing contractors.
2. Facilitating access to work risk assessments, evaluation of Contractor OHSSE performance during work and at the end of work for users and requesters.
3. Making it easier for INALUM to verify job risk assessments from requesters, evaluate initial assessments of contractors' OHSSE performance, and evaluating contractor OHSSE during work and at the end of work.

4. Making it easier for INALUM to issue certificates/awards or sanctions to contractors based on patrol findings and on the results of the final evaluation of the contractor’s OHSSE performance.
5. Facilitating access to information for procurement, contractors and requesters regarding the results of contractor OHSSE performance evaluations.

The ICMESH program at INALUM is also an effort to increase the added value or capability of local contractors in supporting the implementation of industrial development in Kuala Tanjung. Consistency and supervision are of course needed so that the agreement can run well. The Company will provide rewards and sanctions for work partners who implement this system. [GRI 403-1, 403-8]

IDENTIFICATION OF OHS HAZARDS AND RISKS AND THEIR MITIGATION [GRI 403-2, 403-7, 403-9]

INALUM fully understands that work in aluminium smelting and molding factories has a high level of risk in terms of Occupational Health and Safety (OHS). INALUM proactively and continuously carries out hazard identification and risk control in accordance with the risk control hierarchy.

principle, namely that everyone has the right to stop work if unsafe actions or conditions and violations or non-compliance with applicable OHS procedures are found. This principle is outlined in the Company’s OHS policy as a commitment to the importance of OHS in carrying out operations in all areas.

The following lists the main risks related to OHS that were identified through risk assessments and mitigation approaches carried out during the reporting year:

Type of Risk	Mitigation Efforts
Electric shock/Death	Work Instructions, Slogans and PPE
Dust Inhalation/Respiratory Disorders	Work Instructions, Slogans and PPE
Burned/Injured Body / Death	Work Instructions, Slogans and PPE
Drowning/Death	Work Instructions, Slogans and PPE
Traffic accident/injury/hurt/fracture	Work Instructions, Slogans and PPE
Dust Inhalation/Respiratory Disorders	Work Instructions, Slogans and PPE
DC Electric Shock/ Death	Work Instructions, Slogans and PPE
Chemical Vapors/Respiratory Disorders	Work Instructions, Slogans and PPE
Noise/ Hearing loss	Work Instructions, Slogans and PPE

To reduce OHS hazards and risks, INALUM takes several mitigation steps, in accordance with the following hierarchical control:

1. Engineering Control
 - a. Ensuring equipment meets the needs and is in a condition suitable for use

INALUM also assesses, measures and records the risk profile of each hazard that occurs.

The risk profile includes information on how potential OHS hazards are identified and assessed, including by considering the severity and trends in incident frequency using the Hazard Identification Risk Assessment Determining Controls (HIRADC) approach carried out by general OHS experts. The risk profile is updated every year based on previous years’ experiences as part of a continuous evaluation and improvement process.

The results of the risk assessment are controlled according to the risk control hierarchy up to the very low category and if it has not reached that category, it will be necessary to increase work supervision and make plans to improve control. This commitment to the importance of identification is contained in the Company’s OHS Policy that is implemented by all work sections/departments as well as all INALUM partners before carrying out work.

Anyone who finds a dangerous condition/situation can report it to the OHSE Department online using the Safety Observation Report (SOR) feature at <http://infok3.net>, where the confidentiality of the reporter’s information is guaranteed. In addition, INALUM applies the “STOP WORK”

- b. Monitoring tools, when needed, are installed in real time
- c. Using equipment with the latest technology with a high level of security



2. Administrative Control
 - a. Ensuring there are clear work instructions that are understood by all employees and contractors carrying out work
 - b. The operator has met the competency specifications required in technical work
 - c. Installing clear signs in all areas
 - d. Installing security slogans to increase workers' awareness of maintaining work safety
 - e. Providing appropriate safety training
 - f. Evaluating work procedures regularly to identify and improve OHS related risks
3. Work Practice
 - a. Carrying out pre-inspection activities before risky work is carried out
 - b. Carrying out close supervision
 - c. Inspecting equipment regularly and carrying out proper equipment maintenance
4. Personal Protective Equipment (PPE)
 - a. Using appropriate PPE in all work areas
 - b. Ensuring availability and use of special PPE for more specific jobs
 - c. Monitoring compliance with PPE use

To improve the Company's OHS performance, INALUM released and implemented the "AGILE" program (Appreciation, Echo, Identification, Locomotive and Education) aimed at increasing an awareness and concern behavior of everyone in INALUM towards OHS (OHS culture).

OCCUPATIONAL HEALTH SERVICES AND IMPROVING HEALTH QUALITY [GRI 403-3, 403-6, 403-10]

INALUM has an occupational health service program aimed at maintaining the health and welfare of employees. These occupational health services provided for all INALUM employees and contractors include periodic health checks, medication, health counseling, occupational health and safety training, and health programs such as diet programs, exercise, and the provision of sports facilities in several Company areas.

INALUM provides health services to employees and contractors, including, INALUM periodically carries out medical check-up (MCU) with MCU parameters based on type and location of work for all employees in order to monitor the impact of work risks on workers. MCU results in the high risk criteria are subject to regular control and monitoring according to the type of disease, while MCU results in the medium and low risk criteria are followed up with the Come On Guys (COG) Sports program, where employees exercise for 150 minutes per week.

Based on the 2023 health examination results, no PAK (occupational disease) were found. The Company also provides health services to employees and their families. INALUM's health promotion efforts to improve health quality and work productivity include socialization, health lectures to employees, contractors and employee families. To maintain body fitness, the Company also provides sports facilities and a gym center in the smelting factory area.

Types of Occupational Health Services	PKWT employees	PKWTT employees	Contractors
Annual MCU	√	√	√
BPJS Kesehatan	√	√	√
Health Benefits for Spouses and Children	√	√	

OHS PARTICIPATION AND COMMUNICATION [GRI 403-4]

Participation and good communication are key factors in implementing INALUM's OHS (Occupational Health and Safety) program. The efforts made by INALUM to ensure good participation and communication between employees and management in terms of OHS include involving employees in the decision-making process related to OHS, socializing the OHS program through various communication tools, and OHS training and development.

OHS communication forums are carried out with activities such as holding Occupational Safety and Health Advisory Committee (OHSAC) or Central Safety Committee (CSC) meetings. CSC involves comprehensive top-down and bottom-up employee participation. CSC is divided into 3 organizational levels, namely:

- CSC level 1 (Executive) comprising BOD members who hold regular meetings every 4 months.
- CSC level 2 (Strategic and Tactical) comprising Heads of Directorates and BOD-1 who hold regular meetings every 2 months
- CSC level 3 (Implementation) comprising BOD-1 and BOD-2 who hold regular meetings every month.



Each CSC level has duties, divided into 4 main functions as follows:

- Standard Function, to determine the OHS standards required at each work location.
- Compliance function, to implement the established OHS standards.
- Cultural function, to build awareness and active participation of all employees.
- Investigation function, to find the root of any problems, and to control incidents and non-compliance with standards.

During their communications, discussions are held to discuss the implementation of OHS in general, strategies for achieving the Zero Accident and Zero Occupational Disease targets, evaluation of the implementation of OHS in the Company, and OHS improvement programs at work locations. The communication forums are attended by management, employees and contractors of the Company.

OHS Forum Name	OHS aspects that the focus of the discussion	Frequency per year	Participants			
			Management	Employees	Contractors	Subsidiaries
Occupational Safety and Health Advisory Committee (OHSAC) or Central Safety Committee (CSC) Level 1-3	OHS evaluation in the Company (results of patrols, accidents, near misses, IKA, audit results, 5S, etc.)	22 times/year	√	√		
Safety Promotor	OHS improvement program at work sites	12 times/year	√	√	√	
Subsidiary and Contractor Development	OHS evaluation	12 times/year			√	√

OHS TRAINING [GRI 403-5]

OHS training is a program provided by INALUM to ensure employees have sufficient understanding and skills in maintaining occupational safety and health..

The OHS training provided by INALUM includes:

1. Basic OHS Training: This training is given to all INALUM employees to provide a basic understanding of the importance of maintaining occupational safety and health.
2. OHS Special training: This training is given to employees who work in areas that have higher risks or dangers.
3. Firefighting training: This training is provided to employees who are responsible for extinguishing fires in the work areas.
4. Emergency Evacuation Training: This training is provided to all employees to ensure they have sufficient knowledge and skills to evacuate when an emergency occurs in the work areas.
5. OHS competency certification: This certification is given to employees responsible for OHS.

During 2023, OHS training attended by employees was as follows:

No	Type of Training	Training Topic	Training Duration (hours)	Number of Participants (People)	
				Male	Female
1.	Off Company	Safety Leadership	16	328	28
2.	Off Company	Contractor Safety Management System (CSMS) Certification	32	1	0
3.	Off Company	OHS Expert	40	1	0
4.	Off Company	The Dangers of HIV/AIDS on Health	3	54	3
5.	Off Company	Technical Guidance for OHS Operator Officers for Power and Production Aircraft	32	5	0
6.	Internal Training	OHS Talk: SCA Section	4	36	0



No	Type of Training	Training Topic	Training Duration (hours)	Number of Participants (People)	
				Male	Female
7.	Internal Training	OHS Talk: Hypokalium	3,5	25	0
8.	Internal Training	OHS Talk: Introduction to Lightning Hazards	3	30	1
9.	Internal Training	Health Talk - Understanding Medical Check Up (MCU) Results	2,5	18	8
10.	Internal Training	Oral Health Talk	3	300	33
11.	Internal Training	Health Talk: Extreme Heat Phenomenon and How to Respond to It	3,5	20	2
12.	Internal Training	Health Talk: Effective Light Exercise During Fasting	3	11	8
13.	In House	ICLF 2023: Safety Culture And Golden Rules	3	48	3
14.	In House	ICLF 2023: Healthy and Productive at Work	4	54	0
15.	Off Company	OHS Chemicals	4	13	0
16.	Off Company	Lift and Transport Aircraft OHS Expert Training & Certification	208	1	0
17.	Off Company	Work Accident Investigation Training & Certification	24	25	0
18.	Off Company	Primary OHS Officers in Confined Spaces Training and Certification	40	1	0
19.	Internal Training	Effects of HF Gas on Employee Health	3,5	20	1

WORK ACCIDENTS [GRI 403-9] [EM-MM-320A.1]

INALUM is committed to making efforts to prevent accidents and work-related illnesses. A work accident is an unexpected event that occurs in the workplace that results in injury or death to workers or damage to equipment or facilities.

The following statistics show the work accidents that occurred throughout 2023, with a comparison to the previous year, and includes work accidents experienced by employees and contractors (non-employees):

Employee Work Accident Rate

Description	Unit	Number of Work Accidents	
		2023	2022
Number of Working Hours	(Million Hours)	4,53	4,24
Fatalities	Times	0	0
Recordable Incidents	Times	2	2
Frequency Rate (FR)	Times/1 Million Work Hours	0,44	0,47
Severity Rate (SR)	Days/ 1 Million Work Hours	0	2
TRIR – (Total Recordable Incident Rate)	Times/200 Thousand Work Hours	0,04	0,09

Contractor Work Accident Rate

Description	Unit	Number of Work Accidents	
		2023	2022
Number of Working Hours	(Million Hours)	6,79	3,75
Fatalities	Times	0	1
Recordable Incidents	Times	1	5
Frequency Rate (FR)	Times/1 Million Work Hours	0,15	1,60
Severity Rate (SR)	Days/ 1 Million Work Hours	265	6
TRIR – (Total Recordable Incident Rate)	Times/200 Thousand Work Hours	0,09	0,32

INCIDENT PREVENTION [GRI 403-5] [EM-MM-320a.1]

To carry out smooth and safe operational activities, the reliability of the assets used in the production process forms part of the Company’s efforts. Efforts are made is to maintain work site security, and the steps taken to ensure work site security include:

1. Installing CCTV to help monitor activities around the work site.
2. Installing Speed Alarms on official vehicles to monitor driving speed is in accordance with applicable regulations.
3. Implementing a Safe Work Permit System (SWPS) for high risk work.
4. Developing Safety Golden Rules as a guide for workers and supervisors in an effort to prevent incidents.
5. Conducting OHS training for workers to increase awareness and compliance with OHS standards.
6. Preparing evacuation and emergency response plans: Evacuation and emergency response plans must be made and put into practice regularly so that employees and workers can be prepared to face emergency situations.

For critical incident management, there is a special team trained for incident handling with the latest equipment and technology to ensure that on target and on time actions are taken, and there is a transparent and accountable critical incident reporting system in place, so that real time and continuous monitoring can be carried out in.



ASSET SECURITY [GRI 410-1, PE2]

In an effort to create a safe and risk-free work environment, INALUM's security practices are one of the main focuses of OHS management. INALUM is committed to engaging in strict security practices, covering all operational aspects and involving active participation from all employees. INALUM understands that INALUM operational locations require good security for the smooth running of mining, so skilled and trained security personnel are needed.

To maintain the mining area security, all INALUM security personnel have participated in Gada Pratama training so that they have the knowledge, abilities and skills to carry out security duties and increased discipline. [GRI 410-1]

In the Gada Pratama education and training, security officers are also trained to carry out their duties in accordance with general laws including Human Rights, the Criminal Code, the Criminal Procedure Code, and other necessary regulations. This training is also mandatory for all third parties who provide security personnel for INALUM.

For securing Company assets, INALUM has instigated the following programs:

1. Cooperating and coordinating closely with TNI and Polri as the authorities that maintain regional security.
2. Cooperating with FORKOPIMDA (Regional Leadership Communication Forum) to secure the Extra High Voltage Air Line (SUTET) transmission line
3. Installing CCTV to help monitor activities around the work sites.
4. Deploying security guards: Experienced security guards can help prevent and deal with crimes such as theft, vandalism and break-ins at work sites.
5. Creating a strict security system: A strict security system includes securing doors and windows, as well as limiting entry to only permitted people, to help control access to the work sites.
6. Security training: Conducting security and safety training for employees and workers to can help improve awareness and compliance with security policies.

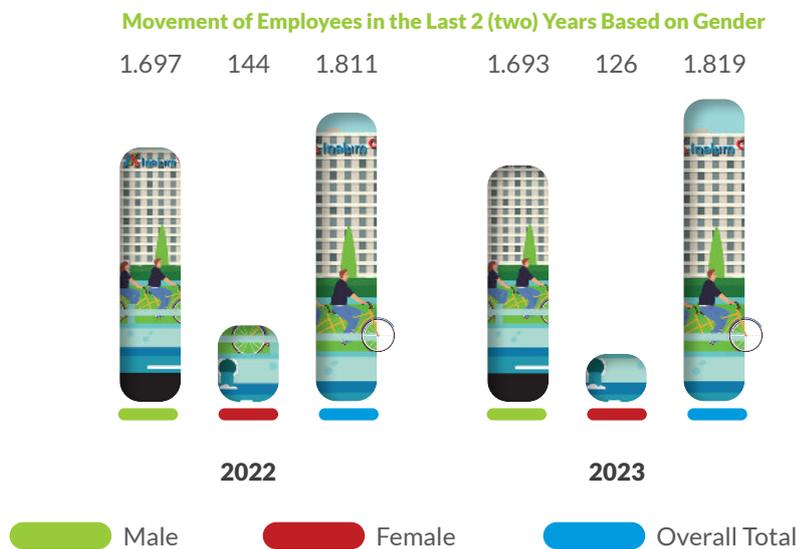


RECRUITMENT, INCLUSION AND DIVERSITY [PE:3, 4]

INALUM upholds the inclusion and diversity values in its human capital management. Even though the metal industry is synonymous with a sector dominated by men, the Company opens up maximum opportunities for anyone who wants to join, work and grow together. Regardless of gender, religion, race, ethnicity, or physical condition, INALUM guarantees equal opportunities for all employees, starting from the recruitment process, performance appraisal, promotion, to determining remuneration. In 2023, the Company received no complaints regarding incidents of discrimination in the workplace. [GRI 406-1]

EMPLOYEE INFORMATION [OJK C.3][GRI 2-7][EM-MM-310a.1]

At the end of 2023, INALUM’s performance was supported by 1,819 employees consisting of 1,777 permanent employees, namely employees with an Indefinite Time Work Agreement (PKWTT), and 42 non-permanent employees or employees with a Certain Time Work Agreement (PKWTT). The number of employees in 2023 was stable compared to the previous year’s 1,811 employees. This was due to INALUM consistently maintaining employee productivity through continuous improvement and operational excellence in all business processes.



Based on the table above, it can be seen that the number of male employees is greater than female, this is because the field of work at INALUM is more popular with men. As previously stated, INALUM opens up equal opportunities and maximum opportunities for anyone who wants to join, work and grow together regardless of gender.

INALUM has policies related to recruitment, performance appraisals, remuneration and career development of employees without distinguishing between ethnicity, religion, race, class, gender and the physical condition of the person concerned.

Employee Demographics Based on Age Range

Position	2022			2023		
	< 30 Year	30 - 50 Year	> 50 Year	< 30 Year	30 - 50 Year	> 50 Year
Commissioner	0	1	5	0	1	3
Board of Directors	0	3	2	0	3	2
Head of Directorate	0	1	3	0	0	0
Head of Group	0	0	0	0	2	5
Head of Department/Level	0	14	10	0	20	12



Employee Demographics Based on Age Range

Position	2022			2023		
	< 30 Year	30 - 50 Year	> 50 Year	< 30 Year	30 - 50 Year	> 50 Year
Section Head / Level	0	42	14	0	44	14
Head of Subsection / Level	1	67	3	0	83	4
Supervisor	92	210	27	82	229	24
Executive	701	565	61	571	676	53
Total (Employee + Management)	794	903	125	653	1058	117

Employee Demographics Based on Educational Background

Position	2022					2023				
	S2	S1	D1 - D3	Senior Highschool	Junior Highschool	S2	S1	D1 - D3	Senior Highschool	Junior Highschool
Head of Directorate	1	3	0	0	0	0	0	0	0	0
Head of Group	0	0	0	0	0	2	5	0	0	0
Head of Department / Level	11	12	1	0	0	17	15	0	0	0
Section Head / Level	20	22	14	0	0	18	24	16	0	0
Head of Subsection / Level	7	41	23	0	0	7	61	19	0	0
Supervisor	6	65	211	47	0	6	63	211	55	0
Executive	0	3	9	1207	108	0	11	32	1173	84
Total	45	146	258	1254	108	50	179	278	1228	84

Employee Demographics by Employment Status Organic Employees

Based on Status	2022				2023			
	M	F	Total	Composition	M	F	Total	Composition
Permanent Employees	1672	111	1783	98,5%	1663	114	1777	97,7%
Contract Employee	25	3	28	1,5%	30	12	42	2,3%
Total	1697	114	1811	100%	1693	126	1819	100%

M = Male/ F = Female

Employee Demographics by Employment Status Inorganic/ Outsourced Employees [OK2-8]

	2022			2023		
	M	F	Total	M	F	Total
Total	1543	170	1713	1875	182	2057

M = Male/ F = Female

Employee Demographics by Nationality

Based on Status	2022		2023	
	Total	Composition	Total	Composition
Indonesian	1811	100%	1819	100%
Total	1811	100%	1819	100%

Employee Demographics by Work Location

Area	Business Unit Activity	2021		2022		2023	
		M	F	M	F	M	F
North Sumatera	Kuala Tanjung Smelting Plant	1555	103	1504	97	1486	97
	Paritohan Hydropower Plant	186	12	180	12	180	14
	Medan Liaison Office	7	1	6	2	5	2
Jakarta	INALUM Representative Office	9	2	7	3	22	13
Total		1757	118	1697	114	1693	126

M = Male/ F = Female

EMPLOYEE RECRUITMENT AND TURNOVER

Equal Employment Opportunities [OJK F.18] [GRI 401-1] [EM-MM-310a.2]

When carrying out recruitment, INALUM prioritizes inclusive and anti-discrimination principles. The entire recruitment process is based on the principle of equality and is open to anyone, including local people in the Company's work areas. The Company provides the widest possible opportunities for the nation's best sons and daughters to join and build a career together in the Company.

Apart from recruitment, HC management at INALUM has also succeeded in maintaining a low turnover rate. Employee turnover refers to the number of employees who leave the Company within a certain period and are replaced by new employees.

In 2023, INALUM maintained a low turnover rate of 0.71%, an increase compared to 0.55% in 2022. This demonstrates that INALUM can manage HC well so that employees feel comfortable working at the Company.

The following is an overview of employee recruitment and turnover during the reporting year:

Employees Recruited Based on Gender and Age

	<30	30-40	40-50	50-56	>56
Male	10	4	1	1	2
Female	7	3	2	0	0
Total	17	7	3	1	2



Employees Leaving Based on Gender and Age

	<30	30-40	40-50	50-56	>56
Male	5	0	6	2	0
Female	0	0	0	0	0
Total	5	0	6	2	0

PROTECTING WORKER RIGHTS AND HUMAN RIGHTS IN THE WORKPLACE [GRI

2-23] [ASI PRINSIP 10]

Respect for Human Rights (HAM) is a commitment that INALUM upholds. This commitment is outlined in the Human Rights Policy that supports ethical and responsible operational practices. INALUM is committed to:

1. Respecting and protecting the human rights of workers, parties in the value chain, and the communities surrounding the Company.
2. Complying with applicable laws and regulations and other requirements, including stakeholder requirements.
3. Respecting labor rights to freedom of association, not to engage in forced labor practices, and not to employ workers under the age of 18.
4. Providing equal opportunities without discrimination and respecting women's rights in all aspects of work and provide a conducive and safe work environment.
5. Ensuring wages paid to workers meet local industry minimum standards and comply with applicable laws and industry standards regarding working hours.

These commitments form the basis for establishing policies for implementing respect for Human Rights. Based on INALUM's Respect for Human Rights Policy, the Company's approach to protecting human rights is:

1. To implement mechanisms to identify, review and control potential human rights risks and impacts, make improvements if human rights risks and impacts occur and prepare facilities for submitting complaints.
2. To provide training on human rights policies as part of employee and contractor on-boarding programs.
3. To only employ individuals above the minimum legal working age as regulated by national regulations or in accordance with the International Labor Organization (ILO) Convention.
4. To promote diversity and inclusion.
5. To regularly monitor the performance of key suppliers and work partners regarding human rights issues.

6. To report policies, approaches and performance related to respect for human rights in the annual Sustainability Report.

One of the human rights protected is labor rights. Labor rights are rights given to workers or employees in the workplace. Labor rights include the right to decent wages, the right to reasonable working hours, the right to safe and healthy working conditions, the right to join a trade union, the right to be selected for work based on abilities and qualifications, the right to protection from harassment and discrimination, the right to complaints and legal protection.

INALUM is committed to ensuring the fulfillment of the rights of all its workers. In addition, referring to Law No. 13 of 2023 concerning Employment, as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulations in Lieu of Republic of Indonesia Law No. 2 of 2022 concerning Job Creation that became law, INALUM also ensures it does not employ underage children or force them to work. There are no risks related to violations of employee rights, both in terms of the rights to gather, express opinions and associate, as well as the risk of employing minors and forced labor. [GRI 408-1, 409-1]

REGIONAL MINIMUM WAGE [OJK F.20] [GRI 202-1]

The Regional Minimum Wage (RMW) is the minimum wage that companies must pay to workers or employees every month in accordance with applicable regulations regarding regional minimum wages. Referring to the Minister of Manpower and Transmigration Decree No. 226 of 2000, the provision of wages at INALUM always takes into account the Regional Minimum Wage (which was previously referred to as Level I RMW) and Regency/City Minimum Wage (which was previously referred to as Level II RMW). Based on these regulations, as well as in line with its commitment to provide welfare to employees, INALUM provides wages down to the lowest class of employees in accordance with the prevailing wages in each province.





Wages at INALUM do not differentiate based on male or female gender. The same provisions apply to temporary employees. The lowest standard wage ratio for permanent employees was 1:1.5. [GRI 405-2]

REMUNERATION [GRI 401-2]

As well as a basic salary, INALUM employees also receive other remuneration components. INALUM has a clear, transparent and anti-discriminatory remuneration policy that includes basic salaries, bonuses and other incentives. The basic salary is determined based on criteria such as experience, education and job responsibilities.

Benefits include location allowances, position allowances, family allowances, religious holiday allowances and other allowances. Incentives are given based on employee performance and achievement of Company targets.

Other benefits provided to employees include insurance, employee participation in BPJS Employment and BPJS Health, parental leave and retirement. The remuneration, allowances and facilities that are not given to non-permanent employees include the Financial Institution Pension Fund (DPLK), performance incentives and Home Return Trip (HRT) which are only given to permanent employees.

Remuneration Components	Permanent employee	Non-Permanent Employees
Basic salary	√	√
Location Allowances	√	√
Position Allowances	√	√
Family Allowances	√	√
Performance Incentives	√	√
Insentif Kinerja	√	X

Facilities	Permanent employee	Non-Permanent Employees
Accommodation Facilities	√ (For employees working in remote areas)	√ (For employees working in remote areas)
Financial Institution Pension Fund (DPLK)	√	X
BPJS Employment, including Life Insurance	√	√
BPJS Health	√	√
Medical and Health Care Facilities for Employees and Families	√	√
Transportation Facilities*	√	√
Laptop or Computer Facilities	√	√ (According to provisions)
Home Return Trip (HRT)	√ (According to provisions)	X

*Operational facilities are used for going to and from work and Company operations

PARENTAL LEAVE [GRI 401-3]

Parental leave is regulated in Law No. 13 of 2023 concerning Employment, as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulations in Lieu of Republic of Indonesia Law No. 2 of 2022 concerning Job Creation that became law. Parental leave is a right given to employees to provide attention and care for their newborn children. INALUM is committed to providing rights to employees including parental leave. INALUM always ensures that employee rights related to parental leave are fulfilled. INALUM provides leave of 3 (three) months for female employees, and 2 - 4 days for male employees.

Employees taking parental leave and then returning to work show that their workplace supports them in their role as parents. Overall, the return-to-work rate of INALUM employees who took child birth leave reached 100% with a retention rate of 100%



Parental Leave in 2023

Total number of employees entitled to parental leave, by gender	Total (People)		
	Male	Female	Total
a. Total number of employees entitled to parental leave, by gender	1472	85	1557
b. Total number of employees who use parental leave rights (excluding circumcisions)	166	18	184
c. Total number of employees who returned to work in the reporting year after the end of the parental leave period taken	166	18	184
d. Total number of employees who returned to work after the end of parental leave and were still working 12 months after returning to work	166	18	184
e. Total number of employees who have taken parental leave and will return to work after the leave period ends	166	18	184
f. Total number of employees who returned to work after the parental leave period ended in the previous reporting year	166	18	184
g. Return to work rate $c/e \times 100\%$	100%	100%	100%
h. Retention Rate $d/f \times 100\%$	100%	100%	100%

TRAINING AND DEVELOPMENT

To achieve its stated goals, the Company must have quality human capital. The Company recognizes human capital as a key and strategic partner for the Company to realize its targets and objectives, especially those related to quality and international standard products. The Company is committed to developing human capital to have high integrity, international standard competencies, high productivity, and oriented towards product quality.

Therefore, the Company provides training and competency development in all aspects of the Company's operations in a planned and sustainable manner. This is stated in the Board of Directors' Decree No. SK-022/DIRPEL/2019 as well as other supporting derivative regulations.

The training and development program is outlined in a Human Capital management blueprint, supported by the Human Capital Information System (HCIS) system that accommodates Employee Self Service (ESS) and HC Dashboard. Through this system, each employee's competency and performance can be monitored properly so as to support the professional and individual development aspects of each employee, as well as their contribution to achieving the Company's targets. The following shows the average training hours per year per INALUM employee. [GRI 404-1][EM-MM-320a.1]

Average training hours per year per employee

Description	Male	Female	Total
Executor	57.521	4.885	62.406
Supervisor	31.768	2.976	34.743
Managerial	24.845	105	24.950
Total Training Hours	114.134	7.965	122.098

Average training hours per year per employee

Description	Male	Female	Total
Average training hours per employee per year (Hours/employee)			
Executor	48	61	55
Supervisor	112	103	107
Managerial	143	52	55
Total Training Hours	69	72	69

Sustainability Training Participated in by Senior Management

Senior Management Sustainability Training in 2023

Position	Number of Participants	Type of Training	Purpose of Training
BOD-1	24	In House	To provide an understanding and increase competency related to trends and integration of ESG obligations in governance and risk management.
BOD-2	3		
BOD-3	5		

INALUM also provides retirement preparation training for employees who have entered their retirement waiting period, namely the next 5 (five) years, and are already 56 years old. This training is provided so that employees can prepare mentally for post-retirement activities, and possible investments so that the pension funds obtained can be used as well as possible. Up to the end of 2023, INALUM provided this training program to 23 people who had reached the retirement age waiting period. [OK F.22][GRI 201-3, 404-2]

EMPLOYEE PERFORMANCE ASSESSMENT

[GRI 404-3]

Employee Performance Management

INALUM management has established an employee performance management system to create a mutual understanding between the Company and employees regarding the goals that must be achieved, methods, and optimization of resources to achieve these goals. This process not only aims to create an employee performance appraisal system, but also to build and foster a culture of learning and achievement, as well as to motivate employees to increase their competence and contribution to the Company. Measuring employee performance is carried out in a transparent, measurable and objective manner, enabling the Company to provide compensation and rewards fairly and commensurate with employee performance.

The employee performance management process includes the following:

1. Planning and contract preparation of individual performance targets
2. Individual performance monitoring
3. Individual performance assessment and feedback
4. Individual performance awards

Employee Performance Assessment

The Company carries out regular annual assessments through the Human Capital section for employees to explore employee potential and talent, the results of which will be used as a basis for determining the development and meeting the needs of the Company's organization. The employee assessments are regulated in Board of Directors' Decree No. SK-022/DIRPEL/2019 concerning Human Capital Development Systems.

These assessments aim to:

1. Improve employee performance in line with Company performance
2. Become a parameter for measuring competency and a basis for planning employee and organizational development programs
3. Become the basis for preparing a Talent Management System to map the Company's potential talent
4. Increase employee retention, and
5. Strengthen aspects in preparing employee career planning

Employee performance assessments are based on KPIs (Key Performance Indicators) that are based on Company Targets using a cascading scheme. In addition, the assessments also involve competency evaluations by superiors based on the AKHLAK values and soft skills competencies possessed by each employee. By the end of 2023, there are 1822 employees who receive regular reviews of career progression performance.



INALUM has consistently implemented a force distribution system to increase employee retention. This system ensures a balanced distribution of responsibilities, development opportunities and rewards among employees. The goal is to ensure that every employee has a fair opportunity to develop and contribute significantly to the Company's success.

Based on the 2023 assessment, KPI and Employee Competency achievements reached 90%, which shows employee motivation and dedication to achieving targets and developing their competencies to support the Company's strategic plans.

The diversity of governance bodies and employees is very important for the Company as it will help the Company achieve a better performance and strengthen sustainability. This diversity refers to diversity in terms of gender, religion, race, ethnicity, nationality, age, or physical condition.

[GRI 405-1]

As the highest governance bodies, the Board of Commissioners and Board of Directors reflect the diversity of communities served by the Company. The Company ensures that every group that represents diversity is recognized and respected, and that every member has an equal voice in decision making.

The Company's Board of Commissioners and Board of Directors composition diversity as of December 31, 2023 was as follows.

Name	Position	Age	Gender	Education	Work Experience	Expertise
Board of Commissioners						
Jhoni Ginting	President Commissioner / Independent Commissioner	62 yrs	Male	<ul style="list-style-type: none"> Master's degree in of Law from Universitas Airlangga, (1994) Bachelor's degree in Law from Universitas Gadjah Mada, (1987) 	<ul style="list-style-type: none"> Perum Bulog Supervisory Board (2021-2023) Director General of Immigration, Ministry of Law and Human Rights (2020-2021) Commissioner of PT Bukit Asam Tbk (2018-2021) Inspector General at the Indonesian Ministry of Law and Human Rights (2018-2020) Deputy 3 for Law and Human Rights at the Coordinating Ministry for Political, Legal and Security Affairs (2015-2018) Career in the Republic of Indonesia Attorney General's Office since 2000, and most recently served as Director I for Economic and Monetary Affairs at the Deputy Attorney General for Intelligence, Republic of Indonesia Attorney General's Office (2013-2014) 	Law
Martuani Sormin	Independent Commissioner	60 yrs	Male	<ul style="list-style-type: none"> Master of Science degree from Universitas Indonesia (1997) Police Academy alumnus, (1987) 	<ul style="list-style-type: none"> Coordinator of Expert Staff for the National Police Chief (2021) North Sumatra Regional Police Chief (2019-2021) Operations Assistant to the Police Chief (2019) Papua Police Chief (2018-2019) Head of Propam Division, Police Headquarters (2017-2018) Career in the Republic of Indonesia Police since 1987, before finally serving as West Papua Regional Police Chief (2016-2017) 	Science and Policing



Name	Position	Age	Gender	Education	Work Experience	Expertise
Ahmad Erani Yustika	Commissioner	50 years	Male	<ul style="list-style-type: none"> • Doctorate in Philosophy specializing in Institutional Economics from the University of Göttingen, (2005) • Post Graduate Master specializing in Institutional Economics from the University of Göttingen, (2001) • Bachelor of Economics and Development Studies degree from Universitas Brawijaya, (1996) 	<ul style="list-style-type: none"> • Head of Presidential Secretariat (2022–present) • Commissioner at PT Waskita Karya (2021–2023) • Deputy for Economic Development Policy Support and Increasing Competitiveness at the Vice President’s Secretariat (2021–2022) • President Commissioner at PT Surabaya Industrial Estate Rungkut (2020–2021) • Director General of Rural Area Development at Ministry of Villages, Development of Disadvantaged Regions and Transmigration (2018–2019) 	Economics
Ilyas Asaad	Commissioner	64 years	Male	<ul style="list-style-type: none"> • Doctorate in Law from Universitas Trisakti, (2017) • Master of Law degree from Universitas Trisakti, (2010) • Master’s degree in Agricultural Development Planning from Universitas Hasanuddin, (1992) • Bachelor’s degree in Fisheries from Universitas Hasanuddin, (1983) 	<ul style="list-style-type: none"> • Expert Staff at the Minister of Environment and Forestry in the Field of Legislation, Legal and Advocacy (2019 - present) • Inspector General at the Ministry of Environment and Forestry (2017 - 2019) • Expert Staff at the Minister of Environment and Forestry for Relations between Central and Regional Institutions (2015 - 2017) • Deputy for Environmental Communication and Community Empowerment at the Ministry of the Environment (2010 - 2015) 	Law, Agriculture, and Fisheries
Board of Directors						
Danny Praditya	President Director	45 years	Male	<ul style="list-style-type: none"> • Master’s degree in Engineering from Karlsruhe University of Applied Science, (2004) • Bachelor’s degree in Metallurgical Engineering from Universitas Indonesia, (2001) 	<ul style="list-style-type: none"> • Director of Operations at PT Medco Power Indonesia (2019–2021) • Commercial Director at PT Perusahaan Gas Negara (Persero) Tbk (2016–2019) • President Director at PT Gagas Energi Indonesia (2013–2016) • President Director at PT Citra Nusantara Gemilang (2006–2013) 	Engineering and Metallurgical Engineering
Rainaldy Harahap	Director of Operations	53 years	Male	<ul style="list-style-type: none"> • Bachelor’s degree in Chemical Engineering from the Universitas Sumatera Utara, (1997) 	<ul style="list-style-type: none"> • Senior Executive Vice President of Operation and Production at PT INALUM (2019–2023) • Deputy General Manager Reduction & Casting at PT INALUM (2015–2019) • Senior Manager Reduction at PT INALUM (2013–2014) 	Chemical Engineering



Name	Position	Age	Gender	Education	Work Experience	Expertise
Benny Alexander FD. Wiwoho	Director of Human Capital	52 years	Male	<ul style="list-style-type: none"> Bachelor's degree in Human Resources Management from Universitas Trisakti, (1996) 	<ul style="list-style-type: none"> SEVP Human Capital at PT INALUM (Persero) (2021-2023) Head Corporate Human Capital & Operations at PT Toba Sejahtera (2012-2021) General Manager Human Resources & Facilities at PT Everbesindo Surya Jaya (2010-2011) Head of Human Resources at Global TV (MNC Group) (2010-2011) Vice President Human Resources & Admin at Astro Pay TV Plc (2005-2010) Director of Human Resources & Admin at MTV Asia Networks (2002-2005) 	Human Resource Management
Devi Pradnya Paramita	Director of Finance	46 years	Female	<ul style="list-style-type: none"> Economics Course at FSI from Washington D.C, (2006) Master of Finance degree in Risk Management from ICMA Business School, (2000) Bachelor of International Relations degree from Universitas Katolik Parahyangan (1999) 	<ul style="list-style-type: none"> CFO at PT Indonesia Infrastructure Finance (IIF) (2019-2021) Head of Investor Relation at PT Perusahaan Gas Negara (Persero) Tbk (2019) CFO at Saka Energi Indonesia (2015-2019) Director at PT VICO Indonesia (2016-2018) Head of Corporate Finance and Treasury at Bakrie & Brothers (2012-2015) Corporate Finance Lead at PT Medco Energi Internasional Tbk (2008-2012) Economist at US Government Office (2004-2008) Senior Associate at PriceWaterhouseCoopers (2001-2004) 	Risk Management, Economics, and International Relations
Melati Sarnita	Director of Business Development	46 years	Female	<ul style="list-style-type: none"> Masters' degree in Strategic Management from Universitas Gadjah Mada, (2007) Bachelor's degree in Metallurgical Engineering from the Universitas Indonesia, (1999) 	<ul style="list-style-type: none"> Commercial Director at PT Krakatau Steel (2020-2023) Commercial Director at PT Perusahaan Gas Negara LNG Indonesia (2017-2019) President Commissioner at PT Krakatau Bandar Samudra (2021) Commissioner at PT Krakatau Baja Industri (2021) President Commissioner at PT KHI Pipe Industries (2021) President Commissioner at PT Krakatau Nasional Resources (2021) President Commissioner at PT Krakatau Osaka Steel (2019) Acting President Commissioner at PT Krakatau Daya Electric (2019) 	Management dan Teknik Metalurgi



INDUSTRIAL RELATIONS [GRI 402-1]

Industrial Relations is the relationship between entrepreneurs or companies and the employees or trade unions that represent them. In establishing good industrial relations, it is important for the Company and trade unions to work together and find solutions to labor-related problems.

The minimum notification period for operational changes at INALUM is at least 1 month or another time period in accordance with regulations. This provides transparency and adequate time for employees to adjust to these changes, as well as facilitating effective communication between management and employees. INALUM always respects workers' rights in industrial relations as stated in the CLA. During 2023, there will be no legal cases against INALUM related to industrial relations [EM-MM-310a.2]

TRADE UNIONS [GRI 407-1]

INALUM builds industrial relations by guaranteeing the existence of a trade union in INALUM as part of employee association rights. The trade union at INALUM is an organization formed by employees with the aim of fighting for the rights and interests of employees. The trade union acts as the employee representative and acts as a partner of the Company in managing industrial relations and creating a healthy and productive work environment. The existing trade union actively fights for employee rights and interests, such as decent wages, safe and healthy working conditions, and social security. In addition, the trade union also assists employees in understanding and implementing their rights and obligations in accordance with applicable laws and regulations.

The trade union in INALUM are called SP LEM SPSI Smelting Office and SP LEM SPSI Paritohan Office, and were founded in 1998, and were registered with the Department of Manpower and Transmigration based on the Minister of Manpower Decree No. 02/GSP/VIII/1998 dated August 26, 1998, and updated through No. 019/ADM/PUK-LEM/IX/2022 dated September 1, 2022.

INALUM supports the INALUM Trade Union activities. This harmonious and constructive relationship that respects each other is manifested in the form of points of agreement and rules as stated in the CLA, which are reviewed and updated regularly and signed by INALUM Management and the Trade Union.

Trade unions must also carry out their duties and functions independently and not be influenced by political, religious or particular group interests. Companies must respect the rights and existence of trade unions and provide access to trade unions to carry out their duties and functions.

INALUM has carried out a thorough evaluation of its operational areas and has not identified any significant risks related to freedom of association.

INALUM also makes use of the constructive relationship between INALUM Management and the INALUM Trade Union by holding regular meetings to socialize Management policies and programs as well as to resolve industrial relations problems and resolve employee complaints. Up until the end of 2023, INALUM did not experience any employment-related problems that resulted in work strikes and the closure of the Company. [EM-MM-310a.2]

COLLECTIVE LABOR AGREEMENT [GRI 2-30, 407-1]

A Collective Labor Agreement (CLA) is a written agreement between a company and a trade union that aims to regulate the labor rights and obligations of both parties. The CLA between a company and the trade union regulates matters related to labor, such as: wages and benefits received by employees, working conditions, occupational safety and health, employee training and development, as well as industrial relations disputes and dispute resolution.

For occupational safety and health, the CLA regulates work clothing and personal protective equipment, OHS inspections, reporting work accidents, prohibiting sick employees, reporting infectious diseases, as well as free food and special additional food. All contents of the CLA must comply with the provisions of applicable laws and regulations, such as Law No. 11 of 2020 concerning Job Creation.

In 2023, 100% of the employees were registered as members of the CLA. By so doing, employees will receive better protection by joining the Trade Union as a forum for channeling aspirations for better improvements in INALUM.



COMMITMENT TO NOT EMPLOY CHILDREN AND FORCED LABOR [OJK F.19] [GRI 2-23, 408-1, 409-1]

INALUM is firmly committed to not employing children and to not carry out forced labor in its operational activities, as stated in PT Indonesia Asahan Aluminium Circular No. SE-001/DIROP/2022 dated August 9, 2022 concerning the Occupational Safety and Health, Environment, Energy and Human Rights Policy. In this document, INALUM is committed to:

1. Respect and protect the human rights of workers, parties in the value chain and the communities surrounding the Company;
2. Comply with applicable laws and regulations, including stakeholder requirements;
3. Respect worker's rights to freedom of association, not practice forced labor and not employ workers under 18 years of age;
4. Provide equal opportunities without discrimination and respect women's rights in all aspects of work and provide a conducive and safe work environment.
5. Ensure wages paid to workers meet local industry minimum standards and comply with applicable laws and industry standards regarding working hours.

This policy is consistently implemented and communicated to all stakeholders, evaluated and continuously improved to ensure its effectiveness. INALUM strongly supports human rights principles and applicable laws and regulations in Indonesia, as well as international guidelines such as ILO Convention No. 182 concerning the Elimination of Child Labor and Action to Address Forced Labor.

INALUM opposes all forms of slavery, forced or compulsory labor, and child labor, both inside and outside the organization and supply chain. At the end of the reporting period, there was no child or forced laborers employed by INALUM. INALUM also has a policy to report and follow up any violations related to the use of child labor or forced labor by employees or suppliers. These violations will be dealt with firmly in accordance with statutory regulations and the Company's ethical standards.





PILAR 4

COMMUNITIES



INALUM'S BEST ACHIEVEMENT IN THE COMMUNITY

SROI Ratio

- Historic Coastal Mangrove Ecotourism: 14.22
- Meat Traditional Village, Toba: 2.03
- Sari Larva Berdaya Livestock Group: 7.13
- MSEs in Lalang Village: 2.36

Community Satisfaction Index (IKM)

- Historic Coastal Mangrove Ecotourism: 83
- Sari Larva Berdaya Livestock Group: 90
- MSMEs: 77

Awards

Indonesia CSR Awards

Others

- Coordinator of the North Sumatra Province SER Forum
- North Sumatra BUMN Coordinator for Disaster Response
- SER Forum Coordinator
- Batu Bara Regency Companies





COMMUNITY INVESTMENT PROGRAM [SO:2] [GRI 313-1]

“As part of a state-owned business entity or SOE, INALUM has a strong commitment to growing strongly and sustainably with the community while respecting local culture and traditions. By referring to applicable regulations and legislation as well as the best standards for implementing corporate social responsibility, when implementing the corporate social responsibility program, INALUM focuses on community independence.”

Through its operational activities, the Company has had a positive impact on the social and economic conditions of the local area, such as opening up job opportunities, increasing empowerment of local communities, and increasing local revenues. In addition, through the Company’s activities, the Company also contributes positively to the development of infrastructure in the area around the operational locations. However, it cannot be dismissed that the Company’s operational activities can also have a negative impact on the surrounding environment, such as an environmental impact on local communities. Negative impacts on social aspects include potential social problems that may occur between the Company and local communities, economic disparities between local communities and migrant employees, as well as other social problems.

The emergence of the above impacts, both negative and positive, has to be managed well so they do not result in negative changes in the Company’s operational activities. To minimize any negative impacts and increase positive impacts from social aspects, INALUM has instigated Social and Environmental Responsibility (SER) programs. Through the SER programs, the Company hopes to contribute to regional development and improve the welfare of local communities around the operational locations. In addition, we also provide opportunities for regional talent to become Company employees through a selection process that provides equal opportunities and prioritizes anti-discrimination principles. In this way, regional talent can become part of the Company to become agents of change in regional economic development.

[GRI 413-2]

INALUM continues to strive to realize the Sustainable Development Goals (SDG), namely development that maintains a sustainable increase in the economic welfare of the communities, development that maintains the sustainability of the social life of the communities, development that maintains the quality of the environment and development that guarantees justice and governance that can maintain quality of life improvement from one generation to the next.

In line with the Indonesian Government’s agenda to achieve sustainable development, through the Republic of Indonesia Presidential Regulation No. 111 of 2022 concerning the Achievement of Sustainable Development Goals (SDG) in a participatory manner and involving various parties. INALUM integrates relevant goals into the Company’s programs and activities and is in line with the regional

development agenda to make the SDGs a success. Through all these initiatives, INALUM hopes to be a part of, and make a real contribution in building Indonesia’s progress.

Concrete steps taken by the Company to support the realization of SDGs includes the Social and Environmental Responsibility (SER) program activities, where by optimizing all the resources it has, INALUM implements Social and Environmental Responsibility programs and activities to contribute to sustainable development. This is stated in INALUM’s mission, namely to become a leading global company based on environmentally friendly integrated aluminium.

In addition, the principles and objectives of implementing the Company’s SER program refer to the Republic of Indonesia Minister of SOEs Regulation PER-1/MBU/03/2023 concerning Special Assignments and Social and Environmental Responsibilities.

The Company’s SER program is also carried out with an orientation towards achieving the SDGs based on the objectives of the SOE SER program, namely:

1. Providing benefits for economic development, social development, environmental development as well as legal and governance development for the Company;
2. Contributing to the creation of added value for the Company with principles that are integrated, directed and measurable in impact and accountable;
3. Fostering micro and small businesses to make them more resilient and independent, as well as in the communities surrounding the Company.

INALUM also continues to carry out other SER program activities that refer to the 4 (four) main pillars in accordance with the directives of the Ministry of SOEs and Bappenas, namely:

1. Social, to achieve quality fulfillment of basic human rights in a fair and equal manner to improve welfare for the all communities;
2. Environmental, for sustainable management of natural resources and the environment as a support for all life;
3. Economic, to achieve quality economic growth through sustainable employment and business opportunities, innovation, inclusive industry, adequate infrastructure, affordable clean energy and supported by partnerships; and
4. Legal and Governance, to create legal certainty and effective, transparent, accountable and participatory governance to create security stability and achieve a state based on law.

In general, the 4 (four) main pillars include 17 Sustainable Development Goals, namely (1) No Poverty; (2) Zero Hunger; (3) Good Health and Well-Being; (4) Quality Education; (5) Gender Equality; (6) Clean Water And Sanitation; (7) Affordable and Clean Energy; (8) Decent Work And Economic Growth; (9) Industry, Innovation and Infrastructure; (10) Reduced Inequalities; (11) Sustainable



Cities And Communities; (12) Responsible Consumption and Production; (13) Climate Action; (14) Life Below Water; (15) Life On Land; (16) Peace, Justice and Strong Institutions; (17) Partnership For The Goals.

SOE TJSL Pillars



THREE PRIORITY SER SECTORS

In accordance with the mandate of the Republic of Indonesia Ministry of SOEs Regulation Per 1/MBU/03/2023 concerning Special Assignments and Social and Environmental Responsibility, the SER program is prioritized in the following 3 (three) sectors:

1. Education Sector
2. Environmental Sector
3. MSE Development Sector

SER PROGRAM PRINCIPLES

Based on the Minister of SOEs Regulation, there are 4 (four) principles that serve as a reference for implementing the SER program in a systematic and integrated manner to ensure the implementation and achievement of program success, which areas follows:

1. Integrated, namely based on risk analysis and business processes that are linked to stakeholders;
2. Directional, namely having a clear direction to achieve the Company's goals;
3. Measurable impact, namely having a contribution and providing benefits that produce change or added value for stakeholders and the Company; and

4. Accountability, namely being accountable so as to avoid potential abuse and irregularities.

LEGAL BASIS OF SER INALUM'S ACTIVITIES

SER programs and activities always refer to and are in line with the Company's Vision and Mission as well as the Environmental, Social and Governance (ESG) aspects and are also guided by applicable laws and regulations and a number of regulations, including the following:

- Republic of Indonesia Minister of SOEs Regulation PER-1/MBU/03/2023 concerning Special Assignments and Social and Environmental Responsibilities
- Government Regulation in Lieu of Republic of Indonesia Law Number 2 of 2022 concerning Job Creation
- Republic of Indonesia Government Regulation Number 47 of 2012
- Republic of Indonesia Government Regulation Number 96 of 2021 concerning Mineral and Coal Mining Business Activities





- Republic of Indonesia Minister of Energy and Mineral Resources Decree Number 1824 K/30/MEM/2018 concerning Guidelines for Implementing Community Development and Empowerment
- Law Number 19 of 2003 concerning State-Owned Enterprises
- Law Number 40 of 2007 concerning Limited Liability Companies
- Law Number 13 of 2011 concerning Handling of the Poor
- Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Companies
- Board of Directors' Decree concerning applicable SER.

SER Vision and Mission

VISION Realizing company sustainability through community empowerment programs that create independence and establish harmonious relationships with stakeholders.

MISSION

01 Implement SER programs for the sustainability of company operations and harmonious relations with the surrounding communities.

02 Create prosperity in the surrounding communities through programs that create independence and community clusters.

03 Support government programs to strengthen regions and villages within the framework of a unitary state.

INALUM SER POLICY

1. Social responsibility program for the Company's sustainability by providing optimal benefits from the Company's share of profits to preserve nature and community development as a form of social responsibility to the community in accordance with the Company's capabilities, applicable laws and regulations.
2. Contributes and plays an active role in preserving nature and community development through:
 - a. Increasing efforts to preserve nature, especially Lake Toba, through the greening movement and awareness of the community and stakeholders.
 - b. Increasing the capacity of community small businesses so they become resilient and independent through the Partnership Program, and.
 - c. Empowering community social conditions through the Environmental Development Program.
3. Carrying out a process of increasing sustainable community development to improve the welfare and prosperity of the surrounding communities, which is integrated with the nature conservation of Lake Toba.

SER ACTIVITY STAGES

The SOE SER Program is carried out systematically and in an integrated manner to ensure the implementation, achievement of success and management of the impact of the INALUM SER Program is in accordance with the priorities and/or achievement of the INALUM SER Program objectives that are guided by the work plan.



The INALUM SER program is carried out through the following stages:

- **Planning:** including Strategy, Alignment, Social Mapping, and Public Consultation and Multi-Stakeholder Partnerships.
- **Implementation:** in accordance with the aspirations of Shareholders, focusing on Priority Areas and capacity building of SER management personnel.
- **Evaluation and Monitoring:** impact measurements are carried out, including:
 - a. SROI calculations
 - b. Outcome and impact (output) indicators to measure changes either quantitatively or qualitatively
 - c. Monitoring changes in public perception
 - d. Using participatory methods in the monitoring and evaluation process

Planning			
Strategy	Alignment	Social Mapping	Public Consultation and Multi-party Partnership
<ul style="list-style-type: none"> • Review of risks and impacts of business operations • Prepare short and long term plans • Focus on priority areas and/or those that have significant impact • Provide resources • Coordinate with other functions e.g. Government Relations, K3LH, Local Procurement 	<ul style="list-style-type: none"> • Alignment with Company Vision and Mission, Sustainability Pathway with Sustainable Development Goals • Alignment with program plans and National and Regional Development Strategic Plans • Alignment with program plans and the Provincial Government Blueprint and RI PPM (for subsidiaries that manage mining sites) 	<ul style="list-style-type: none"> • Participating with the community to understand socio-economic conditions as well as social structures, culture, politics and customs • Position the Company as a partner of stakeholders in local development 	<ul style="list-style-type: none"> • Carry out deliberations to solicit the views of external parties (Government, community, academics, and others) in preparing programs • Position the Company as a partner of stakeholders in local development

Execution	Monitoring
<ul style="list-style-type: none"> • Focusing on priority areas of Education, Environment and MSE Development • Creating programs to reduce dependency and provide long-term benefits • Implementing a viable exit strategy or handover strategy for sustainable programs • Carrying out Capacity Building and local organizational development 	<ul style="list-style-type: none"> • Carrying out SROI calculations • Using outcome and impact (output) indicators to see quantitative or qualitative changes • Monitoring changes in community satisfaction index • Using participatory methods in the monitoring and evaluation process

As part of the participatory planning stages of SER activities, INALUM carried out social mapping and public consultation activities with the community and stakeholders.



SER PROGRAM [OJK F.25]

In the field, the SER program is divided into two major programs, namely MSE Funding Program and the Non-PUMK SER Program. The MSE Funding Program is a program to improve the ability of micro and small businesses to become resilient and independent, while the Non-PUMK SER program is a program carried out by the Company to improve the quality of life of the communities and the environment in line with its commitment to sustainable development by providing economic and social, environmental, and legal and governance benefits. The INALUM SER program is in accordance with the Company’s vision number 3 (three) that states “To participate in empowering local communities through appropriate Corporate Social Responsibility (CSR), and the Community Partnership and Development Programs.”

In addition, referring to the latest regulations, as regulated in Article 20 paragraph 1 of Minister of SOEs Regulation No. PER-1/MBU/03/2023 concerning Special Assignments and Social and Environmental Responsibility Programs for SOEs, where it states that the SER Program Implementation form consists of two:

1. Providing assistance to micro and small businesses; and/or
2. Providing assistance and/or other activities, including coaching.

SER Program Implementation Form

SOEs SER Program Form	
Micro and Small Business Financing	Providing Assistance and/or Other Activities, including Coaching
Through the MSE Funding Program	<ul style="list-style-type: none"> • Including coaching with the costs being part of the SER Program costs • With a priority focus on education, the environment and MSE development

Through the two main SER programs, INALUM hopes to encourage the creation of synergy between the Company and the surrounding communities to indirectly foster a sense of trust and positive support from the community for INALUM’s business processes.

SER IMPLEMENTATION AREA

INALUM implements the SER and PUMK programs in 2 (two) regions, namely, Kuala Tanjung, North Sumatra and Paritohan, North Sumatra. To optimize Community Empowerment programs around the Company, INALUM has determined focus areas in the following 10 (ten) Regencies/Cities:

1. Toba Regency
2. Samosir Regency
3. Karo Regency
4. Dairi Regency
5. Simalungun Regency
6. North Tapanuli Regency
7. Humbang Hasundutan Regency
8. Batu Bara Regency
9. Asahan Regency
10. Tanjung Balai City

LEADING EDUCATIONAL PROGRAMS





Undergraduate Scholarships and INALUM Leadership Camp

Increasing Access to Higher Education to Become an Agent of Change

To support increased access to higher education that will improve the quality and independence of local communities around the Company's operations, INALUM is committed to implementing an undergraduate scholarship program. This program, which has been running since 2019, is INALUM's manifestation and contribution to improving education, especially higher education. INALUM believes education is a key part of human development to create professional, productive, innovative human resources that are able to compete. For this reason, improving the quality of education will always be INALUM's main focus in the SER social pillar, in accordance with Government directives and regional and national development plans.

In 2023, there were 100 scholarship recipients. Scholarship recipients are students who have financial limitations who are selected through INALUM's internal selection. The scholarship recipients are students studying at Universitas Sumatra Utara, Universitas Negeri Medan, and Universitas Islam Negeri Sumatra Utara from 10 cities/districts who are from the INALUM SER main work areas.

As well as regular scholarships in the form of financial support, INALUM also provides tiered leadership training called INALUM Leadership Camp. The INALUM Leadership Camp is a training activity to improve the soft skills of scholarship recipients with a variety of themes that are useful for developing participant capacity, such as national insight, environmental and cultural preservation, tolerance, communication and leadership, as well as for developing personal qualities. Scholarship recipients are also given training related to village development planning.

INALUM hopes that through this series of undergraduate scholarship programs and training, it will help scholarship recipients to become superior individuals. They are also expected to be ready to become agents of change in their respective regions. The series of undergraduate scholarship programs is the result of synergy with several strategic partners, including Yayasan Karya Salemba Empat (KSE), Paguyuban KSE Universitas Sumatra Utara, Paguyuban KSE Universitas Negeri Medan, and Paguyuban KSE Universitas Islam Negeri Sumatra Utara.

This program is ongoing and will continue to realize great benefits for improving education that will improve the quality and welfare of the communities over the long term.

Program Location

10 Cities/Regencies around the Smelting Plant, North Sumatra operation area

Business Unit Location

Aluminium Smelter

Program Implementation Steps

- 2019: Initial selection of scholarship recipients and provision of training and holding of INALUM Leadership Camp I
- 2020: Extension and acceptance of phase II scholarships and holding of INALUM Leadership Camp II
- 2021: Extension and acceptance of phase III scholarships
- 2022: Renewal of the MoU between INALUM and KSE
- 2023: Distribution of scholarship funds for 100 people.

Program Achievements

To date, there has been a total of 293 scholarship recipients and 103 of them are already working and based on monitoring, 85% of INALUM Strata 1 scholarship recipients have increased their GPA. The realization of the SROI value achieved was 2.24.

Budget Realization

The realized funds for the SER Undergraduate Scholarship Program and INALUM Leadership Camp in 2023 was Rp500,000,000.

Inata PAUD

Improving the Quality of Early Childhood Education and Increasing Women's Participation in the Workforce

INALUM is committed to helping Indonesia create a superior next generation from an early age. INATA PAUD is a sustainability program implemented around the Company's operations areas to improve the quality of community HR so they are ready to welcome Golden Indonesia 2045. INATA PAUD is very important for the development of early childhood. The Golden Age, or the age range of 0-6 years, is a very important period for human growth. Education in this age range has a significant effect on the next stage of development. Therefore, apart from focusing on higher education, INALUM also focuses on early childhood education.

The PAUD initiation and development process has been carried out since 2017, in collaboration with several strategic partners, namely Pengurus PAUD INATA and Bunda PAUD Batu Bara. Seeing the positive impact felt, INALUM will continue the INATA PAUD Program. The INATA PAUD program will continue to be implemented on an ongoing basis until INATA PAUD can fully operate independently.



Program Implementation Steps

- 2017: Initiation of the formation of assisted PAUD near the Indrapura market.
- 2018: Establishment of PAUD INATA and socialization of the importance of early childhood education.
- 2019: 100% of traders in the market no longer invite their toddlers to sell at dawn.
- 2020: INATA PAUD graduated 80 students.
- 2021: PAUD INATA began to be independent and is only supported by INALUM for part of its operational costs.
- 2022: INATA PAUD is included in the superior PAUD category in Batu Bara Regency
- 2023: Increase in the number of students enrolled in PAUD INATA.

Program Achievements

124 children have received early childhood education, 90% of whom are good at reading and arithmetic at PAUD.

Program Location

Batu Bara Regency, North Sumatra

Business Unit Location

Aluminium Smelter

Budget Realization

The realized funds for the SER PAUD INATA Program in 2023 was Rp31,000,000, the same as the realized funds in 2022 of Rp31,000,000.

Other educational programs carried out by INALUM in 2023 included 25 school building repairs, 120 educational facilities and infrastructure in the form of mobiles, 50 teacher training and certification, 4 Diploma 1 scholarships and 4 high school diplomas. 66 people,

Testimonial

The recipients of the assistance were very satisfied the educational program assistance from PT INALUM and hope that in the future PT INALUM will consistently provide assistance in the field of education to improve human resources around the Company.

INALUM'S CONTRIBUTION TO SOCIAL PILLAR SDGs

- Increase the number of boys and girls who complete early childhood education equally and with quality.
- Increase the number of boys and girls who have access to quality early childhood development and care.
- Increase access for boys and girls to quality higher education.
- Reduce gender disparities in education and ensure equal access to all levels of education for local communities.
- Improve literacy and numeracy skills for teenage girls and boys.
- Build and improve educational facilities that are child and gender friendly.
- Increase the number of scholarship recipients.
- Increase quality teacher resources.

FEATURED PROGRAMS IN THE ENVIRONMENTAL FIELD

Foster Tree

Planting Mangroves to Sustain Coastal Ecosystems



This program initiated by INALUM seeks to protect maritime areas and preserve existing potential through mangrove planting. The Foster Tree Program is oriented towards long-term growing success so that the benefits of mangrove planting can be achieved properly. In the future, INALUM will continue to develop the foster tree program with other parties, by inviting not only companies, but also individuals who can join this program to adopt more mangrove trees.

In 2023, INALUM in synergy with coastal communities in the Batu Bara district planted 23,000 mangrove seedlings. This activity was not only to preserve the mangrove ecosystem, but also to increase public awareness and understanding of the importance of preserving the environment in coastal areas in reducing the impact of climate change.

Program Achievements

- Involved 4 mangrove groups in 4 villages, namely:
- Love Mangrove Farmers Group (KTCM) in Perupuk village, Lima Puluh Pesisir district.
- Coastal Sustainable Forest Farmers Group in Medang village, Medang Deras district.
- Kuala Bahari Indah Mangrove Group in Kuala Indah village, Sei Suka district.
- Jaya Lalang Mandiri Mangrove Group, Medang Deras district.
- 23,000 mangrove seedlings were planted in 4 locations of the Rhizophora or mangrove variety

Program Location

Batu Bara Regency, North Sumatra

Business Unit Location

Aluminium Smelter

Budget Realization

The realized funds for the Foster Tree SER Program in 2023 was Rp135,000,000 compared to realized funds of Rp192,012,500 in 2022.

Migratory Waterbird Conservation Migratory Bird Conservation Socialization



INALUM is committed to carrying out biodiversity programs through conservation efforts carried out in several areas around the Company's operational areas. These include efforts to protect migratory birds in several areas in Batu Bara Regency. The aim of this program is to conserve various species of birds that often migrate to the Batu Bara Regency coast.

This effort is also in support of the Government's steps to conserve protected flora and fauna by complying with 1990 Law No. 5 concerning Conservation of Natural Resources and Ecosystems and Minister of Environment and Forestry Regulation P.106/MENLHK/SETJEN/KUM.1/12/2018 concerning Types of Protected Plants and Animals. INALUM also socializes the protection of rare animals in the coastal areas of Batu Bara Regency in the region, and in the Company's operational area.

The migratory bird protection program began with concerns about illegal hunting activities for migratory birds around the coast of Perjuangan Beach and several other areas in the Batu Bara Regency area. The coastal area of Batu Bara Regency is designated as a Key Biodiversity Area (KBA). KBA is an area with a population of unique, rare or endangered species or ecosystems. Thus, this area is important to manage and has become the focus of conservation efforts to maintain a holistic ecosystem balance. The stretch of mudflats on the coast of Batu Bara Regency is a stopping-off place for migratory waterbirds.

The Migratory Waterbird Conservation Program collaborates with the Living Heritage of Sumatra Indonesia (WHIS), the Love Mangrove Farmers Group (KTCM), and the Jono Beach Community (KMPJ). Through this program, INALUM encourages efforts to prevent poaching, and to protect the habitats of animal in protected categories with an endangered status due to illegal hunting activities, which includes various types of migratory birds.

INALUM will continue to develop the Migratory Waterbird Conservation program to maintain the migratory bird population and will carry out socialization to several important stakeholders including the Batu Bara Regency Environmental Service and Village Government along the coast of Batu Bara Regency.

The Migratory Waterbird Conservation Program activities in 2023 included the following:

- Raising public awareness about the existence of Migratory Waterbirds through environmental campaign activities in the form of a Photo Contest and Coloring Contest with the theme "Wetland and Its Biodiversity". In this activity, 212 children from 4 local elementary schools took part in the coloring competition, and 91 photographers from 17 provinces were selected to become 8 hunting finalists at the Sujono Beach, Lalang Village with the same theme "Wetland and Its Biodiversity". On the sidelines of the photo competition, WWF Hong Kong also gave a presentation on the conservation practices of migratory waterbirds and the use of wetlands in the Mai Po Reserve for the photo hunting finalists.

Program Achievements

- 212 elementary school children from 4 schools around the PT INALUM residential area took part in a coloring competition for shorebirds and their habitats.
- 91 participants from 17 provinces in Indonesia took part in the photo competition, 8 finalists were selected who were invited to take part in a photo hunt with the same theme at Sujono Beach, Lalang Village, which is a location rich in mudflats and one of the best spots for migratory waterbirds.



Program Location

Batu Bara Regency, North Sumatra

Business Unit Location

Aluminium Smelter

Budget Realization

The realized funds for the Migratory Waterbird Conservation SER Program in 2023 was Rp3,000,000, an increase of 109% compared to the realized funds in 2022 of Rp25,320,000.

- In accordance with Point 3 to Increase the use of renewable energy
As well as planting mangroves with the Love Mangrove Farmers Group (KTCM), INALUM also encourages energy conservation programs in coastal communities. KUPS Silvofishery, one of the KUPS under KTCM, built 6 ponds with a diameter of 3 meters, a bioflock system for land fisheries using renewable energy from a 2,750 Watt Solar Power Plant (PLTS), the electricity from the solar power was used to power water pumps, lights and aerators.

Contribution to the Environmental SDGs

- Increase agricultural productivity and income of small-scale food producers, especially women and indigenous communities and farmers.
- Improve sustainable food production systems.
- Increase the use of renewable energy.
- Reduce the impact of climate change through carbon sequestration by planting trees.
- Manage and protect marine and coastal ecosystems in a sustainable manner.
- Education and implementation of more sustainable fishing.
- Increase economic benefits through sustainable management of fisheries, aquaculture and tourism.
- Improve conservation, restoration and sustainable use of terrestrial ecosystems.
- Maintain protected flora and fauna.
- Integrate ecosystem and biodiversity values into poverty reduction.
- Increase the capacity of local communities for sustainable livelihood opportunities.

MSE DEVELOPMENT PROGRAM

The MSE Funding Program (PUMK) is a form of SER activity that is more directed towards improving the quality of life of the surrounding community by fostering micro and small businesses formed together with the community. The implementation of the PUMK program aims to provide easy access to capital for micro and small businesses as well as providing guidance in order to improve the ability of MSEs to become more resilient and independent.

The PUMK program refers to the Republic of Indonesia Minister of SOEs Regulation PER-1/MBU/03/2023 concerning Special Assignments and Social and Environmental Responsibilities. The dimensions of implementing the Micro, Small and Medium Enterprises (PUMK) Funding program are widely understood by the Company. INALUM is optimistic that, through this program, MSEs will be able to answer challenges in business development, be able to increase competence, and increase marketing access so that they have the potential to move up in class.

Micro and small businesses that are targets in the Company's micro and small business funding program must meet the following criteria:

1. Owned by Indonesian citizens;
2. Have not met the criteria or have access to loans from funding institutions or banks;
3. Priority is given to micro and small businesses with types of business that are in line with the field and/or support SOE business;
4. Priority is given to micro businesses and small businesses located in SOE work areas;
5. Stand alone, not be a subsidiary or branch of a company that is owned, controlled or affiliated directly or indirectly with a medium or large business;
6. Formed as a business by an individual and/or a group of people, a business entity that is not a legal entity, or a business entity that is a legal entity; and has the potential and business prospects to be developed.



PUMK Program Distribution

INALUM has allocated SER Program funds originating from its activity budget that were calculated as costs in the current budget year 2023. The Micro, Small and Medium Enterprises (PUMK) Funding program refers to the Republic of Indonesia Minister of SOEs Regulation PER-1/MBU/03/2023 concerning Special Assignments and Responsibilities Social and Environmental., where in its implementation the distribution of the PUMK Program through the provision of working capital in the form of loans is prioritized for MSEs producing superior regional product commodities that have export opportunities or orientation, and MSEs that can absorb a lot of labor and commodities that support the communities, INALUM uses funds from:

1. Balance of Partnership Program funds allocated until the end of 2015; and/or
2. Margin loan/profit sharing administration services, deposit interest and/or current account services from partnership program funds.

The realized funds for the PUMK program in 2023 was Rp1,150,000,000, or 115.00% of the 2023 Budget Work Plan of Rp1,000,000,000.

In 2023, distribution of the PUMK program can be classified based on business sector and based on distribution area, namely

PUMK Program Distribution and Number of Fostered Partners Based on Business Sector in 2023

No	Business Sector	2023 RKA (Rp-million)	2023 Realization	
			Number of Foster Partners	Total (Rp-million)
1	Industry	1.000.000.000	1	15.000.000
2	Trading		6	153.000.000
3	Agriculture		10	235.000.000
4	Plantations		1	10.000.000
5	Services		3	80.000.000
6	BRI (not yet distributed)		3	657.000.000
TOTAL		1.000.000.000	21	1.150.000.000

Based on KBUMN recommendations PUMK funds are channeled through BRI to be further managed by BRI and rolled back to MSEs.

PUMK Program Distribution and Number of Fostered Partners Based on Distribution Area in 2023

No	Region	2023 RKA (Rp-million)	2023 Realization	
			Number of Foster Partners	Total (Rp-million)
1	North Sumatera	1.000.000.000	21	1.150.000.000
TOTAL		1.000.000.000	21	1.150.000.000

The excess realization in 2023 was the result of loan repayments from fostered partners amounting to Rp150,000,000

PUMK Performance

The calculation of the collectability category for loan repayments is adjusted to the provisions of the Minister of SOEs Decree No. Kep-100/MBU/2002 dated July 4, 2002. Referring to the Ministerial Decree, INALUM divides the quality of loans from Foster Partners receiving MSE Funding into 4 (four) groups, namely current, substandard, doubtful and non-performing.

The receivables collectability level reflects the high or low amount of loans repaid by the fostered MSEs. The higher the level of collectability, the smoother the loan repayment will be. INALUM always strives to achieve a high level of collectability to ensure that PUMK funds can continue to roll out smoothly every year.



INALUM strives to maintain a high distribution effectiveness so that more and more fostered MSEs have access to capital so that their productivity can increase. PUMK's performance is assessed based on the effectiveness of fund distribution and the level of collectibility. The effectiveness of fund distribution reflects the amount of loan funds that have been successfully distributed to the fostered MSEs.

Description	2023	2022
Distribution Effectiveness	95%	3%
Receivables Collectibility	100%	28%

Foster Program

INALUM provides guidance to the Company's fostered partners who are micro and small enterprises, so that they can improve their business governance towards better governance and produce continuously increasing benefits, so that INALUM's fostered partners can be a driver of economic movement in their local area. INALUM's foster program is based on the conditions and problems that exist in the fostered MSEs. Learning principles become a reference for implementing activities according to needs and problems, so that they are right on target.

INALUM's foster program is also carried out to optimize the guidance and assistance programs for entrepreneurs from weaker economic groups to orient them towards achieving sustainable goals that are integrated, directed and have measurable impacts. In this case, INALUM hopes that the training provided will help the Foster Partners upgrade to become MSEs

As an Agent of Change, INALUM continues to strive to support the development of MSEs through various initiatives, both in the SOE ecosystem such as the MSME Digital Market (PaDi) and other wider ecosystems. INALUM continues to encourage its Foster Partners to innovate and increase their organizational capacity so that their businesses develop through training and participating in trade or industry exhibitions. When developing Foster Partners, INALUM always encourages synergy and collaboration with other parties, and this is expected to have a positive impact on the development of Foster Partners.

The Foster Partners development funds are part of the SOE fund distribution program. The development funds distribution is directed at increasing the capacity and capability of the development partners. This is in line with the Republic of Indonesia Minister of SOEs Regulation Number Per-1/MBU/03/2023 concerning Special Assignments and Social and Environmental Responsibility Programs for SOEs.

The implementation of the INALUM fostered partner development program in 2023 is shown in the following table:

Implementation of the 2023 MSME Development Program

Time	Coaching and Training Title	Location	Total
September 2023	Advanced Training on Mangrove Batik Making for the Mangrove Flower Batik Group	Perupuk Village, Lima Puluh Pesisir District, Batu Bara Regency	13 People
October 2023	Farmers Empowerment Training Program for Organic Fertilizer Making	Baturangin Village, Meranti Tengah Village and Parduaan Village, Meranti Utara Village	15 People
November 2023	Sewing Capacity Building Training Assistance (souvenirs) for Persons with Disabilities and the General Public by the CBR Foundation in Toba Regency in 2023	Toba Regency	50 People
June 2023	Business Equipment Assistance for Vaname Shrimp Development to MSMEs	Lalang Village, Medang Deras District, Batu Bara Regency	1 Person
July 2023	Business Equipment (Tents and Carts) for MSEs Around the Company	Batu Bara Regency	5 People
August 2023	Development of Aluminium Cottage - Assistance for Development and Business Equipment for Aluminium Scrap Processing	Desa Paka Raya, Kabupaten Batu Bara	1 Person



Implementation of the 2023 MSME Development Program

Time	Coaching and Training Title	Location	Total
September 2023	Bang Naga Seafood Crab Cultivation	Sukaramai Village, Batu Bara Regency	1 Person
October 2023	Business Tools for Pelataran Difabel Yayasan Khadijah Sharaswaty Indonesia (KSI) in the North Sumatra Provincial Social Service	Medan City, North Sumatra	1 Foundation
Jan – Dec 2023	Promotion of MSE Products through National Exhibitions	<ul style="list-style-type: none"> • Holding MSE Exhibition in Indogreen, Yogyakarta • Promotion of MSE products to Guests from Japan (guest visits from Nippon Koei, Kumagai and Nihon Shinko to Paritohan) • MSE Exhibition at the Ministry of Energy and Mineral Resources • Exhibition at the ASEAN Summit • MSE Exhibition at the North Sumatra Fair • Joint exhibition with the Ministry of Energy and Mineral Resources in Palu • Joint exhibition with the Ministry of Energy and Mineral Resources in Solo 	25 MSE
Jan – Dec 2023	Promotion of MSE Products through BUMN House	BUMN House in Toba Regency, Humbang Hasundutan Regency, and Samosir Regency	200 MSE
Jan – Dec 2023	Promotion of MSE Products through INALUM's Pojok MSE gallery	Kuala Tanjung, Sei Suka District, Batu Bara Regency	15 MSE

Growth of Fostered MSE Upgrades

In line with the Ministry of SOEs directives, all SOEs can bring and empower MSMEs so they can move up in class. To achieve this goal, INALUM’s efforts to develop the capacity of fostered MSEs through a series of ongoing development programs. At the same time, INALUM, through the innovation and breakthrough SER Program, has contributed and taken an important role in facing the challenges faced by MSMEs.

During the reporting period, INALUM succeeded in bringing 10 Fostered MSEs under its guidance to the next level. Referring to Attachment II of the Minister of SOEs Letter Number S-348/MBU/DSI/11/2022 concerning the Preparation of the 2021 SOE SER Program, the definition of the Fostered MSEs Being Upgraded is an MSME that has improved its business capacity economically and independently, where this can be seen through fulfilling at least 2 (two) of the following criteria:

1. Increase in the number of employees;
2. Increase in loan value;
3. Increase in production capacity;
4. Increase in turnover;
5. Involvement of local communities to produce products;
6. Marketing products outside the city/country;
7. Obtained a national/international certificate

Success Stories of Fostered Partner

Success Stories of Fostered Partner

1. Profile of Fostered Partner
 - Products/Services : Welding Workshop
 - Loan Amount : Rp 140.000.000
 - Year of Loan : 2016, 2017, 2021
 - Business Address : Lalang Village, Medang Deras District, Batu Bara Regency, North Sumatra

Success Stories

Previously was a critical youth figure and had a big influence in moving the community in demonstrations related to hiring workers at INALUM, but after receiving an explanation on INALUM’s empowerment and partnership program through MSMEs he realized the need for collaboration and Company support for the creation of new jobs, so he decided to increase his business capital with the help of funds from the Joint INALUM partnership program. Thanks to his hard work and assistance from the Company, he is now able to develop his businesses, including a welding workshop, vaname shrimp cultivation and goat farming, and one of his businesses has even grown into a Limited Liability Company legal that has 38 local workers.

Testimonial



“Initially we thought that we could only get a better life and economy by working in big companies around here, so we struggled to enter and become part of these companies, but after becoming part of the Company’s CSR, it turned out there were greater opportunities through the MSME partnership cooperation, thank God, I am very grateful that now I can develop my business so that it can employ more workers, I am grateful because I am able to contribute to reducing unemployment at the productive age in the surrounding communities, once again thank you PT INALUM, hopefully more and more people will receive benefits from INALUM.”

- 2. Profile of Fostered Partner
 - Products/Services : Making wooden crafts/furniture
 - Loan Amount : Rp75.000.000
 - Year of Loan : 2016, 2019, 2021
 - Business Address : Pematang Cengkering Village, Sei Suka District, Batu Bara Regency, North Sumatra

Success Stories

Starting from working in someone else’s woodworking business, in 2015 he had the courage to open his own business. After one year, INALUM’s CSR coincidentally needed a supply of furniture (tables, chairs, blackboards, etc.) for schools, after a meeting he received an offer for an MSME partnership program with PT INALUM to develop his business. As time went by orders for wooden furniture from consumers increased, so that now the business has become bigger with more employees, which at first was just working alone to now employing 5 people.

Testimonial



“I was very lucky at that time to meet one of the INALUM employees who was looking for a supplier for school supplies, at that time I lacked business capital to buy equipment, as my business had only been running for a year and was still starting out. After that meeting I was offered a partnership loan, where I had to pay monthly installments for the capital I received from INALUM, thank God I was able to pay the loan smoothly so I could borrow again until now my business is getting bigger and is known to the public, thank you INALUM, I hope it will be even more successful.”



NO 5473888
HANDY HEIDI
MAJURO

Handy Heidi
MAJURO



Realization of the SER Program that Supports Sustainable Development Goals

No	Program	Program Location	Business Unit Location	Implementation Steps
1	Development of Meat Tourism Village - Eco Cultural Tourism	Meat Village Toba Regency	Paritohan PLTA	<ul style="list-style-type: none"> • Conduct social mapping • Prepare work plans • Build partnerships with multi stakeholders • Program assistance • Group strengthening
2	Program to improve the quality of education - through improving infrastructure	Pintupohan Meranti District - Toba Regency	Paritohan PLTA	<ul style="list-style-type: none"> • Data collection of schools and school conditions around the Company • Conducting discussions and interviews regarding school conditions • Implementation of programs
3	Educational Fund Assistance for Underprivileged Students in Toba Regency SMA Del Laguboti, SMA Negeri 2 Saposurung	Toba Regency	Paritohan PLTA	<ul style="list-style-type: none"> • Coordination with the Education Office and Stakeholders • Survey of prospective recipients and interviews • Selection • Determination of Program Recipients • Evaluation
4	Agricultural Program under Transmission and Ring 1 of INALUM PLTA	Aek Songsongan Village, Marjanji Aceh Village, Lobu Rappa Village, Aek Songsongan District, Asahan Regency	Paritohan PLTA	<p>PT INALUM is committed to synergizing and increasing cooperation with the community, local communities and youth in efforts to develop and empower communities around the Company, especially under the transmission and Ring 1 by the end of 2023, this is in line with the high expectations of stakeholders and/or the community to develop agriculture, livestock and land use under the transmission to support the community economy and increase capacity while ensuring that the transmission line assets and INALUM PLTA operations are not disrupted.</p>
5	Sewing Capacity Building Training (souvenirs) for Persons with Disabilities and the General Public by Yayasan CBR in Toba Regency in 2023	BUMN INALUM House Toba Regency	Paritohan PLTA	<p>One of the efforts to sustain the empowerment program and increase the inclusiveness of the community, especially people with disabilities and communities around the operational area, as well as steps to accelerate the independence of the community around the Company's operational area and derivatives of ulos products with economic value.</p>

Realization of the SER Program that Supports Sustainable Development Goals

Program Achievements	Description	Budget Realization	SROI Calculation
<ul style="list-style-type: none"> Reactivation of Pokdarwis Formation of tourism management groups Using waste for village products Formation of new tourism 		Rp832.560.500	2.03
<ul style="list-style-type: none"> Upgrading educational facilities and infrastructure in 8 schools consisting of elementary, middle and high schools in Pintupohan Meranti sub-district such as: Tables, chairs, cupboards and whiteboards 		Rp494.437.250	SROI measurement has not been done
10 High School Students Received Continuous Scholarships at 2 Top Schools in Toba		Rp256.500.000	SROI measurement has not been done
Empowerment of 3 farmer groups under transmission	<ol style="list-style-type: none"> Development of Melon, Orange and Chili Fruit Farming and Compost Houses Under the Transmission Line of Aek Songsongan Village by Karang Taruna, Aek Songsongan District, Asahan Regency Development of Bina Farmer Group Farming Under the Transmission Line of Marjanji Aceh Village, Aek Songsongan District, Asahan Regency Quail Farming and Cultivation Program Under the INALUM Transmission Line of Lobu Rappa Village, Aek Songsongan District, Asahan Regency Cultivator Assistance for Farmer Community Groups Under the Transmission Line 	Rp300.614.500	SROI measurement has not been done
Empowerment of Vulnerable Groups (disabilities), derivatives of ulos products into high economic value crafts	Assistance with tools and training for people with disabilities and the surrounding community	Rp152.400.000	SROI measurement has not been done



Realization of the SER Program that Supports Sustainable Development Goals

No	Program	Program Location	Business Unit Location	Implementation Steps
6	Historic Coastal Mangrove Ecotourism Management Program	Hamlet 1, Perupuk Village, Sei Suka District, Batu Bara Regency	Aluminium Smelting Plant	<p>The Historic Coast Mangrove Ecotourism Management Program (PROTEK EMAS) is a form of commitment to environmental and social improvement efforts carried out by the Company together with the local community through mangrove conservation activities that also address social problems, namely prostitution activities in coastal areas. Activities provide new knowledge and skills related to better tourism management for KTCM members in general. Institutionally, PROTEK EMAS improves organizational or institutional capabilities in both internal and external management</p>
7	Inland fisheries cultivation using independent energy from Solar Power Plant (PLTS)	Hamlet 1, Perupuk Village, Sei Suka District, Batu Bara Regency	Aluminium Smelting Plant	<p>The inland fisheries program to be implemented is the biofloc system, a fish farming system using environmental engineering techniques that rely on oxygen supply and the use of microorganisms. The biofloc system will combine organic and inorganic compounds consisting of carbon, oxygen, hydrogen, nitrogen, fish waste, and leftover feed which will later form biofloc.</p>
8	Conservation of Migratory and Resident Water Birds and Inventory of Terrestrial Bird Species in Housing Complexes and Surrounding Areas	Tanjung Gading and Jono Beach Housing Complex, Lalang Village, Batu Bara Regency	Aluminium Smelting Plant	<p>World Migratory Bird Day (WMBD) has been held since 2006 and is an annual campaign to raise public awareness of the conservation of migratory birds and their habitats. This international event is an effective tool to help raise global public awareness of the threats faced by migratory birds, their ecological importance, and the need for international cooperation to preserve them.</p> <p>INALUM in collaboration with the NGO WHIS (Living Heritage of Sumatra) held a Photo and Coloring Competition with the theme "Wetland and Its Biodiversity" to raise awareness of all elements of society about the importance of preserving migratory water birds and their habitats. In addition, they also collaborated to record the types of land birds that live in INALUM's operational area as a form of indicator of a sustainable and maintained environment.</p>

Realization of the SER Program that Supports Sustainable Development Goals

Program Achievements	Description	Budget Realization	SROI Calculation
<ul style="list-style-type: none"> An organizational structure for the management of Mangrove Ecotourism was established in the form of KUPS (Social Forestry Business Group) under KTCM (Mangrove Love Farmers Group). Starting to implement digitalization of tourism management, starting with website creation, social media, cashless payment methods via Qris and call center services as well as complaints/testimonials/suggestions. Sustainability of the mangrove conservation program of at least 10,000 mangrove seedlings/year and launching a new planting pattern: foster trees. 	<p>Assistance in the form of funds to support activities/infrastructure:</p> <ul style="list-style-type: none"> Mangrove planting with multi-stakeholders and continuation of the foster tree program Construction of tracking and towers to support monitoring of migratory water birds. Construction of a mangrove nursery Creation of a website www.baramangrovepark.com and management training website and digitalization of Qris payment methods. Continuation of mangrove batik training 	<p>Rp321.412.500</p>	<p>14.22 by Innosustain and PET (Properindo Enviro Tech)</p>
<ul style="list-style-type: none"> 6 Biofloc Ponds with a diameter of 3 meters, for farming 3,000 Catfish, 2,500 Tilapia. Solar power plant (PLTS) with a capacity of 2,750 Watts to power water pumps, lights and aerators. 2-point drilled wells and water tank towers for water supply (using group funds) Planting Lemongrass next to inland fisheries, pond wastewater is used to fertilize Lemongrass. 	<p>Assistance in the form of funds for:</p> <ul style="list-style-type: none"> Investment in biofloc ponds and PLTS, as well as purchasing electricity storage batteries and mentoring. 	<p>Rp129.340.000</p>	<p>SROI measurement has not been done</p>
<ul style="list-style-type: none"> 91 national photographers participated in the selection, 8 photographer finalists were selected from North Sumatra, Aceh and Riau Islands to hunt for photos at Jono Beach. 196 elementary school children and 10 teachers from schools around the Tanjung Gading Housing Complex participated in coloring competitions, story telling, photo exhibitions and screenings of migratory waterbird films. 25 participants received information related to special interest ecotourism from WWF Hong Kong who visited the WMBD final event. The presentation was delivered by Fion Cheung and Nemo from WWF Hong Kong who succeeded in developing special interest ecotourism activities so as to increase the alternative economy of the surrounding community and protect the wetland ecosystem in Mai Po Nature Reserve, Hong Kong. 	<p>The program works with NGO WHIS 2 contracts for WMBD and Inventory activities, in addition WHIS and INALUM have created information boards for migratory water birds in 2 locations (Jono Beach and Historic Beach) and also migratory water bird monitoring tours with calendar souvenirs as a socialization medium.</p>	<p>Rp127.990.000</p>	<p>SROI measurement has not been done</p>



Realization of the SER Program that Supports Sustainable Development Goals

No	Program	Program Location	Business Unit Location	Implementation Steps
9	Canteen Waste Utilization Program by Sari Larva Berdaya Farmers Group	Kuala Tanjung Village, Batu Bara Regency	Aluminium Smelting Plant	<ul style="list-style-type: none"> • Coordinating with Karang Taruna and Farmer groups • Preparing a work plan • Coordinating with the general and security sections • Processing permits for entry and collection of organic waste • Group strengthening (comparative study training, and mentoring) • Assistance with livestock seeds (BSF fly broodstock for maggot larvae, fish, ducks, chickens) • Development into swallow business and chicken egg hatching
10	MSME Empowerment Program in Lalang Village	Lalang Village, Batu Bara Regency	Aluminium Smelting Plant	<ul style="list-style-type: none"> • Evaluation of Proposals from MSMEs in Lalang Village • Business feasibility survey • Submission of MSME empowerment fund assistance • Distribution of assistance for supporting equipment for production capacity (Waterwheel for Vaname Shrimp cultivation) • Monitoring, mentoring, business training, promotion/exhibition, processing of SIUP/halal permits for MSMEs in the snack food industry • Program Evaluation
11	Raja-Raja Rice Field Tourism Program, Sei Raja Village	Lalang Village, Batu Bara Regency	Aluminium Smelting Plant	<ul style="list-style-type: none"> • Coordinating with the Village Head • Preparing a long-term work plan • Mapping village potential (Agriculture, tourism, and culture) • Strengthening the function of BUMDES, POKDARWIS and Cooperatives as program managers • Distribution of assistance for the development of tourism facilities (Saung Tani, bridges for selfies, flying fox entertainment, archery facilities, Malay weaving equipment, etc.) • Monitoring and evaluation
12	Fostered PAUD Program Around Traditional Markets	Indrapura Subdistrict, Batu Bara Regency	Aluminium Smelting Plant	<ul style="list-style-type: none"> • Survey in Traditional Markets • Making a report on the results of a survey related to the condition of children of market traders • Proposing a program to address the problem of child care and Free PAUD • Distribution of periodic financial assistance since 2017 until now (every year the assistance decreases towards independence) • Teaching and Learning Activities

Realization of the SER Program that Supports Sustainable Development Goals

Program Achievements	Description	Budget Realization	SROI Calculation
<ul style="list-style-type: none"> Opening employment opportunities for 5 people (active), and 10 people (passive) Sustainability of the program (multiplier effect, providing assistance to the elderly, and becoming an educational reference for 4 schools for learning) 	<p>The Head of the Sari Larva Berdaya Farmers Group received the Local Hero award from PT INALUM, and the program also received the Gold award from the Indonesia Sustainability Development Awards (ISDA) and is in accordance with Sustainable Development Goals 8, 4, and 15</p>	<p>Rp49.000.000</p>	<p>Calculations were conducted by PT Properindo Enviro Tech (PET) and Inosustain (UGM)</p> <ul style="list-style-type: none"> Social Return On Investment (SROI): 7.13 Community Satisfaction Index (IKM): 9 (Very Good)
<ul style="list-style-type: none"> Opening Job Opportunities for 12 People Sustainability of the program (multiplier effect, turnover, and employees are getting bigger and one has developed from a group to a Public Company) 	<p>The Head of the Lalang Village Youth Forum Group and also a fostered partner of Andung's business friends received the Local Hero award from PT INALUM, and the program has also received a Platinum award from ISDA, in accordance with the Sustainable Development Goal 8</p>	<p>Rp30.000.000</p>	<p>Calculations were conducted by PT Properindo Enviro Tech (PET) and Inosustain (UGM)</p> <ul style="list-style-type: none"> Social Return On Investment (SROI): 2.34 Community Satisfaction Index (IKM): 7.7 (Good)
<ul style="list-style-type: none"> Opening new jobs for village residents Forming a new Rice Field Ecotourism cluster in North Sumatra 	<p>Selected as a pilot village and representative of Batu Bara Regency for the Provincial Village Competition so that the Regency Government also helps improve facilities in this Village. in accordance with Sustainable Development Goal 8.</p>	<p>Rp50.000.000</p>	<p>Calculations were conducted by PT Properindo Enviro Tech (PET) and Inosustain (UGM)</p> <ul style="list-style-type: none"> Social Return On Investment (SROI): 1.97 Community Satisfaction Index (IKM): 8.1 (Good)
<ul style="list-style-type: none"> Every year helps accommodate at least 20 children around Pasar Delima Indrapura 	<p>Before the existence of PAUD, traders had difficulty dividing their time, especially in the early morning, so they were forced to bring their children to sell, this program answers this problem and is in accordance with SDG 4 regarding quality education while addressing social problems.</p>	<p>Rp31.000.000</p>	<p>No SROI and SMI measurements were taken.</p>



Realization of the SER Program that Supports Sustainable Development Goals

No	Program	Program Location	Business Unit Location	Implementation Steps
13.	Tree Planting Program in Lake Toba Watershed	7 Districts around Lake Toba	Power Plant	<ul style="list-style-type: none"> • Coordination with related stakeholders (BPDASHL, DLHK North Sumatra, PEDT Task Force, etc.), • Land verification, • Land preparation, • Planting and Plant Maintenance, • Monitoring and evaluation.

MEASURING THE IMPACT OF THE SER PROGRAM [GRI 413-1]

When measuring the impact of the implemented programs, we adopted the Social Return on Investment (SROI) measurement method. The SROI method is a technique that is used to measure the benefits of social investments made by the Company. The SROI method aims to measure the total impact and benefits of a corporate social responsibility program using a stakeholder-focused approach. Social impact assessment using SROI can explain the significant impact of the Company’s social and environmental programs, both positively and negatively.

Pintu Pohan Village Clean Water Installation Program
SROI Ratio Value 2.06

One of INALUM’s priority programs is the Pintu Pohan Village Clean Water Installation Program. The program aims to provide clean and safe access to clean water for household needs for communities in villages around the Company’s operations. This program includes piping from springs that is then channeled through 12 storage tanks across 3 hamlets, with different elevations for each tank. The community uses clean water to meet primary household needs such as consumption, washing and bathing. The SROI results obtained show that every rupiah invested produces a social impact of 2.06 rupiah.

Historic Coastal Mangrove Ecotourism
SROI Ratio Value 14.22

One of INALUM’s priority programs is the Mangrove Conservation and Biodiversity Protection Program (migrating water birds) developed into a tourist area in Batu Bara Regency, with 100 beneficiaries. The SROI results show that every rupiah invested produces a social impact of 14.22 rupiah.

Traditional Meat Village
SROI Ratio Value 2.03

One of INALUM’s priority programs is the Eco-Cultural Tourism Program and the preservation of Batak cultural traditions with the aim of developing ecotourism potential and preserving the local wisdom of the Meat Village community in Toba Regency, with 110 beneficiaries. The SROI results obtained show that every rupiah invested produces a social impact of 2.03 rupiah.



Realization of the SER Program that Supports Sustainable Development Goals

Program Achievements	Description	Budget Realization	SROI Calculation
<ul style="list-style-type: none"> • Every year, helps the ecosystem around Lake Toba and maintains environmental sustainability that is very much needed by all living things around it. 	INALUM has implemented a Tree Planting Program covering 370 ha or 185,000 trees in 7 (seven) districts around Lake Toba. INALUM has involved stakeholders, such as BPDASHL Asahan Barumon, the North Sumatra Provincial Environment and Forestry Service, UPT. KPH Community Groups, Village Governments and the Lake Toba Ecosystem Rescue Task Force.	Rp4.773.596.593	SROI measurement has not been done

Sari Larva Berdaya Livestock Group

SROI Ratio Value 7.1

One of INALUM's priority programs is the program for utilizing catering waste to be processed into maggot larvae and animal feed, with 40 beneficiaries. The SROI results obtained show that every rupiah invested produces a social impact of 7.13 rupiah.

MSEs in Lalang Village

SROI Ratio Value 2.36

One of INALUM's priority programs is the Community Empowerment Program in business development in the fields of welding workshops, shrimp cultivation and goat farming with 43 beneficiaries. The SROI results obtained show that every rupiah invested produces a social impact of 2.36 rupiah.



RELATIONSHIP WITH STAKEHOLDERS

[OJK E.4] [GRI 2-29]

In carrying out all of the Company’s operational activities, INALUM strives to have a positive impact on the community and environment around which the Company operates. INALUM tries to make a positive contribution that can develop the social life of the community and preserve the environment. This commitment is based on the Company’s awareness to upholding the principles of business sustainability.

Therefore, INALUM is committed to realizing a sustainable business through the Corporate Social Responsibility (CSR) program to optimize the Company’s added value for stakeholders and minimize the negative impacts caused by the Company’s activities on the communities and the environment. The CSR program is carried out by involving local communities and other stakeholders.

INALUM also believes that through harmonious relationships, and the positive benefits provided, ultimately mutual prosperity will be attained, and a good Company image will have an impact on future progress. That is the sustainability value that we want to achieve, namely growing together with the surrounding community and at the same time taking part in supporting government programs that are in line with the Sustainable Development Goals (SDGs).

[OJK.F.23] [GRI 3-3; 413-1]

The following shows the stakeholders and how they are involved [GRI 2-29]

List of Stakeholders, Involvement Methods, Frequency, Topics Proposed by Stakeholders:

Stakeholders	Involvement Method	Frequency	Main Topics Proposed
Information and Engagement:			
Shareholders	<ul style="list-style-type: none"> Regular publications such as annual reports, quarterly financial reports, quarterly exploration reports, and websites. Multi-stakeholder forums. Holding GMS (General Meeting of Shareholders). 	At least once a year.	Accountability for the Company’s economic, environmental and social performance.
Information and Consultation:			
Customers	<ul style="list-style-type: none"> Preparation of commercial contracts for product sales with guaranteed product quality, continuity of supply, and delivery accuracy. Regular meetings with consumers and customer satisfaction surveys at least once a year. 	Any time if needed.	<ul style="list-style-type: none"> Product/service quality Commercial relations/customer retention
Provision of Information, Consultation, Negotiation, and Involvement:			
Employees & Trade Unions	<ul style="list-style-type: none"> Bulletins in the corporation, bulletins in business units, communication via e-mail, intranet, website, social media, instant messaging. Employee engagement surveys, including culture, satisfaction, perception, understanding of the Collective Labor Agreement, etc. Preparation and determination of the Collective Labor Agreement for a period of 2 (two) years and its derivative regulations including provisions related to the rights and obligations of the Company and all employees in accordance with the relationship between each employee. LKS Bipartite and Quarterly Meeting between management and trade unions. 	Every month and anytime when needed.	<ul style="list-style-type: none"> OHS Performance Employee Welfare



List of Stakeholders, Involvement Methods, Frequency, Topics Proposed by Stakeholders:

Stakeholders	Involvement Method	Frequency	Main Topics Proposed
Central and Regional Governments, and Legislative Members	Stakeholder Relationship Development:	Every month and any time when needed.	<ul style="list-style-type: none"> Community empowerment through SER/PPM programs Payment of taxes and obligations to the State
	<ul style="list-style-type: none"> Providing input to the government for policies and regulations. Routine reporting such as AMDAL, RKTTL, Post-Mining Plan, quarterly reports to OJK, etc., and website. Consultation with Ministries/Institutions and agencies, public consultation. Development Planning Meeting (Musrenbang) with local governments; Payment of taxes, PNBP, and other obligations to the State. Integration of Government representatives in the Company’s Board of Commissioners. 		
Contractors & Other Partners	Provision of Information and Collaboration:	When needed	<ul style="list-style-type: none"> Transparency of goods and services procurement Economic, social, and environmental performance Asset security
	<ul style="list-style-type: none"> Organizing regular work contract tenders in an open and transparent manner; work contract documents that contain compliance with the law, including aspects of OHS, and the environment. Implementation of joint projects: routine coordination with the Police and TNI regarding asset security and law enforcement. 		
Mass Media	Monitoring, Information Provision, Consultation, and Engagement: <ul style="list-style-type: none"> Daily media monitoring Routine information delivery through media releases and press conferences as needed; providing interview opportunities Company Website 	Anytime when needed.	<ul style="list-style-type: none"> Socialization and distribution of SER Program funds Community assistance and empowerment Management of the economic, social, and environmental impacts of the mining industry Compliance with Regulations
Communities	Information, Consultation, and Engagement: <ul style="list-style-type: none"> Engagement, Collaboration, and Empowerment AMDAL socialization; regular meetings with community members; reports; Receiving community input in the AMDAL process; participation in the Development Planning Deliberation (Musrenbang) with the community and local government Information on local business and employment opportunities Community involvement in planning, implementation, monitoring and evaluation of SER and community development Cooperation in multi-stakeholder initiatives with the community Integration of community representatives (Independent Commissioners) into the Board of Commissioners 	Anytime when needed.	<ul style="list-style-type: none"> Socialization and implementation of SER programs Community assistance and empowerment Management of economic, social, and environmental impacts



List of Stakeholders, Involvement Methods, Frequency, Topics Proposed by Stakeholders:

Stakeholders	Involvement Method	Frequency	Main Topics Proposed
Non-Governmental Organizations	Information Provision, Consultation, and Collaboration: <ul style="list-style-type: none"> • AMDAL socialization, reports, websites • Public consultation • Social research cooperation, mentoring cooperation, and community empowerment 	Anytime when needed.	<ul style="list-style-type: none"> • Community assistance and empowerment • Management of the economic, social and environmental impacts of the mining industry
Industry, Mining Businesses, & Business Associations	Advocacy, Information Provision, Consultation, and Collaboration: <ul style="list-style-type: none"> • Providing input to the government • Website, presentations at various seminars and conferences • Public consultation • Joint project implementation, and capacity building, as needed 	Anytime when needed.	<ul style="list-style-type: none"> • Implementation of Good Mining Practices • Negative perceptions of the mining sector • Mining regulations

GRIEVANCE HANDLING MECHANISM [OJK F.16] [GRI 2-26] [GRI 3-3, 413-1]

To respond to all forms of negative operational impacts arising from its mining operations, INALUM has a Policy for Building Relationships with Stakeholders that explains the complaint handling system to respond to every complaint from the community concerning operational activities. INALUM is committed to implementing a complaint handling mechanism in every operating unit of the Company and endeavors to handle and respond to every complaint while remaining compliant with applicable regulations and business ethics standards. INALUM provides easy access to stakeholders to ensure relevant complaints are handled.

The channels provided by INALUM include social media channels, email, postal boxes and Whistle Blowing System channels listed on the website. The channels provided are as follows:

NO	Channel	Address	PIC
1	Post Box	Kuala Tanjung, Kecamatan Sei Suka 21257. Kabupaten Batu Bara Sumatera Utara, Indonesia P.O. BOX 1 Kuala Tanjung	Public Relations/Corporate Secretary
2	Website (Chatbot)	www.inalum.id	Public Relations/Corporate Secretary/IT
3	Whistle Blower System	wbs@inalum.id	Compliance and GCG
4	Email	corsec@inalum.id	Public Relations/Corporate Secretary

In 2023, there were 4 (four) complaints. All complaints were followed up and were resolved properly.



UPHOLDING HUMAN RIGHTS AND INDIGENOUS COMMUNITIES RIGHTS

INALUM upholds respect for the rights of indigenous communities, especially those close to the Company's operational areas. For this reason, the Company has issued an Implementing Policy on Human Rights (HAM) that includes protection of the rights of indigenous communities, preservation of local culture, and protection of customary rights.

In addition, INALUM also has a Policy related to Community Development and Empowerment that also focuses on the development and involvement of indigenous communities. In the reporting year there were no incidents related to violations of indigenous peoples' rights by the Company.

"INALUM has carried out due diligence related to Human Rights using an independent third party at the end of 2022 through an assessment of Company compliance with fulfilling its responsibility to respect human rights as defined in the UN Guiding Principles on Business and Human Rights (UNGPs)". The Company provides a human rights-related grievance channel for communities and other stakeholders, via email corsec@Inalum.id.

Each complaint will be followed up and analyzed whether the report is a complaint. Furthermore, the complaint will be forwarded to the relevant division.

Until the end of 2023, there were no complaints related to human rights. [\[GRI 411-1, 2-23\]](#) [\[ASI 2.6\]](#) [\[EM-MM-210b.1\]](#)



PILAR 5

ECONOMIC DEVELOPMENT

BEST ECONOMIC ACHIEVEMENTS

Production

215,130 Tons

Revenue

USD 544,848 thousand

Net profit

USD 475,830 thousand

Investing in the Communities

Rp 34,570 thousand





ECONOMIC IMPACT

ECONOMIC VALUE GENERATED AND DISTRIBUTED [OJK F.2, F.3][GRI 201-1]

In million rupiah

Description	2023
Economic Value Generated	
Net Revenue	544.848
Other Revenue	503.555
Total Economic Value Generated	1.048.403
Economic Value Distributed	
Operational Costs	453.349
Employee salaries and other benefits	68.632
Total payments to investors	-
Expenditures for government obligations (taxes, royalties, etc.)	41.426
Expenditures to the Community: for Community Development	4.495
Other Expenses	4.671
Total Economic Value Distributed	572.573
Economic Value Retained	475.830

In 2023, INALUM recorded a positive economic performance and made a significant contribution to state revenue. This was primarily due to sales of Aluminium and profits from discontinued operations.

INALUM always strengthens its commitment to maintaining international standard product quality. INALUM's main products are aluminium products that are sold to the domestic market and exported to the global market. To ensure product quality is maintained, the Company has fulfilled the requirements for quality standards, environmental management standards, work safety and energy management standards for the entire series of production processes produced.

INALUM's seriousness in product quality is reflected in achieving the Aluminium Stewardship Initiative certification.

The productivity of the Company's products in 2023 and the previous year is shown below.

Aluminium Product	Unit of Measurement	2023	2022
Ingot	Ton	168.143	172.516
Alloy	Ton	23.322	22.806
Billet	Ton	23.417	28.452
Billet Secondary	Ton	248	-
Total	Ton	215.130	223.774

Based on production performance, INALUM generally generates good economic value. The economic value generated by the Company is revenue which includes Operating Income, Financial Income, Other Income, and share of Net Income from Associates and Joint Venture Investments.



This revenue is referred to as direct economic value and is used to finance the Company's operations, and is distributed to stakeholders such as employees in the form of salaries, wages and other benefits, to funders including shareholders and creditors in the form of dividends and interest, to the government in the form of taxes, levies, royalties, etc., and to the public, both the general public and local communities in the Company's operational areas, through the distribution of Social and Environmental Responsibility (SER) funds. Retained economic value is the difference between the economic value generated less the economic value distributed.

The business strategies that have an impact on INALUM's financial performance, economic value generated, distributed and retained can be found in INALUM's Financial Statements that are attached to the Company's 2023 Annual Report.

While, the defined benefit program and other pension programs can also be found in the Company's 2023 Financial Statements.



INFRASTRUCTURE INVESTMENT AND COMMUNITY SUPPORT SERVICES [GRI 203-1]

As a good corporate citizen, INALUM has a strong community and environmental commitment, and it has become mandatory for INALUM to carry out infrastructure investments and facilitate support services in the communities. INALUM has instigated welfare-oriented community programs for improving the regional economy and the quality of life in the surrounding communities. These programs passed through a thorough planning process so that the investments made truly brought benefits to the communities without creating a risk of dependency and actually allowed the communities to become more independent.

The following shows details of these programs:

Facilities/Infrastructure	Infrastructure Investment and Support Services for Communities
Education Facilities	Renovation of School Buildings and provision of Furniture for Schools around the Smelter, PLTA, and along the area around the INALUM electricity transmission lines
Place of worship Facilities	Renovation of Mosques and Churches around the smelter, PLTA, and along the area around the INALUM electricity transmission lines.
Infrastructure Facilities	Garbage Dump Truck Assistance for the Asahan Regency Government to Support Waste Management in the Asahan Regency so that its waste management can run more optimally.
	Three-wheeled vehicles for the Karo Regency Government to transport waste.
Health Facilities	Ambulance assistance for the Batu Bara Regency PMI
	Equipment for the Kuala Indah Family Welfare Empowerment Posyandu (PKK).
Other Facilities	Sports Facilities for the Communities
Environmental Facilities	Biodiversity protection facilities for migratory birds from Asia to Australia that stop in the Batu Bara Regency.

PUBLIC COMPLAINTS [OJK F.24]

The Company has provided complaint channels for the public through telephone, fax, email, website, whistleblowing system, social media (Instagram, Twitter, Facebook, and YouTube), or submitting directly to the Company's operational office. Until the end of 2023, there were no complaints received from the public regarding the Company's operations.





SIGNIFICANT INDIRECT ECONOMIC IMPACT

[GRI 203-2]

INALUM's operational activities can have a significant positive and negative indirect economic impact depending on how the operations are carried out. As well as investing in infrastructure development, INALUM also carries out community development to provide a significant indirect economic impact.

INALUM has carried out various community empowerment programs. The programs implemented in 2022 included scholarship programs, MSE development programs, tourism village development programs, training programs, business capital loan programs, conservation programs, waste management assistance, tourism improvement programs, health programs, and agricultural improvement programs.

More detailed information on the Social and Environmental Responsibility (SER) and Micro and Small Enterprise Financing (PUMK) programs can be found in the SER Report for the 2023 fiscal year published by INALUM. Through these programs, it is hoped that INALUM can have a significant impact by increasing the economic level of the communities (SDGs 9.3).

CONTRIBUTION TO THE STATE

MIND ID owns 99.99999% of the PT Indonesia Asahan Aluminium shares while 0.00001% is owned by the State through Dwiwarna A Shares. Therefore, MIND ID is the sole shareholder of INALUM. Dividends paid represents INALUM's contribution to the state through MIND ID, whose shares are 100% owned by the state.

Other than dividends, INALUM's contribution to the state is in the form of taxes. INALUM's tax approach and strategy ensures compliance with applicable tax rules and regulations in Indonesia and encourages transparent and fair tax practices. All INALUM activities are carried out within the Indonesian tax jurisdiction, therefore there are no differences in reporting arrangements between countries regarding INALUM activities [\[GRI 207-1, 207-2\]](#)

In INALUM's Governance structure, tax strategies, transactions and reporting related to taxation are the responsibility of the Company.

The Audit Committee is responsible for reviewing/examining financial information that will be released by the Company, including tax matters. INALUM also has an adequate internal control and risk management system to minimize tax risks. In the reporting year there were no risk events related to taxation that indicated INALUM's non-compliance with tax provisions. INALUM has a tax complaint channel managed by a third party and an Account Representative (AR) from the Tax Office. [\[GRI 207-2\]](#)

INALUM also ensures that the Company's tax information has been verified by an independent party because tax information is part of the financial data that must be audited by the Public Accounting Firm. In 2023, INALUM has paid corporate income tax amounting to Rp287,082,817,728 While the amount of INALUM's dividends and tax payments in more detail can be seen in the Financial Statements for Fiscal Year 2023 and also INALUM's Annual Report for Fiscal Year 2023. [\[GRI 207-1, 207-2, 207-3\]](#) [\[ASI 3.3\]](#)

During the reporting year, INALUM did not receive financial assistance from the Government in the form of tax exemptions or tax credits, subsidies, investment grants, grants for research and development, and other relevant types of grant funds, or temporary royalty exemption facilities, incentives and financial assistance. [\[GRI 201-4\]](#)



CREATING SHARED VALUE AND REGIONAL ECONOMIC DEVELOPMENT

BUILDING AND ADVANCING THE REGION [GRI 203-1, 203-2]

Developing and advancing regions is a complex process and involves many parties, including governments, communities, the private sector and the non-profit sector. The aim is to improve community welfare and strengthen the local economy, so that the areas can become more independent and develop sustainably. INALUM as a business that uses natural resources is obliged to actively participate in developing and advancing the areas around the Company's work locations.

By creating a developed region, the communities will become more prosperous, independent and have the enthusiasm to make changes for the better. This of course is a big dream for all parties to become independent in a region. In this way, conducive working conditions will be created as the Company receives support from the communities.

The following shows some of the efforts made by INALUM to develop and advance the areas around the Company's work locations:

1. Infrastructure development: INALUM has built infrastructure such as roads, bridges, places of worship, schools, educational facilities, village offices and other public facilities.
2. Education: INALUM has a scholarship program aimed at children of farmers/fishermen who have the desire to continue their education.
3. Local industry: the Fostered MSEs is a form of developing local industry so that it can compete and produce products that have high selling value.
4. Tourism is also a source of income for the region that is worth developing, as apart from being a source of income it also opens up new job opportunities and improves the economy of local residents by selling in tourism locations.

PROPORTION OF PURCHASES FROM LOCAL SUPPLIERS [GRI 204-1]

Procurement of goods and services using local suppliers is an effort to strengthen local communities and support sustainable economic growth. This effort is also INALUM's approach to support local suppliers to compete with foreign suppliers. Collaboration with local suppliers also provides convenience such as reduces supply risks as communication is not hindered by distance, meaning suppliers can directly coordinate with the Company with more optimal delivery costs and order times.

At the end of 2023, there were 819 suppliers collaborating with INALUM. Of this number, 91% were local and national suppliers, while 9% were international suppliers. Local suppliers are suppliers who are domiciled in Indonesia.

PROPORTION OF SENIOR MANAGEMENT RECRUITED FROM SURROUNDING COMMUNITIES [GRI 202-2]

As part of the Company's social commitment, INALUM opens up opportunities for Regional Youth to join and work with INALUM and continue to develop their potential to occupy decision-making, supervisory and senior management positions at INALUM. At the end of 2023, there were 23 local people (North Sumatra Province) serving as management and senior management at INALUM.

- 1 Director
- 5 Group Heads & Equivalentents
- 17 Department Heads & Equivalentents



PILAR 6

CORPORATE GOVERNANCE



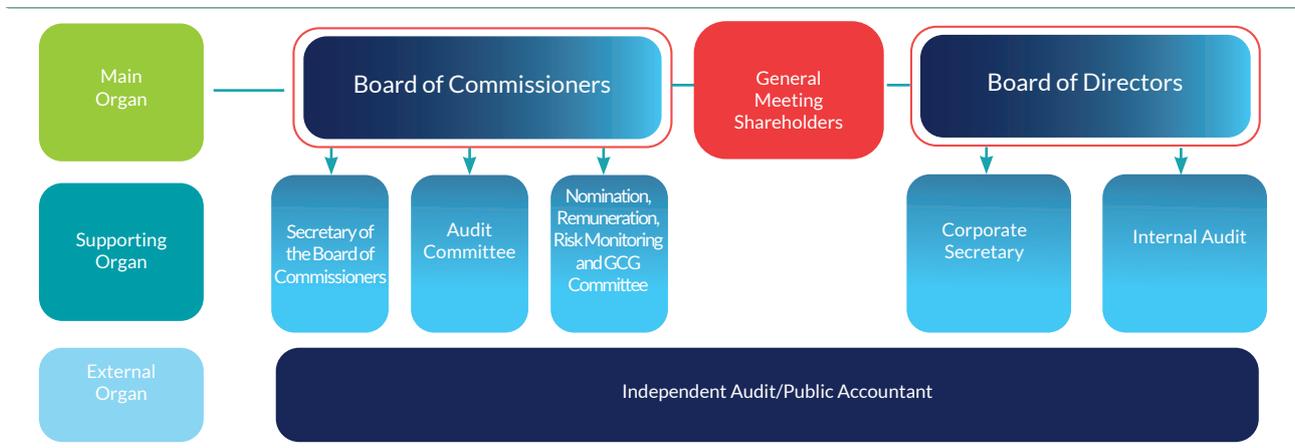
GOVERNANCE STRUCTURE AND COMPOSITION

[OJK F.9] [GRI 2-9, 2-11] [ASI-1]

INALUM was established and is regulated in accordance with the 2007 Republic of Indonesia Law No. 40 concerning Limited Companies (UU PT), where it states that the Company's governance structure consists of three main bodies, namely the General Meeting of Shareholders, the Board of Commissioners and the Board of Directors. Optimal collaboration between Company bodies in carrying out their duties, functions and responsibilities for the interests of the Company is carried out in accordance with the provisions of the Laws, Articles of Association and other provisions.

Each Company body carries out its duties, functions and responsibilities so that it can determine the direction and quality of the Company's performance. In carrying out its functions, the Board of Commissioners is assisted by supporting bodies including the Secretary to the Board of Commissioners, the Audit Committee, and the Remuneration Nomination and Good Corporate Governance (GCG) Committee. While, the Board of Directors is assisted by supporting bodies including the Corporate Secretary, Internal Monitoring Unit and Risk Management. The Company's governance structure is as follows:

INALUM Corporate Governance Structure



Based on the above governance structure, the Company's governance mechanism is supported by Company Bodies including the GMS, Board of Commissioners, Board of Directors and other supporting bodies. This consistent mechanism is applied to maintain business continuity in the long term so as to provide added value for Shareholders and other stakeholders. To do so, the Company bodies have divided their functions and responsibilities clearly and fairly, to avoid any mutual intervention.

The GMS is a Company body that has the highest authority that cannot be delegated to the Board of Commissioners and Board of Directors, within the limits specified in the Limited Company Law and/or the Company's Articles of Association. While, the Board of Commissioners and Board of Directors have the responsibility to maintain the sustainability of the Company's business. The duties and responsibilities of the two bodies are supported by their respective supporting bodies. The Board of Commissioners is assisted by the Audit Committee and the Nomination, Remuneration, Risk Monitoring and GCG Committee. While, the Board of Directors is supported by the Corporate Secretary and Internal Audit.

The Company's GCG implementation is also supported by policies/guidelines that are in line with the Company's governance principles. The Company's GCG Soft Structure includes:

1. The Company's Articles of Association as last amended by Deed No. 138 dated March 21, 2023, before Notary Jose Dima Satria, S.H., M.Kn., in Jakarta.
2. MIND ID Strategic Guidelines and Implementation Policies that were ratified through Board of Directors' Decree No. SK-001/DIR/MINDID/2021 dated , and MIND ID Implementation Policies that are part of the MIND ID Strategic Guidelines with the latest update in the Director of Portfolio and Business Development Letter No. 1115/E.DIRPPU/XII/2023 dated December 22, 2023.
3. GCG Guidelines, which were approved by the Board of Commissioners and Board of Directors with the last update in 2020 dated March 9, 2020.
4. Board of Directors and Board of Commissioners Charter (Board Manual), approved by the Board of Commissioners and Board of Directors with the last update in April 2020.
5. Audit Committee Charter, ratified through the Board of Commissioners Decree PC-06/05/2020 dated May 15, 2020.
6. Company Code of Conduct, approved by the Board of Commissioners and Board of Directors with the last update in 2020 dated March 9, 2020.





7. Gratification Control Policy, ratified through INALUM Board of Directors' Decree No. SK-012/DIR/2019 dated April 9, 2019.
8. Whistleblowing System Policy, approved through Operating Committee Regulation No. PER-008/DIRPEL/2021 dated April 16, 2021.
9. Handling Conflicts of Interest Policy, ratified through INALUM Board of Directors' Decree No. SK-024/DIR/2015 dated September 1, 2015.

GCG implementation in INALUM refers to the following statutory regulations:

1. 2003 Law No. 19 concerning State-Owned Enterprises;
2. 2007 Law No. 40 concerning Limited Liability Companies.
3. Minister of SOEs Regulation No. PER-01/MBU/2011 concerning f Good Corporate Governance Implementation in SOEs;
4. Minister of SOEs Regulation No. PER12/MBU/2012 concerning Supporting Organs for the Board of Commissioners/ Supervisory Board of SOEs;
5. Secretary to the Minister of SOEs Decree No. SK-16/S.MBU/2012 concerning Indicators/Parameters for Assessment and Evaluation of the Implementation of Good Corporate Governance (GCG) in SOEs;
6. Minister of SOEs Regulation No. PER-03/MBU/02/2015 concerning Requirements and Procedures for Appointment and Dismissal of Members of the SOE Board of Directors;
7. Minister of SOEs Regulation No. PER-09/MBU/2012 concerning Amendments to the Minister of SOEs Regulation No. PER-01/MBU/2011 concerning Good Corporate Governance Implementation in SOEs;
8. Special Power of Attorney No. SKK-14/MBU/5/2018 dated May 31, 2018. Where the Ministry of SOEs as the Republic of Indonesia Government Representative is the Shareholder of Series A Dwiwarna Share in PT ANTAM Tbk, PT Indonesia Asahan Aluminium, and PT TIMAH Tbk gave authority to PT Indonesia Asahan Aluminium to determine strategic guidelines.
9. The Company's Articles of Association have been amended several times with the latest amendment by deed No. 178 before Notary Jose Dima Satria, S.H., M.Kn. dated November 18, 2021.



LEADERSHIP AND DECISION MAKING

The following shows the INALUM's Board of Commissioners and Board of Directors composition showing age, gender, as of December 31, 2022. [GRI 405-1]

Name	Position	Diversity	
		Age	Gender
Jhoni Ginting	President Commissioner/ Independent	62	Male
Ilyas Asaad	Commissioner	64	Male
Ahmad Erani Yustika	Commissioner	50	Male
Martuani Sormin	Independent Commissioner	60	Male
Danny Praditya	President Director	45	Male
Devi Pradnya Paramita	Director of Finance	46	Female
Rainaldy Harahap	Director of Operations	53	Male
Benny Alexander FD Wiwoho	Director of Human Capital	52	Male
Melati Sarnita	Director of Business Development	47	Female

The complete profiles of the Board of Directors and Board of Commissioners, as well as their supporting committees can be found in the Good Corporate Governance Chapter of INALUM's 2023 Annual Report, which is an integral part of this Sustainability Report.

GOVERNANCE BODY SELECTION AND NOMINATION PROCESS [GRI 2-10, 2-11]

The selection and nomination process for members of the governance bodies is carried out by the Nomination, Remuneration, Risk Monitoring and GCG Committee and refers to:

1. Minister of SOEs Regulation No. PER-10/MBU/10/2020 dated October 09, 2020 concerning Amendments to the Minister of SOEs Regulation No. PER-02/MBU/02/2015 concerning Requirements and Procedures for Appointment and Dismissal of Members of the Board of Commissioners and the Supervisory Board of SOEs
2. Minister of SOEs Regulation No. PER-03/MBU/02/2015 dated February 17, 2015 concerning Requirements and Procedures for Appointment and Dismissal of Members of the Board of Directors of SOEs..

The selection and nomination process is carried out by considering several factors including expertise, experience, integrity and leadership required to carry out the duties of the Governance body, which also includes commitment and understanding of sustainability. Furthermore, the appointment of the President Director and Board of Commissioners as chair of the Highest Governance Body is through the Minister of SOEs No. SK-56/MBU/03/2023 & MIND ID President Director Decree No. SK-02/DIRUT/III/2023 for the President Director, and Minister of SOEs Decree No. SK-55/MBU/03/2023 & MIND ID President Director Decree Number SK-01/DIRUT/III/2023 for the President Commissioner. With the two-tier management concept in Indonesia, there is no possibility of duality where the chair of the highest governance body acts as a senior executive or director.

THE ROLE OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS FOR SUSTAINABILITY [GRI 2-12, 2-13]

The Board of Governance plays an important role in managing the impact of an organization or company on the environment and surrounding communities. All sustainability policies, strategies and their application are the responsibility of the Corporate Governance Bodies. The Board of Directors is responsible for establishing sustainability policies, strategies, targets and their application, and the Board of Commissioners is responsible for monitoring the Company's performance and sustainability achievements.

The Board of Directors then instigates policies to support the handling of environmental and social impacts, as well as provides strategic direction and decision making. Responsibility for INALUM's sustainability strategy is under the President Director. INALUM's Board of Commissioners supervises the implementation of sustainability in the Company.



SUSTAINABILITY GOVERNANCE [OJK E.1]

In carrying out the environmental and social impact management, the Company’s Highest Governance Body delegates its authority to functions related to sustainability topics in accordance with the President Director’s Decree No. SK-002/DIRUT/2023 concerning Changes in Organizational Structure, Job Descriptions and Work Areas of PT INALUM dated May 31, 2023.

There are also those responsible for aspects of social responsibility based on ISO 26000 within the scope of INALUM’s operational activities, as follows:

	Corporate Social Responsibility Aspects	Person in Charge within INALUM
Sustainability Aspects in accordance with ISO 26000	Environmental	Safety, Occupational Health and Environment Department
	Human Rights	Human Capital Strategy Department and Company Law & Compliance Department
	Fair Operating Practices	Operations Directorate
	Employment, Health and Safety Practices	Human Capital Operations Department and Safety, Occupational Health and Environment Department
	Social and Community Development	Community and Environmental Empowerment Department
	Consumer and Product/Service and Work Partner Responsibilities	Commercial Department and Procurement & Category Management Department

SUSTAINABILITY COMPETENCY DEVELOPMENT [OJK E.2] [GRI 2-17]

Sustainability competency development is a process to improve the ability of individuals, organizations and society to understand, manage and develop the aspects of sustainability. Sustainability competencies consist of the knowledge, skills and attitudes required to respond effectively to sustainability challenges. It is very important to develop these competencies at the highest governance level. Therefore, the Board of Directors and Board of Commissioners actively participated in executive training, educational programs, seminars and conferences throughout 2023.

The training program attended by members of the Board of Directors, Board of Commissioners, and those responsible for implementing Sustainability can be seen in the table below.

Sustainable Finance Competency Development for the Board of Commissioners, Board of Directors and Sustainable Finance Action Unit in 2023

Name and Position	Type of Education and Training	Education and Training Materials	Place/Date	Organizer
Jhoni Ginting (President Commissioner/ Independent Commissioner)	Training	BSE GRC Masterclass – Risk Effectiveness Management	Jakarta, September 7, 2023	Ministry of State-Owned Enterprises (KBUMN)
	Training	BSE GRC Masterclass – Socialization of BUMN & Subsidiary Ratings	Jakarta, September 14, 2023	KBUMN
	Training	BSE GRC Masterclass – GRC Integrated Information for Supervisory Board	Jakarta, October 5, 2023	KBUMN
	Training	BSE GRC Masterclass – CG Methodology and Environmental and Social Management System	Jakarta, 25 Oktober 2023	KBUMN
	Training	3rd GRC Series: Trends and Integration of MIND ID ESG Obligations for Governance and Risk Management with Deloitte Consulting	Jakarta, November 23, 2023	MIND ID



Sustainable Finance Competency Development for the Board of Commissioners, Board of Directors and Sustainable Finance Action Unit in 2023

Name and Position	Type of Education and Training	Education and Training Materials	Place/Date	Organizer
Martuani Sormin (Independent Commissioner)	Training	BLMI GRC Masterclass – Rating & Issuance of Debt Securities & Sukuk (EBUS)	Jakarta, August 10, 2023	KBUMN
	Training	BLMI GRC Masterclass – Pre IPO and Post IPO	Jakarta, August 10, 2023	KBUMN
	Training	IIA Indonesia National Conference	Jakarta, August 20-31, 2023	Institute of Internal Auditors (IIA)
	Training	BSE GRC Masterclass – Socialization of BUMN & BUMN Subsidiary Ratings	Jakarta, September 14, 2023	KBUMN
	Training	BSE GRC Masterclass – GRC Integrated Information for Supervisory Board	Jakarta, October 5, 2023	KBUMN
	Training	BSE GRC Masterclass – Joint Venture between SOE and Private Sector	Jakarta, October 19, 2023	KBUMN
	Training	BSE GRC Masterclass – CG Methodology and Environmental and Social Management System	Jakarta, October 25, 2023	KBUMN
	Training	Mini MBA Belgium	Jakarta, November 20-24, 2023	Management Centre Europe
Ahmad Erani Yustika (Commissioner)	Training	BLMI GRC Masterclass – Pre IPO and Post IPO	Jakarta, August 10, 2023	KBUMN
	Training	BSE GRC Masterclass – Socialization of BUMN & BUMN Subsidiary Ratings	Jakarta, September 14, 2023	KBUMN
	Training	BSE GRC Masterclass – GRC Integrated Information for Supervisory Board	Jakarta, October 5, 2023	KBUMN
	Training	BSE GRC Masterclass – Joint Venture between SOE and Private Sector	Jakarta, October 19, 2023	KBUMN
	Training	BSE GRC Masterclass – CG Methodology and Environmental and Social Management System	Jakarta, October 25, 2023	KBUMN
Ilyas Asaad (Commissioner)	Training	BSE GRC Masterclass – Socialization of BUMN & BUMN Subsidiary Ratings	Jakarta, September 14, 2023	KBUMN
	Training	BSE GRC Masterclass – GRC Integrated Information for Supervisory Board	Jakarta, October 5, 2023	KBUMN
	Training	BSE GRC Masterclass – CG Methodology and Environmental and Social Management System	Jakarta, October 25, 2023	KBUMN
	Training	3rd GRC Series: Trends and Integration of MIND ID ESG Obligations for Governance and Risk Management with Deloitte Consulting	Jakarta, November 23, 2023	MIND ID

Name and Position	Type of Education and Training	Education and Training Materials	Place/Date	Organizer
Danny Pradiya (President Director)	Workshop	Establishment of Integrated Governance and Social and Environmental Responsibility Committee of the Board of Commissioners of MIND ID	Jakarta/April 11, 2023	MIND ID
	Conference	World Aluminium Conference 2023	London/May 16-18, 2023	CRU
	Workshop	Kick Off Implementasi CSC (Central Safety Committee)	Virtual/June 5, 2023	INALUM
	Workshop	Realignment of the Company's Long-Term Plan	Bali/July 3-5, 2023	MIND ID
	Workshop	Strategy dan Rolling RJPP Eksplorasi 2024-2028 Grup MIND ID	Bandung/August 8-9, 2024	MIND ID
	Training	MIND ID 1st GRC Series with PwC Indonesia	Virtual/September 22, 2023	MIND ID
	Training	GRC Intergrated Information for Supervisory Board	Virtual/October 5, 2023	KBUMN
	Training	CG Methodology and Environmental and Social Management Systems	Virtual/October 25, 2023	KBUMN
	Training	MIND ID GRC SERIES #3 - Trends and Integration of MIND ID ESG Obligations in Governance and Risk Management	Virtual/November 23, 2023	MIND ID
	Seminar	Mandate: Working Thoroughly with Integrity	Kuala Tanjung/December 13, 2023	INALUM
Seminar	Closing Remarks and INALUM Going Forwards	Kuala Tanjung/December 15, 2023	INALUM	

Name and Position	Type of Education and Training	Education and Training Materials	Place/Date	Organizer
Devi Pradnya Paramita (Director of Finance)	Workshop	Establishment of Integrated Governance and Social and Environmental Responsibility Committee of the Board of Commissioners of MIND ID	Jakarta/April 11, 2023	MIND ID
	Workshop	Management of Subsidiaries and Affiliates of MIND ID Members	Virtual/April 14, 2023	MIND ID
	Workshop	Realignment of the Company's Long-Term Plan	Virtual/June 5, 2023	INALUM
	Workshop	Realignment Rencana Jangka Panjang Perusahaan	Bali/July 3-5, 2023	MIND ID
	Workshop	WeTALK: 101 Cerita AKHLAK - LOYAL	Virtual/September 12, 2023	MIND ID
	Workshop	Policy Alignment for the Implementation of Standardization of Management Remuneration of MIND ID Member Subsidiaries After the Implementation of the Regulation of MBUMN RI Number PER-3/MBU/03/2023 concerning Organs and Human Resources of SOEs.	Jakarta/September 6, 2023	MIND ID
	Training	MIND ID 1st GRC Series with PwC Indonesia	Virtual/September 22, 2023	MIND ID
	Training	GRC Intergrated Information for Supervisory Board	Virtual/October 5, 2023	KBUMN



Name and Position	Type of Education and Training	Education and Training Materials	Place/Date	Organizer
	Training	Joint Venture between SOE and Private Sector	Virtual/October 19, 2023	KBUMN
	Training	CG Methodology and Environmental and Social Management Systems	Virtual/October 25, 2023	KBUMN
	Training	MIND ID GRC SERIES #3 - Trends and Integration of MIND ID ESG Obligations in Governance and Risk Management	Virtual/November 23, 2023	MIND ID
	Seminar	Women Leadership	Kuala Tanjung/ December 14 2023	INALUM

Name and Position	Type of Education and Training	Education and Training Materials	Place/Date	Organizer
	Workshop	MIND ID Group Continuous Improvement Implementation	Jakarta/January 20, 2023	MIND ID
	Workshop	Coordination Meeting of Operations Directorate and MIND ID Group Portfolio Year 2023: <ul style="list-style-type: none"> Alignment of MIND ID's RJPP to Strategic Initiatives Holding Member Strategic Initiatives Against RJPP 	Bali/ March 6-7, 2023	MIND ID
	Workshop	Establishment of Integrated Governance and Social and Environmental Responsibility Committee of the Board of Commissioners of MIND ID	Jakarta/April 11, 2023	MIND ID
	Workshop	Subsidiary and Affiliate Management MIND ID Member	Virtual/April 14, 2023	MIND ID
	Workshop	Kick Off Implementasi CSC (Central Safety Committee)	Virtual/June 5, 2023	INALUM
	Seminar	WeTALK: 101 Cerita AKHLAK - HARMONIS	Virtual/July 11, 2023	MIND ID
Rainaldy Harahap (Director of Operational)	Workshop	Subsidiary and Affiliate Management MIND ID	Bali/July 3-5, 2023	MIND ID
	Workshop	Environmental Stewardship FGD- Establishing Responsible and Sustainable Mining Through Enhancing Environmental Stewardship to Achieve Future Fit Society Culture	Jakarta/August 30-31, 2023	MIND ID
	Workshop	(FGD) Business Development Committee and Chief Mining Engineer (KTT) Summit 2023 MIND ID Group	Makassar/ September 18-20, 2023	MIND ID
	Training	MIND ID 1st GRC Series with PwC Indonesia	Virtual/September 22, 2023	MIND ID
	Training	GRC Intergrated Information for Supervisory Board	Virtual/October 5, 2023	KBUMN
	Training	CG Methodology and Environmental and Social Management Systems	Virtual/October 25, 2023	KBUMN
	Training	MIND ID GRC SERIES #3 - Trends and Integration of Mind Id ESG Obligations in Governance and Risk Management	Virtual/November 23, 2023	MIND ID
	Seminar	IN DEEP: Topic "ADAPTIF"	Kuala Tanjung/ December 11, 2023	INALUM

Name and Position	Type of Education and Training	Education and Training Materials	Place/Date	Organizer
	Seminar	IN DEEP: Topik "HARMONIS"	Kuala Tanjung/ December 13 2023	INALUM

Name and Position	Type of Education and Training	Education and Training Materials	Place/Date	Organizer
	Seminar	WeTALK : 101 Cerita AKHLAK - Competent	Virtual/March 7, 2023	MIND ID
	Training	Innovation in Global Curtin	Jakarta/ February 27-28, 2023	MIND ID
	Workshop	MIND Dialogue: Mining Industry Outlook: An Expansive Strategy to Face the Global Mining Industry 2023	Jakarta/March 16, 2023	MIND ID
	Workshop	Establishment of Integrated Governance and Social and Environmental Responsibility Committee of the Board of Commissioners of MIND ID	Jakarta/April 11, 2023	MIND ID
	Training	Key Performance Indicator (KPI) Cascading - Performance Based Culture Grup MIND ID	Jakarta/May 12, 2023	MIND ID
	Workshop	Kick Off Implementation CSC (Central Safety Committee)	Virtual/June 5, 2023	INALUM
	Workshop	Focus Group Discussion (FGD) Renewal of Cooperation Agreement for Vocational Education Program Diploma 1 (D1) Bukit Asam Mining Industry Community Academy (AKIPBA)	Jakarta/June 13, 2023	MIND ID
Benny Alexander FD. Wiwoho (Human Capital Director)	Seminar	WeTALK : 101 Cerita AKHLAK - Harmonious	Virtual/July 11, 2023	MIND ID
	Workshop	FGD ICT Week	Yogyakarta/August 29-31, 2023	MIND ID
	Workshop	Policy Alignment for the Implementation of Standardization of Management Remuneration of MIND ID Member Subsidiaries After the Implementation of the Regulation of MBUMN RI Number PER-3/MBU/03/2023 concerning Organs and Human Resources of SOEs.	Jakarta/September 6, 2023	MIND ID
	Training	MIND ID 1st GRC Series with PwC Indonesia	Virtual/September 22, 2023	MIND ID
	Training	GRC Intergrated Information for Supervisory Board	Virtual/October 5, 2023	KBUMN
	Training	CG Methodology and Environmental and Social Management Systems	Virtual/October 25, 2023	KBUMN
	Training	MIND ID GRC SERIES #3 - Trends and Integration of MIND ID ESG Obligations in Governance and Risk Management	Virtual/November 23, 2023	MIND ID
	Seminar	Opening Session Inalum Culture and Learning Fest 2023	Kuala Tanjung/ December 11, 2023	INALUM
Seminar	IN DEEP: Topic "KOLABORATIF"	Kuala Tanjung/ December 12, 2023	INALUM	



Name and Position	Type of Education and Training	Education and Training Materials	Place/Date	Organizer
	Seminar	IN DEEP: Topic "AMANAH"	Kuala Tanjung/ December 14, 2023	INALUM
	Training	The 13th Indonesian HR Summit	Bali, June 19-20, 2023	IHRS
	Workshop	CHRO School Program - Modul 1	Bali, October 13-14, 2023	KBUMN
	Workshop	CHRO School Program - Modul 2	Bali, November 17- 18, 2023	KBUMN

Name and Position	Type of Education and Training	Education and Training Materials	Place/Date	Organizer
Melati Sarnita (Business Development Director)	Workshop	(FGD) Business Development Committee and Chief Mining Engineer (KTT) Summit 2023 MIND ID Group	Makassar/ September 18-20, 2023	MIND ID
	Workshop	Development of MIND ID Group Technology Strategic Plan	Yogyakarta/ September 7-8, 2023	MIND ID
	Training	MIND ID 1st GRC Series with PwC Indonesia	Virtual/September 22, 2023	MIND ID
	Training	GRC Intergrated Information for Supervisory Board	Virtual/October 5, 2023	KBUMN
	Training	CG Methodology and Environmental and Social Management Systems	Virtual/October 25, 2023	KBUMN
	Workshop	(FGD) Supply Chain Management Grup MIND ID	Bandung/December 11-14, 2023	MIND ID
	Training	MIND ID GRC SERIES #3 - Trends and Integration of MIND ID ESG Obligations in Governance and Risk Management	Virtual/November 23, 2023	MIND ID
	Seminar	Women Leadership	Kuala Tanjung/ December 14, 2023	INALUM

As well as training on sustainability topics, the Company's Board of Commissioners and Board of Directors also take part in other training to increase the required competencies. Detailed training information for the Board of Commissioners and Board of Directors can be found in the 2023 Annual Report in the Corporate Governance section.

GOVERNANCE BODIES' PERFORMANCE EVALUATION [GRI 2-18]

Evaluation of the Governance Bodies' performance is very important to ensure that they function well and can fulfill their responsibilities towards the organization or Company. The evaluations relate to performance in overseeing the management of the Company's impact on the economy, environment and the communities. Performance evaluations are carried out based on the duties and responsibilities listed in the Board Manual and measured by key performance indicators (KPI) as well as the Board of Commissioners and Board of Directors Work Plan.

Related to sustainability issues, INALUM carries out sustainability evaluations using several mechanisms such as:

- Evaluation of Corporate and Board of Directors KPIs related to ESG
- Evaluation of the fulfillment of Shareholder Aspirations related to ICMM
- Monitoring and Evaluation Reporting for MIND ID Members covering Sustainability issues
- Evaluation of sustainability performance achievements such as achieving PROPER level, achieving Good Corporate Governance (GCG) scores, achieving ESG Index, and others

The evaluations are carried out regularly, at least once a month, in the Board of Directors Meetings, Board of Commissioners Meetings, Board of Directors and Board of Commissioners Meetings, or discussions on sustainability performance in other meetings of the highest governance bodies, and also in regular meetings with the Ministry of SOEs, Technical Ministries, Institutions in other countries, as well as at the Annual GMS.

TRANSPARENCY AND ACCOUNTABILITY

THE ROLE OF GOVERNANCE BODIES IN SUSTAINABILITY REPORTING [GRI 2-14]

The governance bodies play an important role in the preparation and publication of the Sustainability Report. The following shows the roles of MIND ID Member Governance Bodies in the preparation and publication of sustainability reports:

1. Determining goals and targets related to environmental, social and economic issues that are the focus of the sustainability report.
2. Developing policies and procedures related to the preparation and publication of sustainability reports.
3. Monitoring the sustainability programs and ensuring the targets set are achieved.
4. Identifying material issues to be included in the Sustainability Report.
5. Communicating with stakeholders
6. Selecting appropriate assurers to ensure the validity and reliability of the report.

COMMUNICATING CRITICAL MATTERS [GRI 2-16]

The Company has a complaint facility for stakeholders to report any operational activities of the Company that could disrupt the continuity of life, harm other parties, or cause conflicts. Stakeholders have the opportunity to report directly regarding the negative impacts caused by the Company's projects.

Complaints and grievances can be submitted via the Whistleblowing System (WBS) channel. Each report received is then submitted to the Company's internal team consisting of the Governance, Human Capital, Risk Management and Internal Audit functions. which is then reported to the President Director on a regular basis Quarterly.

All incoming complaints in 2023 were reported to the highest governance body in accordance with the Company's procedures for reporting incoming complaints.

WBS is also a means of preventing, disclosing violations or acts of fraud within the Company. Stakeholders can also report other critical matters regarding human rights violations.

REMUNERATION POLICY [GRI 2-19, 2-20, 2-21]

In accordance with Minister of SOEs Regulation No. PER-12/MBU/11/2020 dated November 25, 2020 concerning the Fifth Amendment to Minister of SOEs Regulation No. PER-04/MBU/2014 concerning Guidelines for Determining the Remuneration for the Board of Directors, Board of Commissioners and Supervisory Boards of SOEs, whereby the determination of remuneration for the Board of directors and Board of Commissioners refers to the general meeting of shareholders resolutions, after taking into account the results of studies carried out by the Company including performance achievements, KPIs, sustainability performance and predetermined sustainability targets, and inflation in the current year to determine the amount of remuneration and its increase.

The composition of the Board of Directors remuneration consists of fixed components and bonuses based on KPI achievement, while for the Board of Commissioners, the remuneration composition consists of tantem and others. Information on the policies, mechanisms, structure and amount of remuneration for INALUM's highest governance bodies can be found in detail in the Corporate Governance Chapter of INALUM's 2023 Annual Report.

INALUM is fully committed to providing compensation to all INALUM personnel by considering their achievements and performance and does not discriminate by differentiating between compensation given to men and women or other forms of discrimination outside of considering position levels, length of service and performance.

BUSINESS ETHICS AND COMPLIANCE

Conflict of Interest [GRI 2-15]

The Company avoids all forms of conflict of interest by selecting officials at the level of Directors, Commissioners, Division Heads up to managerial level after professional and integrity consideration. Each member of the Company's Board of Directors has no affiliations with other members of the Board of Directors, members of the Board of Commissioners, or the Controlling Shareholders.

Management of Board of Directors Conflicts of Interest

Board of Directors Conflicts of Interest arise due to the personal interests of the Directors that could have the potential to conflict with the Company's interests for increasing the value of the Company, achieving profits and achieving the Company's Vision and Mission as mandated by the Shareholders.

The management of Board of Directors Conflicts of Interest is a principle adopted by the Company to prevent conflicts of interest and the subsequent implications that can arise, and includes the following:

- Compliance with all applicable policies, regulations and procedures.
- Not owning shares in business entities that are business partners of the Company, either in their own name or as a nominee (using someone else's name) or in the name of their family (up to the third degree, either in a straight or lateral line, including relationships arising from marriage).
- Not holding concurrent positions or work at other companies that are the Company's business partners.
- Does not receive benefits in any form from prospective or business partners of the Company. This also applies to employee families.



Management of Board of Commissioners Conflicts of Interest

Controlling Board of Commissioners potential conflicts of interest refers to the GCG Guidelines, Company Code of Conduct and Management Guidelines for the Board of Commissioners & Board of Directors. The Board of Commissioners avoids conflicts of interest by:

1. Avoiding conflicts of interest
2. Avoiding any activities that could affect independence in carrying out their duties
3. Completing a special list of share ownership
4. By not responding to requests from any party and for any reason, either directly or indirectly from any party, including those related to the procurement of goods and services in the Company if by so doing can influence decision making
5. By not taking advantage of their position for personal interests or those of other related people or parties which are contrary to the Company's interests
6. Making disclosures in the event of a potential conflict of interest, whereby the relevant members of the Board of Commissioners/Board of Directors must not involve themselves in the Company's decision-making process regarding these matters.

More details about the conflict of interest management policy can be found in INALUM's 2023 Annual Report, in:

- Chapter on Affiliated Relationships of Members of the Board of Directors, Board of Commissioners and Controlling Shareholders
- Chapter on Management of Board of Directors Conflicts of Interest
- Chapter on Management of Board of Commissioners Conflicts of Interest

When managing conflicts of interest, INALUM identifies potential, reports and handles conflicts of interest with full integrity. INALUM also encourages transparency and integrity in decision making by considering the interests of all parties.

To ensure that there are no conflicts of interest, the code of ethics guidelines regulate business behavior and work behavior..

Business Conduct, including the Company's relationship with:

1. Employees
2. Customers
3. Suppliers
4. Creditors/Investors
5. Work Partners
6. Competitors
7. Government and Public Institutions
8. Community
9. Media
10. MIND ID Group Members

Work Behavior, including:

1. Fellow Company Employees
2. Company Information

3. Company Assets
4. Intellectual Property
5. Security and Safety, Occupational Health and Environmental Protection (K3LL)
6. Financial Reports
7. Conflict of Interest and Abuse of Authority
8. Giving and Receiving (Gratification)
9. Political Activities

The Code of Conduct is communicated to all employees through routine socialization and other internalization programs. As well as employees, the Code of Conduct is also communicated to external stakeholders such as partners/providers. The Code of Conduct can also be accessed digitally on the Company's website.

All employees at all levels of the Company are committed and responsible for consistently following the code of conduct. The Board of Directors and Audit Committee have emphasized the importance of the code of conduct for the continuity of the Company. In 2023 there were no material transactions containing conflicts of interest involving members of the Board of Commissioners, Board of Directors, suppliers, related parties or other third parties.

WHISTLEBLOWING SYSTEM

INALUM always upholds its commitment to supporting Good Corporate Governance implementation. One of the efforts made is to provide a system that regulates procedures for complaints and disclosure of violations using a Whistleblowing System (WBS).

In this area, the Company's violation categories include fraud, corruption, abuse of official authority, legal violations and other violations that are detrimental to the Company and its stakeholders.

Company WBS Structure and Mechanism

The Whistleblowing System is managed by the Company's internal team who manage, process, follow up on reports or disclosure of violations including fraud, corruption, abuse of authority, unlawful behavior, unethical acts by prioritizing confidentiality and independence. This system also aims to optimize the participation of INALUM personnel and the Company's business partners in uncovering violations within the Company, and is regulated in Company Regulation No. PER-008/DIRPEL/2021 concerning the Whistleblowing System.

The Company has appointed a Whistleblowing Team as the manager for handling the whistleblowing system reports, which consists of personnel from the Governance function, Human Capital function, Risk Management function and



Internal Audit function. The Whistleblowing Team’s duties include managing, analyzing and evaluating incoming reports and providing proposals/recommendations for case closure or follow-up.

When carrying out its duties, the Whistleblowing Team has the right to summon whistleblowers and related parties to request/examine documents required for the process of analyzing and evaluating incoming reports. Reports on violations are reported quarterly to the President Director.

WBS Socialization

In 2023, the Company carried out the following socialization to INALUM stakeholders and personnel:

1. Offline socialization to Partner Banks on November 29, 2023 at the INLAUM Kuala Tanjung Office in collaboration with the Finance function.
2. Online socialization to customers on July 26, 2023, and to vendors on December 8, 2023 in collaboration with the Commercial and Procurement function.
3. Broadcast videos and banners delivered to all functions. Whistleblowing material is also given to new employees of the Company. The internalization of whistleblowing was also included in the FGD agenda on GCG implementation, where the BPKP Representative of North Sumatra was invited as a resource person.

This socialization provided an in-depth understanding of the Whistleblowing System managed by INALUM, and was also aimed at encouraging all INALUM personnel to play an active role in reporting any attempts of, or suspected deviant actions.

Mechanism for Submitting Violation Reports

1. Reporting violations are addressed to the Whistleblowing Team and submitted in writing via the following whistleblowing media:
 - e-mail: wbs@inalum.id;
 - or by letter addressed to: INALUM Whistleblowing Team at: PT INALUM Head Office, P.O.BOX 1 Kuala Tanjung, Sei Suka District, Batu Bara Regency, North Sumatra Province;
 - or via short message to the cellular telephone number specified by the Company: (Handphone No. (WhatsApp Message Only) : +62-813-5454-3100).

2. So that reporting violations can be followed up with an investigation, the whistleblowers can provide information concerning their personal data, or without (anonymously); but must provide evidence, information or clear indications of the reported violation so that it can be traced and/or followed up. The contents of the report include 5W 1H (What, When, Why, Who, Where and How).

Protection for Whistleblowers

The Company is obliged to keep the identity of the whistleblowers and the contents of the report confidential. In addition, the Company also guarantees protection for whistleblowers from all forms of threats, intimidation or unpleasant actions from any party as long as the whistleblower maintains the confidentiality of the reported case. Also, the Company can reward whistleblowers for reported violations that can be proven, and save the Company’s assets and finances.

Complaint Handling

The Whistleblowing Team is responsible for receiving, investigating and handling complaints submitted by whistleblowers through the channels provided by the Company. During the process, the Company will guarantee the security and confidentiality of the whistleblowers’ information. All reports received will be followed up seriously and handled objectively to ensure fairness and compliance with the Company’s ethical norms. The deadline for handling violation reports is their completion within a maximum of 30 (thirty) working days.

Party Managing Complaints

The INALUM Whistleblowing System is managed by a Company internal team consisting of the Governance, Human Capital, Risk Management and Internal Audit functions.

Number of Complaints Incoming and Processed in 2023

During 2023, the Company received 4 (four) reports of alleged violations committed by employees. These reports were followed up in accordance with the provisions set by the Company.

	2023
Number of complaints received	4
Number of complaints processed	4
Composition of incoming and processed complaints	4

Sanctions/Follow-up for Complaints that were Completed Processed in the Fiscal Year

Every reported party proven to have committed a violation was sanctioned in accordance with the provisions set by the Company.



ANTI-CORRUPTION [GRI 205-1] [EM-MM-510a.1]

PROGRAMS AND PROCEDURES IMPLEMENTED TO OVERCOME CORRUPTION, KICKBACKS, FRAUD, BRIBERY AND/OR GRATIFICATION PRACTICES

INALUM is committed to implementing business practices that are clean and free from potential corruption and bribery, and is also active in supporting efforts to prevent and eradicate corruption in the Company. This policy is regulated in the gratification control policy as stated in the Board of Directors' Decree No. SK-012/DIR/2019 and Board of Directors' Decree No. SK-024/DIR/2020 concerning the Anti-Bribery Management System Guidelines (SMAP). The Board of Directors' decision letter refers to the applicable laws.

The main objective of these policies is to prevent material losses in commercial profits and immaterial losses in the form of reputation that could disrupt the Company's sustainability. In addition, the development of this anti-corruption policy is also in line with efforts to increase compliance with laws and regulations and support Government programs to prevent acts of corruption in Indonesia. To strengthen the anti-corruption policy, INALUM also implements ISO 37001 on ABMS (Anti Bribery Management System) which is risk-based. In identifying risks related to bribery, INALUM has guidelines related to risk management that are identified according to all departments and sections.

The governance category, coded C2, is related to gratuities, corruption, fraud, and conflicts of interest.

ANTI-CORRUPTION AND GRATIFICATION TRAINING FOR EMPLOYEES [GRI 205-2]

The Company consistently organizes training related to Anti-Corruption and Gratification Control socialization as a form of the Company's commitment to Anti-Corruption Culture and Gratification Control. Up until December 31, 2023, INALUM organized a series of training related to socialization of Anti-Corruption and Gratification Control within the Company, which included:

Time	Training Activities
Onboarding for new employees	Socialization is carried out in the induction training program for every new employee in 2023
April and December 2023	The Company issued warnings regarding a prohibition on accepting gratification during religious holidays and New Year
January - December 2023	Anti-gratification, bribery and Whistleblowing System (WBS) campaign through banners distributed at every function
January - December 2023	Submission of explanations of gratification, whistleblowing on the Company's website
December 22, 2023	FGD Internalization of GCG Implementation, including material on gratification, fraud and SMAP.

INALUM is also committed to not accepting or asking for gratuities. In this regard, the Company has issued a Statement of Commitment to Implement Gratification Control that contains the basic principles in PT INALUM, namely a statement that the Company will always apply and carry out the function of gratification control, prepare a budget for gratification control, provide human resources to implement gratification control, and cooperate with KPK to keep the whistleblower's data confidential.

REPORTING AND SANCTIONS

All INALUM personnel or other parties who are not directly involved but are aware of gratification violations involving INALUM management and employees can report receipt of gratification through the following reporting media provided by the Company:

1. Reports on the receipt or rejection of gratification can be submitted to INALUM UPG via the reporting form or the Internal GCG System. Employees are required to submit their gratification reports to INALUM UPG no later than 7 (seven) working days after the gratification occurs. External stakeholders can report gratification events related to INALUM employees via the Whistleblowing System channel.
2. Violations of the Company's gratification control policy are subject to sanctions in accordance with applicable regulations, and failure to submit gratification reports is taken into consideration together with an evaluation of the level of employee compliance.



ANTI-CORRUPTION AND GRATIFICATION SOCIALIZATION

As a form of its strong commitment to the Anti-Corruption and Gratification Culture, the Company continuously carries out Anti-Corruption and Gratification Control socialization. This is aimed at increasing awareness in INALUM employees so they can understand and apply this culture. During 2023, the Company conducted socialization for all employees, vendors, buyers and partner banks.

The Company routinely implements a program to internalize GCG principles that includes material on gratification control, anti-bribery and anti-corruption. This is routinely carried out to strengthen the understanding and commitment of all employees on the values of integrity, and uses social media, internal websites and direct meetings.

The socialization carried out by the Company to external stakeholders throughout 2023 included:

1. To Customers on July 26, 2023, which was held online, in addition to socializing the application of GCG principles, where the Company's anti-bribery enforcement was also conveyed through ISO 37001 SMAP certification.
2. To Partner Banks on November 29, 2023, where this agenda also served as a reminder or appeal to partner banks regarding controlling gratification within the Company as well as implementing anti-bribery enforcement. The socialization to Partner Banks was carried out offline by the INLAUM Kuala Tanjung Office.
3. To vendors on December 8, 2023, as a refreshment program to socialize GCG implementation, and the ISO 37001 Anti-Bribery Management System (SMAP). This agenda was carried out online in collaboration with the procurement team.
4. Letters of appeal prohibiting the giving and/or offering of gratification to INALUM personnel and their families, addressed to all partners and partner banks ahead of religious holidays and New Year celebrations were routinely delivered.

REPORTING MECHANISM

In accordance with the gratification control policy in the Board of Directors' Decree No, SK-012/DIR/2019 concerning Gratification Control, all employees are required to submit their gratification reports to INALUM UPG, whether it is an acceptance or rejection, no later than 7 (seven) working days after the gratification is received/rejected. Employees can report gratification via a reporting form or through the internal GCG system. Then, INALUM UPG will determine the reports to be forwarded to KPK. In INALUM UPG, all gratification reports received are submitted every 6 (six) months to the President Director.

GRATIFICATION RECEIPT REPORT FOR 2023 [GRI 205-3]

During 2023, there were 2 (two) reports of acceptance or rejection of gratification received within the Company. The reported receipt of gratification included food parcels from third parties, for these gifts INALUM UPG decided to donate the food parcels to orphanages around the Kuala Tanjung office area.



COMPLIANCE WITH LAWS AND REGULATIONS

[GRI 2-27] [ASI 3.2]

As part of a state-owned entity, INALUM is committed to complying with laws and regulations. To strengthen its compliance, INALUM conducts regular internal audits to evaluate the Company's compliance with internal regulations and policies, provides appropriate training and education to employees regarding applicable laws and regulations, and periodically updates Company policies and procedures to ensure compliance with changes in regulations or applicable law.

INALUM also strives to comply with applicable rules and regulations. Referring to 2017 Law No. 7 concerning General Elections which prohibits giving campaign funds for the benefit of political parties in elections, including SOEs, INALUM did not provide financial or in-kind assistance to political parties or make political contributions. In the reporting year, it did not provide political contributions in any form. [\[GRI 415-1\]](#)

During the reporting year, there were no violations of laws and regulations committed by INALUM personnel.



RISK MANAGEMENT [OJK E.3] [GRI 2-23, 2-25]

Risk is a crucial matter that can have a lasting negative impact and disrupt the stability and smooth performance of the Company. For this reason, the Company has to manage risk effectively. To do so, INALUM has instigated Risk Management Policies and Guidelines that refer to ISO 31000:2018 as a guideline for the Company and subsidiaries to manage risks, and to standardize and synergize risk management practices to optimize the ability to identify, analyze, evaluate and respond to risks and take advantage of opportunities that exist to achieve the Company’s targets. The Board of Directors has a significant role in managing the Company’s risks. The Board of Directors is responsible for ensuring that the implementation of risk management in the Company is effective where all Company risks are at an acceptable tolerance level.

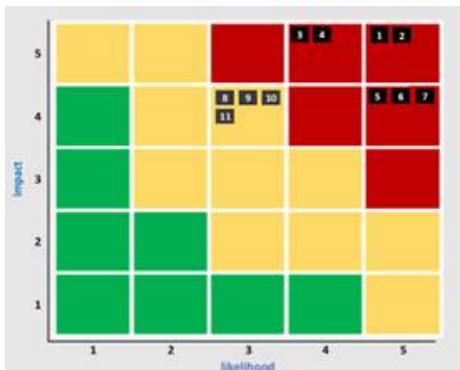
The Board of Directors has also established guidelines and policies on risk management. In every decision-making process, the Board of Directors also seeks opinions and views from the Board of Commissioners, risk management, legal and compliance teams.

Furthermore, to identify and mitigate risks to achieve the Company’s targets and objectives, INALUM has established a Risk Management Department Team (TMRD). INALUM Also uses the SIMRI application system (Risk Management Information System) to make it easier for Risk Owners to manage risks.

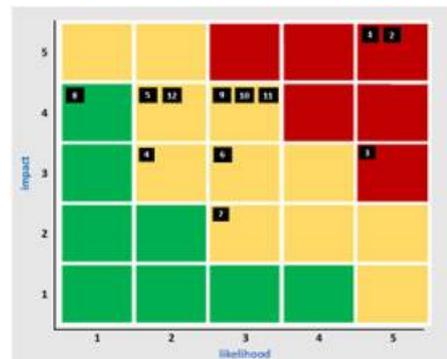
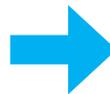
In 2023, a Risk Maturity Index assessment for risk management practices for fiscal year 2022 was carried out by MIND ID Group entities with a result of 3.46 out of 5.00 (Defined).

2023 RISK PROFILE AND MITIGATION

The following shows the Company’s risk profile and the mitigation INALUM carried out in 2023.



Top Risk Map as at January 1, 2023



Top Risk Map as at December 31, 2023



2023 Risk Profile and Mitigation

No.	Types of Risk	Description	Mitigation
1	Strategic Risk	Investment in subsidiaries is not yet optimal	<ul style="list-style-type: none"> Accelerate the formation of a P2MO organization under the Business Development Directorate. Make adjustments to subsidiary governance regulations according to policies (KP). Monitor projects using the Portfolio, Program & Project Management Office (P2MO) application. Monitor Subsidiary Performance every month.
2	Project Risk	Development projects have stalled	<p>CPC</p> <ul style="list-style-type: none"> Update Project Management Consultant (PMC) Procurement Documents Carry out litigation/non-litigation efforts for the HPL of project land. Procure contractors for Engineering Procurement and Construction (EPC). Fulfill the number and competency of HC based on the CPC project Owner Engineer ideal needs. <p>Pot Upgrading</p> <ul style="list-style-type: none"> Increase the use of the existing Induction Furnace to increase production of cathode assemblies (8 bh/day to 12 bh/day). Accelerate repairs to the SAMI Induction Furnace. Add labor for busbar welding, 6 additional welders. Start a cold start test of individual pots. <p>Pot Optimasi</p> <ul style="list-style-type: none"> Fabricate busbars for 5 pot bypass in an effort to accelerate construction/modification of busbar ring cathodes. Accelerate lining work. Accelerate validation of design pot tests.
3	Legal, Reputation & Compliance Risk	TUN Dispute over INALUM Land	<ul style="list-style-type: none"> Provide assistance through legal consultants. Collaborate with land experts. Get support from KBUMN and related Ministries.
4	Legal, Reputation & Compliance Risk	Payment of Water Resources Management Services Fees (BJPSDA) and Water Resources Management Services Program (PJPSDA)	<ul style="list-style-type: none"> Accelerate the JPSDA Agreement Signing for 2023-2025. Accelerate the PJPSDA preparation and ratification for 2023. Record the progress of PJPSDA by PJT1 and INALUM. Prepare SKDIR for BJPSDA/PJPSDA.
5	Operational Risk	Production failure due to PIO under RKAP and Pot Upgrading Delay	<ul style="list-style-type: none"> Optimize the Existing PIO (Potline 1 and 3). Optimize PIO Pot Upgrading (Potline 2). Perform product substitution & sales price analysis (importation). Remelting Busbar Ex. Potline-2, Al Spec-out, Metal scrap, Metal ball. Complete the availability of key equipment to be used jointly between Upgrade Pots, Existing Pots, Optimization Pots.
6	Operational Risk	Disruption of the production process due to operating parameter anomalies	<ul style="list-style-type: none"> Conduct a Maintenance Plan Audit. Add a Portable Compressor. Arrange compressed air path settings (upper 0.5/lower 0.1). Check for leaks in the compressed air distribution pipe. Optimize the cooling pot.
7	Operational Risk	Availability of key equipment is disrupted	<ul style="list-style-type: none"> Accelerate the procurement of spare parts. Carry out repairs and renewal of key equipment.



2023 Risk Profile and Mitigation

No.	Types of Risk	Description	Mitigation
8	Financial Risk	Limited funding for carrying out the Company's strategic projects	<ul style="list-style-type: none"> Carry out ranking, prepare terms notes with consultants, offer MTN to Holding members. Update PM and WI MTN and other funding. Issue and complete all Company policies as the key Governance tools in accordance with Policies.
9	Strategic Risk	The Company's growth stories are not attractive to investors	<ul style="list-style-type: none"> Realign the RJPP. Provide consultant assistance for the pre-IPO process and preparation of the Prospectus draft. Prepare a Gate Review and FID Project by MIND ID as a strategic function. Prepare alternative funding other than IPO (bonds, bank loans) if necessary.
10	Strategic Risk	Reduction in INALUM's Market Share and Competitiveness due to the presence of New Competitors in the Domestic Aluminium Industry	<ul style="list-style-type: none"> Expand the export market for the medium and long term, both directly and through Mind ID Trading (MIT). Take advantage of INALUM's competitive advantage by using environmentally friendly energy sources in the form of green aluminium/low carbon aluminium certification. Increase customer loyalty and satisfaction by maintaining consistent product quality, conducting direct selling and Just in Time Delivery. Provide competitive aluminium product prices through price flexibility in the form of premium discounts to domestic buyers.
11	Legal, Reputation & Compliance Risk	The Basic Surface Water Price (HDAP) Surface Water Tax (PAP) in PERGUBSU is still Rp300 per kWh	<ul style="list-style-type: none"> Prepare letter of relief for the tax bill that is still at a rate of Rp300 per kWh. Conduct joint discussions with other related parties to settle the HDAP value and tax receivables, currently being mediated by Jamdatun. Send an objection letter to the Provincial Government regarding the issuance of the PAP Regional Tax Assessment Letter (SKPD) for the tax period > August 2022 (if the relief letter is not granted). Prepare executive reviews, judicial reviews and litigation (if necessary).
12	Operational Risk	Availability of Key Raw Materials below Safety Stock	<ul style="list-style-type: none"> Procure materials quickly during emergencies with registered vendors (if necessary). Monitor the collaboration with MIT. Increase green block production to increase stock.

REVIEW OF THE RISK MANAGEMENT SYSTEM EFFECTIVENESS

The effectiveness of the risk management was evaluated by measuring the maturity level by an independent party and Internal Audit. The risk management maturity level consists of 5 categories, including:



Optimized	Score $4.5 < x \leq 5$ Risk management is a competitive advantage
Managed	Score $3.5 < x \leq 4.5$ Measurable, manageable risks apply throughout the company
Defined	Score $2.5 < x \leq 3.5$ Policies, processes and standards are defined and institutionalized
Repeatable	Score $1.5 < x \leq 2.5$ Processes are already developed and repeatable, depending on HC continuity
Initial	Score $1 < x \leq 1.5$ Dependent on key personnel initiatives, institutional capabilities are lacking

FINANCIAL IMPLICATIONS AND OTHER RISKS DUE TO CLIMATE CHANGE [GRI 201-2, 2-23]

Climate change impacts many aspects of human life, including financial and risk aspects. INALUM is in the initial process of starting to identify risks and opportunities from climate change in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and ICM Performance Expectations.

As an initial stage of this process, INALUM has qualitatively identified a number of climate risks that have the potential to affect assets and operational capabilities. The following are the results of this identification:

- **Damage to assets and infrastructure:**
Climate change can cause natural disasters such as floods, storms, droughts and forest fires that can damage assets and infrastructure. This could result in financial losses for the Company as it must finance repairs and restoration.
- **Higher energy costs:**
Climate change can affect energy availability and prices. For example, drought can reduce the supply of hydroelectric energy, while more extreme weather can increase energy demand for cooling or heating. This can have an impact by increasing energy prices that must be paid by consumers and the Company.
- **Higher insurance costs:**
The risk of damage to assets and infrastructure due to climate change can cause an increase in insurance costs for the Company. This can burden finances and increase the Company's operational costs.
- **Legal risks:**
The government and regulatory bodies may issue new rules and laws related to climate change that may affect the Company's operations and business. Companies that do not comply with these regulations may face significant legal risks and financial sanctions.

- **Supply shortages and supply instability:**
Climate change can affect the supply of raw materials and commodities needed by the Company, especially in the agricultural, food and energy sectors. This can cause supply shortages and price instability that can affect the Company's performance and profitability.
- **Reputational risk:**
Companies that are considered environmentally unfriendly and irresponsible for climate change can face reputational risks that can affect their image. Apart from the risks, climate change also creates a number of new opportunities, INALUM together with the MIND ID Group have initiated the Indonesia Battery Corporation (IBC) to explore business opportunities to support the development of the Electric Vehicles (EV) ecosystem. In the future, INALUM together with the MIND ID Group will continue to identify other opportunities driven by climate change.



STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS CONCERNING RESPONSIBILITY FOR THE 2023 SUSTAINABILITY REPORT OF PT INDONESIA ASAHAN ALUMINIUM

We, the undersigned, declare that all information in the 2023 Sustainability Report of PT Indonesia Asahan Aluminium has been fully contained and take full responsibility for the correctness of the contents of the Company’s Sustainability Report.

This statement is made truthfully.

Jakarta, April 29, 2024

Board of Commissioners

President Commissioner



Jhoni Ginting

Independent Commissioner



Martuani Sormin

Commissioner



Ilyas Asaad

Commissioner



Ahmad Erani Yustika

Board of Directors,

President Director



Danny Praditya

Director of Finance



Devi Pradnya Paramita

Director of Operation



Rainaldy Harahap

Director of Human Capital



Benny Alexander FD. Wiwoho

Director of Business Development



Melati Sarnita



06

APPENDIX



WRITTEN VERIFICATION FROM AN INDEPENDENT PARTY [OJK G.1]

This Sustainability Report has received written verification from an independent and credible Assurance Services Provider for the period of assurance services for the financial year 2023, namely SR Asia Indonesia, which is carried out in accordance with the ISAE3000/AA1000 standard. The assurer was not involved in the process of preparing the report and thus there is no conflict of interest.



Independent Assurance Statement The 2023 Sustainability Report of PT Indonesia Asahan Aluminium

Number : 18/000-758/VI/2024/SR-Asia/Indonesia

Assurance Type : Type 1

Assurance Level : Moderate

Reporting Standards : GRI Universal Standard 2021 Consolidated

Reporting Regulation : Sustainable Finance Regulation POJK No. 51/POJK.03/2017 (Indonesia)

Dear stakeholders,

Social Responsibility Asia or “SR Asia” is issuing an **Independent Assurance Statement** (“the Statement”) of the **2023 Sustainability Report** (“the Report”) of **PT Indonesia Asahan Aluminium** (“the Company”). The Company is a Stated-Owned Enterprises which carry out the business of aluminum production and processing. The Report presents the commitment and efforts of the Company in managing its sustainability performance for the reporting period of **January 1st to December 31st, 2023**. As agreed with Management, SR Asia’s responsibility is to make an assessment based on the data and content of the Report for the year.

Intended User and Purpose

The purpose of the Statement is to present our opinion including the findings and recommendations based on the results of assurance work to the Company’s stakeholders. The assessor team in accordance with specific procedures and a specific scope of work carried out the assessment. Except for the areas covered in the scope of the assurance, we encourage all NOT to solely interpret the Statement as the basis to conclude the Company’s overall sustainability performance.

Responsibilities

Our obligations to the Management involve assessing the Report’s content, generating findings, and recommendations, and issuing a Statement. Additionally, we are tasked with establishing conclusions and recommendations according to agreed-upon standards, methods, and approaches. Consequently, SR Asia’s evaluation is solely based on the most recent editorial and data received as of June 19th, 2024, regarding the final draft. SR Asia’s responsibility lies solely in providing assurance work, distinct from an audit, in accordance with the Non-Disclosure Agreement, the Assurance Engagement Agreement, Representation Letter, and Subsequent Event Testing. Management bears the sole responsibility for presenting data, information, and disclosures within the Report. Therefore, any parties relying on the Report and Statement must assume and manage their own risk.

Independence, Impartiality, and Competency

SR Asia confirms NO relationships between the assessor team and the clients that can influence their independence and impartiality to conduct the assessment and generate the Statements. The assessor team is mandated to follow a particular assurance protocol and professional ethical code of conduct to ensure their objectivity and integrity. We carried out a pre-engagement assessment before the assurance work was taken to verify the risks of engagement as well as the independence and impartiality of the team. The assessor team members have knowledge of ISO 26000, AA1000 AccountAbility standards and principles, and also have experience in sustainability report assessment based on various reporting regulations such as GRI Universal Standard and Regulation of Otoritas Jasa Keuangan No.51/POJK.03/2017 on Sustainable Finance.





Type and Level of Assurance Service

1. **Type 1 assurance** on the Report content
2. **A moderate level of assurance** to the procedure on the Report content and evidence, where the risks of information and conclusions of the Report being error is reduced, but not to very low, but not zero.

Scope and Limitation of Assurance Service

1. Data and information in the Report for the period of **January 1st to December 31st, 2023**. Material topics presented in the Report: **Business Ethics & Compliance, Biodiversity, Decarbonization, Responsible Production (waste), Health & Safety, Recruitment, Inclusion & Diversity, Learning & Development, Labor Rights, Human Rights, and Stakeholder Engagement**.
2. Evaluation of publicly disclosed information, system, and process of the Company to ensure adherence of the Report content to the reporting principles.
3. SR Asia does NOT include financial data, information, and figures in the Report content. We assumed that the Company, independent parties, or other parties associated with the Company have verified and/or audited financial statements, data, and information.
4. Adherence to the following reporting principles, standards, and regulations:
 - a) Consolidated set of GRI Sustainability Reporting Standards 2021 (GRI Universal Standards) issued by the Global Reporting Initiative.
 - b) Regulation of Otoritas Jasa Keuangan (OJK) No.51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Service Institution, Listed, and Public Companies (POJK 51) with reference to OJK Circular Letter (SEOJK) 2022 No.16/SEOJK.04/2021.

Exclusion

1. The expression of opinion, belief, expectation, advertisement, and also forward-looking statements, including future planning of the Company as specified in the Report content.
2. Analysis or assessment against regulations, principles, standards, guidelines, and indicators other than those indicated in the Statement.
3. Topics, data, and information outside the reporting period, or in the public domain not covered in the reporting period.
4. Financial performance data and information as presented in the Company's financial statements and documents, other than those mentioned in the Report.

Methodology and Source Disclosure

1. Form an Assuror Team whose members are capable in sustainability report development and assurance.
2. Perform the pre-engagement phase to ensure the independence and impartiality of the Assuror Team.
3. Hold a kick-off meeting and initial analysis of the Report draft based on the SR Asia Protocol on Assurance Analysis refers to the standards, principles, and indicators of AA1000AS v3, AA1000APS (2018), and standards/regulations used in the Report.
4. Discuss online the results of the analysis with the Management and data contributors.
5. Verify evidence and trace data and information as covered in the Report.
6. The Company incorporated our recommendations in the draft Report and release the final Report content.
7. Prepare the Statement and send it to SR Asia International Director for review to get approval before submitting it to the Company.



8. Prepare a Management Letter detailing all aspects seen, recorded, and observed during the assurance work to the Management of the Company for further improvement of sustainability processes.

Adherence to AA1000AP (2018) and GRI Universal Standards

Inclusivity – The Company's management has conducted engagement with stakeholders recorded in 2023, providing opportunities for local communities to gain insight and input. The Company has established a stakeholder engagement system. In addition, the Company also develops and engages local indigenous communities. The Company has determined the method of engagement conducted and determined the frequency of engagement with each stakeholder.

Materiality – The report explains that the company has identified material topics using the concept of dual materiality. However, the Company should conduct a materiality assessment to determine the direct and indirect impacts of operations on the environment and society, as well as the influence of sustainability on long-term financial and operational performance in selecting material topics.

Responsiveness – The Company has well-established internal and external channels for grievances across functions. Each channel is assisted by a designated individual, including a post box, website using chatbot, whistleblower system, and email. A total of four complaints received in 2023 were recorded, followed up, and handled according to the resolution procedure and the complaints were properly resolved. This report outlines the flow of the grievance process sequentially. In addition, the Company guarantees the security and confidentiality of information provided by the complainant.

Impact – Based on the information provided in the sustainability report, the Company has generated and distributed economic value locally and has paid dividends to its shareholders. The Company has also made investments in the community by providing management and senior management opportunities to local individuals. Regarding environmental aspects, the year 2023 witnessed a reduction in energy usage and emissions. The Company has enhanced its energy efficiency compared to previous reports and has obtained ISO 5001:2018 Energy Management System certification, which facilitates the development of an effective energy management system. In the reporting year, the Company has had a positive social impact by creating job opportunities, empowering local communities, and increasing local revenue. Furthermore, the Company conducted a social impact assessment, which is acknowledged and appreciated.

Statement of Use: “with Reference to the GRI Standards” – Our experts evaluated the Report content against the GRI Universal Standards principles, disclosures, and requirements for reporting. We believe the Report has fulfilled the requirements of its statement of use; publish a GRI Content Index, provide a statement of use, and notify GRI.

GRI Standards Principles – As the assurance work was taken, the report content sufficiently indicates its adherence to sustainability reporting principles (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability). The Management provided adequate support during the assurance work by submitting evidence/documents as requested.

Recommendation

1. To improve the assessment of material topics in a structured manner to identify potential risks and achieve targets.
2. To strengthen the explanation of comparative data movements to clarify trends.





3. To enhance sustainability by using the Company's road map as a reference for achieving targets through efforts, methods, and innovative approaches in alignment with the Sustainable Development Goals (SDGs), Net Zero, and climatic changes as necessary.
4. To improve the data management system as a whole for recording, review, and approval at various stages for integrity and reliability.

The assurance provider,

Jakarta, June 19th 2024

Lim Hendra
Country Director for Indonesia
Social Responsibility Asia



AA1000
Licensed Report
000-758/V3-08R4V



FEEDBACK FORM [OJK G.2 GRI 2-26]

After reading the Sustainability Report of PT Indonesia Asahan Aluminum Year 2023, we kindly ask our stakeholders to provide feedback by emailing or faxing/posting this form.

1. Please put a check mark (√) in the agree or disagree column.

Question	Agree	Disagree
This report has provided useful information on the Company's economic, social and environmental performance.		
The data and information disclosed are easy to understand, complete, transparent and balanced.		
The data and information presented are useful in decision-making.		
This report is interesting and easy to read.		

2. Please rate the material topics contained in this Sustainability report (1 = most important, 2 = important, 3 = not important, 4 = not very important).

(.....)	Occupational Health and Safety
(.....)	Anti Corruption
(.....)	Indirect Economic Impact
(.....)	Economic Performance
(.....)	Energy
(.....)	water and effluent

3. Please provide comments/suggestions/suggestions for this report.

.....

Stakeholder Identity

Name :

Job :

Institution/Company :

Contact (phone, email) :

- Stakeholder Category
- Shareholders
- Employees
- Employer
- Working Partner
- Creditor
- Community
- Regulator
- Media
- Others.....

Your feedback on the information presented in this report should be sent to

PT Indonesia Asahan Aluminium
 The Energy Building 16th floor SCBD
 Jl. Jenderal Sudirman Kav. 52-53 Jakarta 12190.
 P.O. BOX 6917 South Jakarta, Indonesia
 Telepon : (+62 21) 29738750
 Fax : (+62 21) 27936331
 Email : corsec@INALUM.id



RESPONSE TO 2022 SUSTAINABILITY REPORT FEEDBACK [OJK G.3]

During 2023, the Company did not receive any feedback on the 2022 Sustainability Report from stakeholders. Hence, the Company has no response from the feedback.

INDEX LIST POJK 51/POJK.03/2017 [OJK G.4]

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B.2	Environmental Aspects, at least contains: 1. Energy use; 2. Reduction of emissions produced; 3. Reduction of waste and effluent; and 4. Preservation of biodiversity.	8
B.3	Social Aspect	12
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INDEX GRI UNIVERSAL STANDARDS 2021 IN ACCORDANCE WITH GRI STANDARDS

GRI Standard 2021 Content Index

Statement of usage	PT Indonesia Asahan Aluminum reports the information cited in this GRI content index for the period January 1, 2023-December 31, 2023 in accordance with GRI Standards.
GRI 1	GRI 1: Landasan 2021

GRI Standards	DISCLOSURE	Page	Exceptions			
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GRI General Disclosures 2021	2-1	Organization details	22, 28			
	2-2	Entities included in the organization's sustainability reporting	18			
	2-3	Reporting period, frequency and contact points	19			
	2-4	Restatement of information	18			
	2-5	External assurance	19			
	2-6	Activities, value chains and other business relationships	29			
	2-7	Employees	27, 97			
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	2-16	Critical attention-related communication	155			
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		2-18	Performance evaluation of the highest governance	154		
		2-19	Remuneration policy	155		
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			Excluded Requirements	Reason	Explanation
GRI 3: Material Topic 2021	3-1	Process for determining material topics			
	3-2	List of material topics			

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ECONOMIC PERFORMANCE

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	201-2	Financial implications and other risks and opportunities resulting from climate change	164		
	201-3	Obligation of defined benefit pension plan and other pension plans	103		
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Standard GRI Material Topic	DISCLOSURE	Page	Exceptions		
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	202-2	Proportion of senior management from local communities	144		
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GRI 3: Material Topic 2021	3-3	Management of material topics	45		
GRI 203: Indirect Economic Impact	203-1	Infrastructure investment and service support	142		
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GRI 3: Material Topic 2021	3-3	Management of material topics	45		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	144		
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GRI 3: Material Topic 2021	3-3	Management of material topics	45		
GRI 205: Anti-Corruption 2016	205-1	Operations assessed as having corruption-related risks	158		
	205-2	Communication and training on anti-corruption policies and procedures	158		
	205-3	Proven corruption incidents and actions taken	159		
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GRI 207: Tax 2019	207-1	Approach to tax	143		
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	207-3	Stakeholder engagement and managing tax-related concerns	143		
	207-4	Country-by-country report	143		

Standard GRI Material Topic	DISCLOSURE	Page	Exceptions		
			Excluded Requirements	Reason	Explanation
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GRI 303: Water and Effluent 2018	303-1	Interaction with water as a shared resource	61		
	303-2	Management of impacts related to water discharge	61		
	303-3	Water intake	61		
	303-4	Water discharge	61		
	303-5	Water consumption	61		
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GRI 3: Material Topic 2021	3-3	Management of material topics	45		
GRI 304: Biodiversity 2016	304-1	Operating sites owned, leased, managed by, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	56		
	304-2	Significant impacts of activities, products, and services on biodiversity biodiversity.	56		
	304-3	Habitat protected or restored	56		
	304-4	IUCN (International Union for Conservation of Nature) Red List species and national conservation list species with habitats within the area affected by the operation.	58		



Standard GRI Material Topic	DISCLOSURE	Page	Exceptions		
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GRI 305: Emission 2016	305-2	Indirect GHG energy emissions (Scope 2)			
	305-3	Other indirect GHG emissions (Scope 3)			
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	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions			
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	306-1	Waste generation and significant waste-related impacts			
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts			
	306-3	Waste generation			
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	306-5	Waste sent to landfill			
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GRI 3: Material Topic 2021	3-3	Management of material topics			
	308-1	Selection of new suppliers using environmental criteria			
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken.			
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Standard GRI Material Topic	DISCLOSURE	Page	Exceptions		
			Excluded Requirements	Reason	Explanation
GRI 401: Employment 2016	401-1	New hires and employee turnover	99		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	101		
	401-3	Maternity leave	101		
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GRI 402: Labor/Management Relations 2016	402-1	Minimum notice period of operational changes	107		
OCCUPATIONAL HEALTH AND SAFETY					
GRI 3: Material Topic 2021	3-3	Management of material topics	45		
GRI 403: Occupational Health and Safety 2018	403-1	Occupational Health and Safety Management System	91		
	403-2	Hazard identification, risk assessment and incident investigation	91		
	403-3	Occupational health services	92		
	403-4	Employee participation, consultation and communication on occupational health and safety	92		
	403-5	Training for workers on occupational safety and health	93		
	403-6	Improved employee health quality	92		
	403-7	Prevention and mitigation of occupational health and safety impacts directly related to business relationships	91		
	403-8	Employee covered by an occupational health and safety management system	90, 91		
	403-9	Work Accidents	91		
	403-10	Occupational diseases	92		
TRAINING AND EDUCATION					
GRI 3: Material Topic 2021	3-3	Management of material topics	45		



Standard GRI Material Topic	DISCLOSURE	Page	Exceptions		
			Excluded Requirements	Reason	Explanation
GRI 404: Training and Education 2016	404-1	Average annual training hours per employee	87		
	404-2	Programs to enhance employee skills and transitional assistance programs	87		
	404-3	Percentage of employees receiving regular performance and career development reviews	103		
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 3: Material Topic 2021	3-3	Management of material topics	45		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Governance board and employee diversity	97		
	405-2	Ratio of basic salary and remuneration of female than male	101		
NON DISCRIMINATION					
GRI 3: Material Topic 2021	3-3	Management of material topics	45		
GRI 406: Non Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	97		
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
GRI 3: Material Topic 2021	3-3	Management of material topics	45		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	107		
CHILD LABOR					
GRI 3: Material Topic 2021	3-3	Management of material topics	45		
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk of child labor incidents	100, 108		
FORCED OR COMPULSORY LABOR					
GRI 3: Material Topic 2021	3-3	Management of material topics	45		
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk of forced or compulsory labor incidents	100, 108		

Standard GRI Material Topic	DISCLOSURE	Page	Exceptions		
			Excluded Requirements	Reason	Explanation
SAFETY PRACTICES					
GRI 3: Material Topic 2021	3-3	Management of material topics	45		
GRI 410: Security Practices 2016	410-1	Security guards trained on human rights policies or procedures	96		
RIGHTS OF INDIGENOUS PEOPLES					
GRI 3: Material Topic 2021	3-3	Management of material topics	45		
GRI 411: Indigenous Peoples' Rights 2016	411-1	Incidents of violations involving the rights of indigenous peoples	137		
LOCAL COMMUNITIES					
GRI 3: Material Topic 2021	3-3	Management of material topics	45		
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessment, and development programs	132, 134, 136		
	413-2	Operations that actually and potentially have significant negative impacts on local communities	111		
SUPPLIER SOCIAL ASSESSMENT					
GRI 3: Material Topic 2021	3-3	Management of material topics	45		
GRI 414: Supplier Social Assessment 2016	414-1	New supplier selection using social criteria	132, 134, 136		
	414-2	Negative social impacts in the supply chain and actions taken	111		
PUBLIC POLICY					
GRI 3: Material Topic 2021	3-3	Management of material topics	60		
GRI 415: Public Policy 2016	415-1	Political contribution	166		
CUSTOMER HEALTH AND SAFETY					
GRI 3: Material Topic 2021	3-3	Management of material topics	60		



Standard GRI Material Topic	DISCLOSURE	Page	Exceptions		
			Excluded Requirements	Reason	Explanation
GRI 416: Customer Health and Safety 2016	416-1	Health and safety impact assessment of different categories of products and services	84		
	416-2	Incidents of non-compliance in relation to health and safety impacts of products and services	84		
MARKETING AND LABELING					
GRI 3: Material Topic 2021	3-3	Management of material topics	45		
	GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service labeling and information	85	
		417-2	Incidents of non-compliance related to product and service information and labeling	85	
	417-3	Non-compliance incidents related to marketing communications	85		
CUSTOMER PRIVACY					
GRI 3: Material Topic 2021	3-3	Management of material topics	45		
	GRI 418: Customer Privacy 2016	418-1	Complaints based on violation of customer privacy and loss of customer data	83	



SASB STANDARDS METALS & MINING SUSTAINABILITY ACCOUNTING STANDARDS

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	MMETRIC	CATEGORY	UNIT OF MEASURE	CODE	Location
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO ₂ -e, Percentage (%)	EM-MM-110a.1	67
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	EM-MM-110a.2	68
Air Quality	Air emissions of the following pollutants: 1. CO 2. NOx (excluding N2O) 3. SOx 4. Particulate matter (PM10) 5. Mercury (Hg) 6. Lead (Pb) 7. volatile organic compounds (VOCs)	Quantitative	Metric tons (t)	EM-MM-120a.1	67
Energy Management	1. Total energy consumed 2. percentage grid electricity 3. percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	EM-MM-130a.1	63
Water Management	1. Total water withdrawn 2. Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m ³), Percentage (%)	EM-MM-140a.1	61
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	EM-MM-140a.2	61
Waste & Hazardous Materials Management	Total weight of non-mineral waste generated	Quantitative	Metric tons (t)	EM-MM-150a.4	n/a
	Total weight of tailings produced	Quantitative	Metric tons (t)	EM-MM-150a.5	n/a
	Total weight of waste rock generated	Quantitative	Metric tons (t)	EM-MM-150a.6	n/a
	Total weight of hazardous waste generated	Quantitative	Metric tons (t)	EM-MM-150a.7	72
	Total weight of hazardous waste recycled	Quantitative	Number	EM-MM-150a.8	72
	Number of significant incidents associated with hazardous materials and waste management	Quantitative	n/a	EM-MM-150a.9	72
	Description of waste and hazardous materials management policies and procedures for active and inactive operations			EM-MM-150a.10	72
Biodiversity Impacts	Description of environmental management policies and practices for active sites	Discussion and Analysis	n/a	EM-MM-160a.1	55
	Percentage of mine sites where acid rock drainage is: 1. predicted to occur 2. actively mitigated 3. under treatment or remediation	Quantitative	Percentage (%)	EM-MM-160a.2	n/a
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Quantitative	Percentage (%)	EM-MM-160a.3	n/a



Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	MMETRIC	CATEGORY	UNIT OF MEASURE	CODE	Location
Security, Human Rights & Rights of Indigenous Peoples	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Quantitative	Percentage (%)	EM-MM-210a.1	n/a
	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Quantitative	Percentage (%)	EM-MM-210a.2	n/a
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Discussion and Analysis	n/a	EM-MM-210a.3	n/a
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	Discussion and Analysis	n/a	EM-MM-210b.1	137
	Number and duration of non-technical delays	Quantitative	Number, Days	EM-MM-210b.2	n/a
Labour Relations	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	Quantitative	Percentage (%)	EM-MM-310a.1	97
	Number and duration of strikes and lockouts ¹	Quantitative	Number, Days	EM-MM-310a.2	99
Workforce Health & Safety	<ol style="list-style-type: none"> 1. MSHA all-incidence rate, 2. Fatality rate, 3. Near miss frequency rate (NMFR) 4. Average hours of health, safety, and emergency response training for <ul style="list-style-type: none"> • full-time employees and • contract employees 	Quantitative	Rate	EM-MM-320a.1	93
Business Ethics & Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	n/a	EM-MM-510a.1	158
	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Metric tons (t) saleable	EM-MM-510a.2	n/a
Tailings Storage Facilities Management	Tailings storage facility inventory table: <ol style="list-style-type: none"> 1. Facility name 2. Location 3. Ownership status 4. Operational status, 5. Construction method 6. Maximum permitted storage Capacity 7. Current amount of tailings stored 8. Consequence classification 9. Date of most recent independent technical review 10. Material findings 11. Mitigation measures 12. Site-specific EPRP 	Quantitative	Various	EM-MM-540a.1	n/a
	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	Discussion and Analysis	n/a	EM-MM-540a.2	n/a
	Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities	Discussion and Analysis	n/a	EM-MM-540a.3	n/a



ASI CONTENT INDEX

ASI Standard	ASI Ref	Disclosure Requirement	Page number
Human rights Impact Assessment	2.6	Human Rights Impact Assessment and the latest active version of the Human Rights impact management plan	43, 137
Emergency Response Plan	2.7	The latest version of the emergency response plans.	90
Sustainability Reporting	3.1	Governance approach and material, environmental, social and economic impacts	46
Non-Compliance & Liability	3.2	Information on significant fines, judgments, penalties and non-monetary sanctions for failure to comply with applicable law	160
Payment to Governments	3.3	Payments to governments, building on existing audit and assurance systems	143
Disclosure of GHG emissions & Energy Use	5.1	Material GHG emissions and energy use by source	64
GHG Emissions Reduction Plans	5.3	Time-bound GHG emissions reduction targets	68
Emission to Air	6.1	Emissions to air	67
Discharge to Water	6.2	Discharge to Water	61
Assessment and Management of Spills & Leakages	6.3	Management Plan of spills & leakages	74
Public Disclosure of Spills & Leakages	6.4	Impact assessments of any significant spills and remediation actions taken	74
Waste Management Reporting	6.5	Quantity of hazardous and non-hazardous waste generated and associated waste disposal methods	72
Water Assessment & Disclosure	7.1	water withdrawal and use by source and type	61
Water Management	7.2	Water management plan	61
Biodiversity Management	8.2	Biodiversity Action Plan and associated targets and share with Affected Populations and Organisations	55

Forging Sustainability Step, Empowering Lives



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