

## Top Risk of PT Inalum in 2024

No	Taxonomy	Risk Appetite	Risk Event	Mitigation Measures
1	Strategic Risk	Strategis <i>(Open)</i>	Investment in subsidiaries not yet optimal	<ol style="list-style-type: none"> <li>1. Setting Subsidiary KPIs and monthly performance monitoring.</li> <li>2. Financial Support (if necessary)</li> <li>3. Monitoring project completion at subsidiaries</li> <li>4. Assistance in strategic resourcing and strategic marketing</li> </ol>
2	Project Risk	Konservatif	Development project delays	<ol style="list-style-type: none"> <li>1. Monthly project performance monitoring</li> <li>2. Preparation and fulfillment of all Operation Readiness requirements</li> </ol>
3	Legal, Reputation & Compliance Risk	Averse	Legal claims or lawsuits from third parties	<ol style="list-style-type: none"> <li>1. Assistance through legal consultants</li> <li>2. Cooperation with land experts</li> <li>3. Support from KBUMN and related Ministries</li> </ol>
4	Operational Risk	Moderate	Disruption in availability of main equipment	<ol style="list-style-type: none"> <li>1. Timely procurement and arrival of spare parts</li> <li>2. Minimizing breakdown maintenance</li> <li>3. Ensuring spare parts quality</li> </ol>
5a	Operational Risk	Moderate	Unavailability of main raw materials	<ol style="list-style-type: none"> <li>1. Establishing Long-Term Contracts (LTC) with suppliers</li> <li>2. Digitally monitoring global raw material supply chains</li> <li>3. Emergency procurement program with registered vendors</li> <li>4. Applying Min-Max (MRP) system for issuing PR</li> <li>5. Third-party use in raw material sample analysis</li> </ol>
5b	Operational Risk	Moderate	Rising prices of main raw materials	<ol style="list-style-type: none"> <li>1. Establishing Long-Term Contracts (LTC)</li> <li>2. Pricing strategy as natural hedging</li> <li>3. Cost Control Monitoring</li> </ol>
6	Operational Risk	Moderate	Failure to achieve production targets	<ol style="list-style-type: none"> <li>1. Utilization of recycled materials</li> <li>2. Increasing number of PIO and HPM pots</li> <li>3. Pot efficiency improvement</li> <li>4. Optimization of anode quality and availability</li> </ol>
7	Operational Risk	Moderate	Electricity shortage for aluminium production	Cooperation on Interconnection with PLN (IBT)
8	Operational Risk	Moderate	Work accidents and occupational illness incidents	<ol style="list-style-type: none"> <li>1. Top management involvement in HSE activities</li> <li>2. Consistent implementation of Safety Golden Rules</li> <li>3. Monitoring SOR achievements and resolution of patrol findings</li> <li>4. Provision of safe and standard operational facilities</li> <li>5. HSE promotion</li> <li>6. Competency improvement for employees, TAD &amp; Anper</li> <li>7. ICMESH/CSMS implementation for contractors</li> <li>8. Strengthening safety culture and empathy</li> </ol>
9	Financial Risk	Konservatif	Limited funding for Company projects	<ol style="list-style-type: none"> <li>1. Cost control and monitoring</li> <li>2. Potential external funding resources (through MIND ID facilities)</li> <li>3. Settlement of Accounts Receivable (AR)/Additional Paid-In Capital (APIC)</li> </ol>
10	Market & Macroeconomic Risk	Moderate	Decreasing market share and competitiveness of INALUM	<ol style="list-style-type: none"> <li>1. Expansion into export markets in the medium and long term, both directly and via MIND ID Trading (MIT)</li> <li>2. Leveraging INALUM's competitive advantage by using environmentally</li> </ol>

				<p>friendly energy sources (green aluminium/low carbon certification)</p> <p>3. Improving customer loyalty and satisfaction through consistent product quality, direct selling, and Just in Time Delivery</p> <p>4. Offering competitive aluminium prices through flexible pricing with premium discounts for domestic buyers</p> <p>5. Market intelligence research studies</p>
11	Market & Macroeconomic Risk	<i>Moderate</i>	Decline in LME prices	<p>1. New pricing strategy for sales</p> <p>2. Cost control monitoring</p>
12	Information Technology & Cybersecurity Risk	<i>Averse</i>	Cyberattacks disrupting one or more vital business processes	<p>1. User-side cybersecurity protection systems</p> <p>2. Server-side cybersecurity protection systems</p> <p>3. User knowledge development through Security Awareness</p> <p>4. Database backup controls</p>
13	Social & Environmental Risk	<i>Averse</i>	Failure to achieve ISP and IPP Gold PROPER ratings	<p>1. Ensuring all assessment requirements are met (green documents/DRKPL)</p> <p>2. Preparing materials for green leadership and social innovation presentations</p> <p>3. Increasing the benefits of social innovation</p> <p>4. Conducting stakeholder engagement</p> <p>5. Routine correspondence and meetings (if necessary) with KLHK and North Sumatra Environmental Agency</p> <p>6. Maintaining good relations with media and NGOs</p> <p>7. Establishing INALUM PROPER working team</p>