



SUSTAINABILITY REPORT 2019 | LAPORAN KEBERLANJUTAN 2019

# ADVANCING SUSTAINABLE DEVELOPMENT THROUGH EMPOWERMENT AND SYNERGY

PT ADARO ENERGY TBK

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## “Advancing Sustainable Development through Empowerment and Synergy”

### ”Meningkatkan Pembangunan Berkelanjutan melalui Pemberdayaan dan Sinergi”

#### Regarding the Theme:

As an integrated coal mining and energy company, we are aware of the environmental and social impact from our operations. PT Adaro Energy Tbk is therefore fully committed to participate in achieving various development goals as stated in its Sustainable Development Goals (SDGs).

We believe that the various development goals of the SDGs can only be achieved through cooperation of all stakeholders, including the communities around operational areas, we implement environmental, community empowerment and operational activity improvement programs which are carried out in an integrated and holistic manner and form a synergy with all related stakeholders.

Realization of the programs has produced tangible outcomes, including more efficient operational activities, less carbon dioxide emission intensity, an improvement in environmental quality and habitat preservation of flora and fauna. No less important is the improvement in the social and economic welfare of the surrounding communities, as demonstrated by the increase in the Human Development Index (HDI) in surrounding villages.

Our gratitude in having witnessed the improvement of our economic, social and environmental performance is enhanced by PT Adaro Indonesia’s success in achieving **PROPER GOLD Rank** (for the second time) in 2019. This achievement strengthen our resolve to continue carry out operational activities by upholding the various sustainable development objectives of the SDGs.

#### Tentang Tema

Sebagai perusahaan tambang batu bara dan energi yang terintegrasi, kami menyadari besarnya dampak lingkungan dan sosial dari kegiatan operasional kami. Oleh karena itu, PT Adaro Energy Tbk berkomitmen penuh untuk turut berpartisipasi mewujudkan berbagai tujuan pembangunan dalam Sustainable Developments Goals (SDGs).

Meyakini bahwa beragam tujuan pembangunan dalam SDGs hanya dapat dicapai melalui kerja sama seluruh pemangku kepentingan, termasuk warga di sekitar wilayah operasional, kami melaksanakan program-program perbaikan lingkungan, pemberdayaan masyarakat serta program peningkatan kualitas kegiatan operasional yang seluruhnya dijalankan secara terintegrasi, menyeluruh serta menjalin sinergi dengan seluruh pemangku kepentingan terkait.

Realisasi beragam program tersebut memberi hasil nyata, diantaranya berupa: semakin efisiennya kegiatan operasional, semakin berkurangnya intensitas emisi gas karbon dioksida, diiringi dengan meningkatnya kualitas lingkungan dan terpeliharanya habitat lingkungan flora dan fauna. Tidak kalah penting adalah perbaikan kesejahteraan sosial ekonomi masyarakat sekitar sebagaimana ditunjukkan dengan meningkatnya Indeks Pembangunan Manusia (IPM) di desa-desa sekitar.

Rasa syukur kami menyaksikan perbaikan kinerja pada aspek-aspek ekonomi, sosial maupun lingkungan tersebut semakin lengkap dengan perolehan **PROPER Peringkat EMAS** yang kedua kalinya bagi PT Adaro Indonesia di tahun 2019. Pencapaian ini meneguhkan tekad kami untuk senantiasa menjalankan kegiatan operasional dengan menjunjung tinggi pencapaian SDGs.



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01

HIGHLIGHTS OF  
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**PT ADARO ENERGY TBK**



# HIGHLIGHTS OF SUSTAINABILITY PERFORMANCE

## IKHTISAR KINERJA KEBERLANJUTAN

### ENVIRONMENTAL ASPECTS

One of the coal mining companies that received **PROPER Gold** award in 2019, a testament that the environmental management and community empowerment programs that we have carried out are beyond compliance.

Developed biodiversity zones through the high conservation value (HCV) standard approach, especially in the implementation of biodiversity protection in Paringin.

Developed the Pulau Bakut Ecotourism Park, a mangrove ecosystem which is the habitat of the proboscis monkey (*Nasalis larvatus*), an endangered endemic animal.

Identified 105 type of birds which reside within the managed area, with the following IUCN status: LC- 98 types, NT – seven types, VU – three types and EN – one type.

Recorded an improvement in energy management in 2019, with energy intensity decreasing to 0.43 from 0.46 (Gigajoule/ metric ton of coal), and an improvement in emission management, with greenhouse gas emission intensity decreasing to 0.033 from 0.036 (total emissions/ton of coal).

**Reduced** total water needs for operational activities by **15.8%**, **98.1%** of which was a result of development of rainwater and recycled water collection facilities.

Transported 44.7% of hazardous chemical waste from operational activities in cooperation with a certified independent party.

### WORK SAFETY ASPECT

Managed OHS aspects by referring to ISO 45001:2018 and OHSAS 18001:2007 certifications.

Formed an occupational health, safety and environment committee at each business unit / work area and established the occupational health, safety and environment steering committee K3LH at the holding level.

### DEVELOPED OHS RISK-CONSCIOUS CULTURE

with Adaro Zero Accident Mindset (AZAM). Conduct regular OHS training, including emergency response exercises, major emergency response exercises, basic fire fighting and basic life support.

### ASPEK LINGKUNGAN

Menerima penghargaan **PROPER Emas Tahun 2019**, menjadi salah satu perusahaan pertambangan batu bara yang menerima penghargaan PROPER Peringkat Emas, yang menunjukkan bahwa program-program pengelolaan lingkungan dan pemberdayaan masyarakat yang kami lakukan telah lebih dari yang dipersyaratkan (*beyond compliance*).

Mengembangkan *zona keanekaragaman hayati* melalui pendekatan standar HCV (*High Conservation Value*), khususnya dalam pelaksanaan perlindungan keanekaragaman hayati yang direalisasikan di Paringin.

Mengembangkan Taman Wisata Alam Pulau Bakut, ekosistem *mangrove* yang menjadi habitat satwa endemik dilindungi yaitu bekantan (*Nasalis larvatus*).

Mengidentifikasi 105 jenis burung yang hidup di areal kelolaan, dengan status menurut IUCN adalah: LC – 98 jenis, NT – tujuh jenis, VU – tiga jenis dan EN – satu jenis.

Mencatatkan perbaikan pengelolaan energi dengan Intensitas Energi 2019 sebesar **0.43** dari **0.46** (Gigajoule/ metric ton of coal) dan perbaikan pengelolaan emisi dengan intensitas emisi GRK 2019 menjadi **0.033** dari **0.036** (total emisi/ton batubara).

Menurunkan total kebutuhan air untuk kegiatan operasional sebesar 15,8% dimana 98,1% diantaranya berasal dari fasilitas penampungan air hujan dan air daur ulang.

Mentransportasikan 44,7% limbah B3 dari kegiatan operasional bekerjasama dengan pihak independen bersertifikat.

### ASPEK KESELAMATAN KERJA

Mengelola Aspek K3 dengan mengacu pada sertifikasi ISO 45001:2018 dan OHSAS 18001:2007.

Membentuk Komite Keselamatan dan Kesehatan Kerja serta Lingkungan Hidup di tiap-tiap unit usaha / wilayah kerja dan membentuk Komite Pengarah Kesehatan, Keselamatan Kerja dan Lingkungan Hidup K3LH di tingkat Holding.

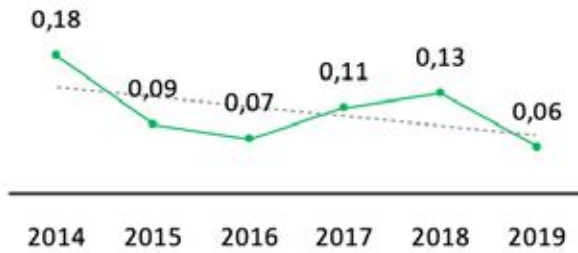
### MENGEMBANGKAN BUDAYA SADAR Risiko K-3

dengan Adaro Zero Accident Mindset (AZAM). Melakukan pelatihan K-3 yang rutin, termasuk latihan tanggap darurat, latihan tanggap darurat utama, pemadam kebakaran dasar dan bantuan hidup dasar.



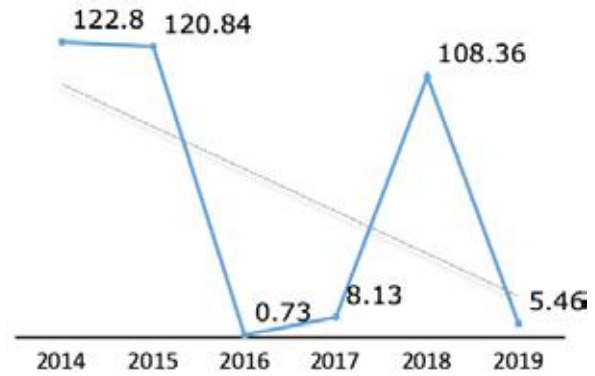
Recorded zero fatalities in 2019 and a decrease in both LTIFR and SR, as shown in the following graphs:

AE's LTIFR Graph  
Grafik LTIFR AE



Mencatatkan *zero fatality* di tahun 2019 dan penurunan LTIFR maupun SR, yang ditunjukkan dalam grafik berikut:

AE's SR Graph  
Grafik SR AE



#### COMMUNITY DEVELOPMENT ASPECT

- Investment in social development to carry out corporate social responsibility (CSR) program of US\$4.1 million, a 7.8% increase from US\$3.8 million in 2018, with the tagline of Adaro Ignites Change.
- Realization of **Adaro Ignites Education**, including:
  - Scholarship Program** within the framework of the **Indonesia Bright Future Leaders (IBFL)** program, with a total of 619 beneficiaries. Two people received scholarships for master's degree, 299 people for bachelor's degree, 44 people for Tahfidz scholarship, 124 people for high school, 100 people for elementary school and 50 foster children (including 128 college scholarships from **YABN**)
  - Adaro PAUD Berkarakter**. Training on PHBK knowledge for 289 early childhood education teachers.
  - Adaro Santri Sejahtera (PASS)**. Entrepreneurship training in six Islamic boarding schools

#### ASPEK COMMUNITY DEVELOPMENT

- Investasi pengembangan sosial kemasyarakatan dalam rangka program Tanggung Jawab Sosial Perusahaan (Corporate Social Responsibilities – CSR) sebesar US\$4.1 juta, naik 7,8% dari tahun 2018 yang senilai US\$3.8 juta dengan tagline “Adaro Nyalakan Perubahan”.
- Realization of **Adaro Ignites Education**, including:
  - Program Beasiswa** dalam kerangka program **Indonesia Bright Future Leaders (IBFL)**, dengan total penerima manfaat 619 orang, terdiri dari: 2 orang jenjang S-2, 299 orang jenjang S-1, 44 orang beasiswa Tahfidz, 124 orang jenjang sekolah lanjutan atas, 100 jenjang SD dan 50 Anak Asuh (termasuk 128 beasiswa mahasiswa dari **YABN**)
  - Adaro PAUD Berkarakter**, pembinaan pengetahuan PHBK terhadap 289 guru PAUD
  - Adaro Santri Sejahtera (PASS)**. pembinaan kewirausahaan di enam pesantren.

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- Realization of **Adaro Ignites Welfare**, including:
  - o Development of six MSME groups in six villages around the work area
  - o **Adaro Tani Sejahtera Program**. Development of agricultural & plantation businesses in Tabalong, a program followed by **505** beneficiaries/farmers.
  - o Realization of the village empowerment and organic farming program in Tabalong and Balangan.
- Realization of **Adaro Ignites Wellbeing**, including:
  - o **Adaro Air Bersih & Sanitasi**. Clean water development and provision program in the Ring 1 villages of Tabalong, Paran, Lok Batung and Mihu.
  - o **Adaro Aksa Terang Cataract**, blindness countermeasure program with a total number of 6,374 free surgeries (2013-2019), in addition to the distribution of 445 spectacles for refractive disorders (including 240 spectacles in 2019)
  - o **Sanitasi Total Berbasis Masyarakat (STBM)** by YABN, covering a total number of 117 villages (2013-2019) and with a total number of beneficiaries of 14.732 families in Tabalong Regency, Balangan Regency and East Barito Regency.
- Realization of **Adaro Ignites Diversity**, including:
  - o Establishment of Dayak Deah and Dayak Pitap cultural villages
  - o Dayak culture tourism event of Balangan Regency
  - o Support for Tabalong Ethnic Festival
- Realization of **Adaro Ignites Life**, including:
  - o Development of TPST Maburai and Mabu'un.
  - o Development of waste banks
  - o Adiwiyata school program in Tabalong and Balangan regencies
  - o Training & coaching program on local waste disposal locations (TOSS)
- Realisasi **Adaro Nyalakan Sejahtera**, diantaranya:
  - o Pengembangan 6 kelompok UMKM di enam desa sekitar wilayah kerja
  - o **Program Adaro Tani Sejahtera** - pengembangan Agribisnis Pertanian & Perkebunan di Tabalong diikuti oleh 505 petani penerima manfaat.
  - o Realisasi Bina Desa dan Pertanian Organik di Tabalong dan Balangan.
- Realisasi **Adaro Nyalakan Raga**, diantaranya:
  - o **Adaro Air Bersih & Sanitasi**, program pengembangan dan penyediaan air bersih di desa-desa Ring 1 Tabalong, Paran, Lok Batung dan Mihu.
  - o **Adaro Aksa Terang** – Program Penanggulangan Buta Katarak dengan akumulasi operasi terhadap 6.374 pasien, gratis (2013-2019), disamping pembagian 445 kacamata untuk gangguan refraksi (termasuk 240 kacamata di tahun 2019)
  - o **Sanitasi Total Berbasis Masyarakat (STBM)** oleh YABN dengan akumulasi jumlah desa 117 (2013-2019) dan total penerima manfaat 14.732 keluarga di Kabupaten Tabalong, Kabupaten Balangan dan Kabupaten Barito Timur.
- Realisasi **Adaro Nyalakan Budaya**, diantaranya:
  - o Pembentukan Desa Budaya Dayak Deah dan Dayak Pitap
  - o Gelar Wisata Budaya Dayak Kabupaten Balangan
  - o Dukungan untuk Tabalong Ethnic Festival
- Realisasi Adaro Nyalakan Lestari, diantaranya:
  - o Pengembangan TPST Maburai dan Mabu'un.
  - o Pengembangan bank sampah
  - o Program sekolah adiwiyata di Kabupaten Tabalong dan Balangan
  - o Pelatihan & Pembinaan Program Tempat Olah Sampah Setempat (TOSS)

Community development index (IPM) measurement by an independent consultant in six villages in Ring 1, with the following result: 1 village placed in the "Very high" category, 2 villages in the "High" category, 2 villages in the "Medium" category and 1 village in the "Low" category.

Realisasi pengukuran Indeks Pembangunan Masyarakat (IPM) oleh konsultan independen di enam desa Ring 1, dengan nilai: 1 desa kategori "Sangat Tinggi", 2 desa kategori "Tinggi", 2 desa kategori "Sedang" dan 1 desa kategori "Rendah".

## ECONOMIC ASPECT

- Total production in 2019 was 58.03 million tonnes, an increase of 7%. Strip ratio decreased to 4.69x from 5.06x. Sales amounted to 59.18 million tonnes, an increase of 9%.
- The total consolidated sales value in 2019 was US\$3,457.2 million, while the net profit was US\$435.0 million.
- Distributed total economic earnings were US\$2,939.1 million.
- Direct contribution to the development of the national economy through tax and royalty payments was US\$607 million, in addition to the provision of coal to PLN and participation in coal-fired power plant construction.
- Cooperated with 158 work partners to support local economic growth.

## HUMAN RESOURCES ASPECT

- Recruited 741 new employees and processed the resignations of 295 old employees, with a total of 10.882 permanent employees at the end of 2019.
- Organized a variety of technical, managerial and certification programs with an average number of employee training hours of 44 hours.
- Conducted performance reviews of all employees and promoted the positions/grades of **2.606** employees.
- Conducted an employee engagement survey (EES) via an independent consultant with a result of 86% sustainability engagement index.

## ASPEK EKONOMI

- Realisasi Produksi total 2019 sebesar 58,03 juta ton, naik 7%, Nisbah kupas turun menjadi 4,69x dari 5,06x dan realisasi penjualan 59,18 juta ton, naik 9%.
- Total nilai penjualan konsolidasi di tahun 2019 adalah US\$3,457.2 juta dan laba bersih adalah sebesar US\$435.0 juta.
- Mendistribusikan Nilai Perolehan Ekonomi total senilai US\$2,939.1 juta.
- Berkontribusi langsung pada pembangunan perekonomian negeri melalui pembayaran pajak dan royalti senilai US\$607 juta, selain melalui penyediaan batu bara kepada PLN dan partisipasi dalam pembangunan PLTU.
- Menjalin kerjasama dengan 158 mitra kerja untuk bersama-sama mendukung pertumbuhan perekonomian di daerah.

## HUMAN RESOURCES ASPECT

- Merekrut 741 orang karyawan baru, dan memproses pengunduran diri 295 karyawan lama, dengan total karyawan tetap per akhir tahun 2019 adalah 10.882 orang.
- Menyelenggarakan berbagai program pelatihan teknis, manajerial maupun sertifikasi dengan rata-rata jam pelatihan perkaryawan 44 jam.
- Melaksanakan penilaian kinerja seluruh karyawan dan mempromosikan kenaikan jabatan/grade total 2.606 orang karyawan.
- Menyelenggarakan Employee Engagement Survey (EES) oleh konsultan independen dengan hasil indeks Sustainability Engagement sebesar 86%.

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# HIGHLIGHTS OF SUSTAINABILITY EVENTS IN 2019

## IKHTISAR PERISTIWA KEBERLANJUTAN TAHUN 2019

### January 2019

Tested the utilization of cooking oil waste from the Maburai village as biodiesel fuel for garbage trucks and public transportation owned by the Tabalong Regency with the assistance from village-owned enterprise of Maburai Village.

PT Adaro Indonesia is the pioneer and become the first mining company verified by ITS Tekno Sains in reducing the load of water pollution for the oil & fat parameters by utilizing cooking oil waste as the raw material for biodiesel fuel. The program has already succeeded in lowering CO<sub>2</sub>-e greenhouse gas emissions from the public service activities of Tabalong local government by 1.1m tons

### Januari 2019

Uji coba pemanfaatan minyak jelantah yang dihasilkan oleh masyarakat Desa Maburai melalui BUMDes Desa Maburai, untuk bahan bakar biodiesel di unit angkutan sampah dan angkutan masyarakat milik Pemda Kabupaten Tabalong.

PT Adaro Indonesia merupakan pionir sebagai perusahaan pertambangan yang pertama kali diverifikasi oleh ITS Tekno Sains dalam menurunkan beban pencemaran air untuk parameter minyak & lemak dengan memanfaatkan minyak jelantah sebagai bahan baku biodiesel. Program ini telah berhasil menurunkan emisi gas rumah kaca sebesar 1,1 ton CO<sub>2</sub>-e dari aktivitas pelayanan publik Pemerintah Daerah Tabalong pada tahun 2019.



Ilustrasi mekanisme pelaksanaan program



Launching uji coba biodiesel B20 dari limbah minyak jelantah masyarakat oleh Bupati Tabalong

### January - February 2019

A series of "National OHS Month in all Business Units of PT Adaro Energy Tbk" activities.

### Januari - Februari 2019

Rangkaian kegiatan "Bulan K3 Nasional di seluruh Unit Bisnis PT Adaro Energy Tbk"



### August 2019

The annual OHS performance audit according to the OHSAS 18001:2007 at PT Adaro Indonesia, resulted in zero major findings.

### September 2019

AI, SIS (ADMO site) and MSW were awarded the Subroto award in the energy sector (PSBE) at the national energy convention. This was in appreciation of their participation in the national energy convention of PSBE in the category of energy management in small and medium industries and was awarded by the Director General of Renewable Energy and Energy Conservation.

### November 2018

PT Adaro Indonesia (AI) obtained the certification of ISO 50001:2012 Management System for Energy Management for its coal processing and barge loading (CPBL) activities at Kelanis, Central Kalimantan.

This achievement is the result of cooperation between HSE AE and AI teams in increasing CPBL energy efficiency through the energy management system, which routinely evaluates and improves the standard that is used in energy management.

### November 2019

Adaro Spectrapreneur 2019 was designed to promote the economic independence of communities by organizing an annual business competition designed to promote entrepreneurial spirit in the communities. At this year's event, 13 MSMEs were selected to receive a donation of Rp100 million.

### January 2020

AI received the **PROPER Gold** award from the Ministry of Environment and Forestry. This was the second PROPER Gold award received by AI. A company that obtains the gold rank is one that consistently shows environmental excellence in its production process, conducts ethical business practices and has a social responsibility.

### Agustus 2019

Audit kinerja K3 tahunan menurut Sistem OHSAS 18001:2007 di PT Adaro Indonesia – dengan hasil temuan utama nihil.

### September 2019

AI, SIS (site ADMO), dan MSW mendapatkan Penghargaan Subroto Bidang Energi (PSBE) pada ajang konvensi energi nasional sebagai apresiasi partisipasi mereka dalam konvensi energi nasional PSBE kategori manajemen energi pada industri kecil dan menengah dari Direktur Jenderal Energi Baru, Terbarukan dan Konservasi Energi ESDM.

### November 2018

PT Adaro Indonesia (AI) berhasil mendapatkan sertifikasi sistem manajemen ISO 50001:2012 untuk pengelolaan energi di kegiatan Coal Processing and Barge Loading (CPBL) di Kelanis, Kalimantan Tengah.

Pencapaian ini merupakan hasil dari kerja sama tim HSE AE dan AI dalam meningkatkan kinerja efisiensi energi CPBL melalui Energy Management System yang secara rutin mengevaluasi dan meningkatkan standard yang digunakan dalam pengelolaan energi.

### November 2019

Adaro Spectrapreneur 2019 dirancang untuk meningkatkan kemandirian ekonomi masyarakat dengan menyediakan acara kompetisi bisnis tahunan yang dirancang untuk mendorong semangat kewirausahaan di masyarakat. Dalam acara tahun ini, 13 UMKM terpilih menerima bantuan pembiayaan sebesar Rp100 juta.

### Januari 2020

AI menerima penghargaan PROPER Emas dari Kementerian Lingkungan Hidup dan Kehutanan. Penghargaan PROPER Emas ini adalah yang kedua kalinya untuk AI. Perusahaan yang mendapatkan peringkat emas adalah perusahaan yang secara konsisten menunjukkan keunggulan lingkungan dalam proses produksi, menjalankan bisnis secara beretika, dan memiliki tanggung jawab sosial.

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# AWARDS AND CERTIFICATIONS

## PENGHARGAAN DAN SERTIFIKASI

### AWARDS

In 2019 Adaro and its subsidiaries received several national and international awards from various national and global institutions as well as from the provincial and central governments.

In total, no fewer than 56 awards were received by Adaro Group. Some examples of awards received can be seen in the table below:

### PENGHARGAAN

Adaro bersama seluruh entitas anak usaha di tahun 2019 mendapatkan berbagai penghargaan nasional maupun internasional yang diberikan oleh berbagai lembaga di tingkat nasional maupun global juga oleh Pemerintah di tingkat Provinsi maupun Pusat.

Total tidak kurang terdapat 56 penghargaan yang diterima Adaro Group, dengan beberapa contoh penghargaan yang diterima di beberapa aspek operasional adalah sebagai berikut:

Award Presenter Pemberi Penghargaan	Award Name and Category Nama Penghargaan dan Kategori Penghargaan
Ministry of Environment and Forestry Kementerian Lingkungan Hidup dan Kehutanan	<p><b>Gold Rank</b> – Company Performance Ranking Program (PROPER) 2018 – 2019 Period (PT Adaro Indonesia)</p> <p><b>Peringkat Emas</b> – Program Penilaian Peringkat Kinerja Perusahaan (PROPER) Periode 2018 – 2019 (PT Adaro Indonesia)</p>
Ministry of Manpower of the Republic of Indonesia Kementerian Ketenagakerjaan Republik Indonesia	<p>OHS Management Standard implementation award (PT Adaro Indonesia) Penghargaan penerapan SMK3 (PT Adaro Indonesia)</p> <p><b>Platinum</b> HIV-AIDS Prevention Program (PT Adaro Indonesia and PT Saptaindra Sejati ADMO jobsite) <b>Platinum</b> - Program Pencegahan Penularan HIV-AIDS (PT Adaro Indonesia dan PT Saptaindra Sejati jobsite ADMO)</p>
Ministry of Energy and Mineral Resources Kementerian Energi dan Sumber Daya Mineral	<p>Zero Accident Award for PT Adaro Indonesia Penghargaan Nihil Kecelakaan Kerja untuk PT Adaro Indonesia</p> <p>Subroto Award (PT Adaro Indonesia, PT Saptaindra Sejati ADMO jobsite, PT Makmur Sejahtera Wisesa) Penghargaan Subroto (PT Adaro Indonesia, PT Saptaindra Sejati jobsite ADMO, PT Makmur Sejahtera Wisesa)</p>
Ministry of Finance of the Republic of Indonesia Kementerian Keuangan Republik Indonesia	<p>Taxpayer Appreciation Award 2019 Apresiasi Penghargaan Wajib Pajak 2019</p>
The 11 <sup>th</sup> Global CSR Summit & Award The 11 <sup>th</sup> Global CSR Summit & Award	<ul style="list-style-type: none"> <li>· Gold Award: Excellence in Provision of Literacy &amp; Education Award.</li> <li>· Silver Award: CSR Leadership Award.</li> <li>· Silver Award: Best Environmental Excellence Award.</li> <li>· Penghargaan Emas: Penghargaan Unggul dalam Pemberian Literasi &amp; Pendidikan.</li> <li>· Penghargaan Perak: Penghargaan Kepemimpinan CSR.</li> <li>· Penghargaan Perak: Penghargaan Keunggulan Lingkungan Terbaik.</li> </ul>
The Asset Triple A Asia Infrastructure The Asset Triple A Asia Infrastructure	<p>The Australian Mining Deal of The Year Award Penghargaan Pertambangan Australia untuk Tahun Ini</p>

Award Presenter Pemberi Penghargaan	Award Name and Category Nama Penghargaan dan Kategori Penghargaan
CSR Indonesia magazine, csrindonesia.com & Meprindo Communication Majalah CSR Indonesia, csrindonesia.com & Meprindo Communication	Gold Award: CSR Indonesia Award 2019 Penghargaan Emas: Penghargaan CSR Indonesia 2019
SWA Media	Indonesia's Best Corporate Sustainability Initiative Award 2019 Penghargaan Inisiatif Keberlanjutan Perusahaan Indonesia Terbaik 2019
CECT Trisakti	CECT Sustainability Awards - categories based on ISO 26000 - Community Development, PROJECT-BASED CSR & SUSTAINABLE INCLUSIVE BUSINESS (Publicly Listed Company) - Integrated Sustainability Program and Overall CSR Performance - Mining Industry  CECT Sustainability Awards - kategori ISO 26000 - Pengembangan Masyarakat, CSR BERBASIS PROYEK & BISNIS INKLUSIF BERKELANJUTAN (Perusahaan Terbuka) - Program Keberlanjutan Terpadu, dan Kinerja CSR Keseluruhan - Industri Pertambangan

**CERTIFICATION | SERTIFIKASI [102-12]**

Certification Sertifikasi		Certification Body Badan Sertifikasi
ISO 14001:2015	Environmental Management Manajemen lingkungan	TUV NORD Indonesia
ISO 50001:2015	Energy Management System Sistem Manajemen Energi	TUV NORD Indonesia
ISO 9001:2015	Quality Management System Sistem Manajemen Mutu	TUV NORD Indonesia
ISO/IEC 17025:2017	Testing and Calibration Laboratory. Laboratorium pengujian dan kalibrasi.	Accredited by KAN
OHSAS 18001 : 2007	International Scale OHSMS System Sistem SMK3 skala Internasional	TUV NORD Indonesia
ISO 45001 : 2018	International Scale OHSMS System Sistem SMK3 skala Internasional	DQS

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MESSAGE FROM  
THE PRESIDENT  
DIRECTOR & CEO  
**SAMBUTAN PRESIDEN  
DIREKTUR & CEO**

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Sustainability Report • Laporan Keberlanjutan 2019  
**PT ADARO ENERGY TBK**





# MESSAGE FROM THE PRESIDENT DIRECTOR & CEO

## SAMBUTAN PRESIDEN DIREKTUR & CEO



Against the backdrop of an uncertain environment, PT Adaro Energy Tbk (AE) was able to deliver on our operational and financial targets thanks to the solid results delivered by each business pillar.

Di tengah kondisi yang penuh ketidakpastian, PT Adaro Energy Tbk (AE) masih berhasil memenuhi target operasional dan finansialnya berkat kinerja yang solid dari masing-masing pilar bisnis.

### GARIBALDI THOHIR

President Director & Chief Executive Officer  
Presiden Direktur & Chief Executive Officer



Dear Stakeholders,

We thank God Almighty because Adaro Energy (AE) has concluded the year 2019 with good records of operational, financial and sustainability performances amid the challenges posed by the difficult condition in the coal market. Within its 27 years of business, AE has developed to manage eight growth pillars, i.e. Adaro Mining, Adaro Services, Adaro Logistics, Adaro Power, Adaro Land, Adaro Water, Adaro Capital and Adaro Foundation. All of these pillars are aimed at taking the active roles in supporting the nation's growth.

Knowing that its business activities bring significant impacts on the nation's economy and the people's welfare, we at the Adaro Group are fully committed to balancing the economic performance achieved by our business and our performance in environmental conservation and community empowerment. In the other words, we strive to balance the three elements of profit, planet and people on the perception that we must become a good corporate citizen by making maximum contribution to the achievement of Sustainable Development Goals (SDGs).

Para Pemangku Kepentingan yang Terhormat,

Puji syukur kita panjatkan ke hadirat Tuhan yang Maha Kuasa karena Adaro Energy (AE) dapat melalui tahun 2019 dengan raihan kinerja operasional, keuangan dan keberlanjutan yang baik walaupun harus menghadapi tantangan-tantangan di tengah kondisi pasar batu bara yang sedang sulit. Dalam kegiatan usahanya selama 27 tahun, AE telah berkembang untuk menaungi delapan pilar pertumbuhan, yakni Adaro Mining, Adaro Services, Adaro Logistics, Adaro Power, Adaro Land, Adaro Water, Adaro Capital dan Adaro Foundation. Seluruh pilar pertumbuhan ini ditujukan untuk berperan aktif dalam mendukung pertumbuhan Indonesia.

Mengingat kegiatan bisnisnya berdampak signifikan terhadap ekonomi negara maupun kesejahteraan masyarakat, Grup Adaro berkomitmen penuh untuk menyeimbangkan kinerja ekonomi yang dihasilkan bisnis dengan kinerja di bidang pelestarian lingkungan dan pemberdayaan masyarakat. Dengan kata lain, kami berupaya menyeimbangkan ketiga elemen *profit, planet* dan *people* atas dasar kesadaran bahwa kami harus menjadi *good corporate citizen* dengan berkontribusi maksimal terhadap pencapaian *Sustainable Development Goals* (SDGs).

The global economy had to deal with the consequences of trade wars between the US and China, which at times forced temporary supply and demand imbalances in the coal market. Added to this, the abundant supply of gas has also put coal price under pressure throughout 2019.

Ekonomi global harus menghadapi konsekuensi perang dagang antara Amerika Serikat dan China, yang seringkali mendorong ketidakseimbangan antara suplai dan permintaan di pasar batu bara. Ditambah lagi, pasokan gas yang berlimpah juga terus menekan harga batu bara di sepanjang tahun 2019.

We prepared this sustainability report by referring to the latest reporting system, Sustainability Reporting Guidelines of GRI Standard, to present the description on the contribution of the Adaro Group in supporting sustainable development in the global scale as stated in SDGs and ratified by the Government of Indonesia. We hope this report will provide meaningful information on the Adaro Group, especially its achievements in the environmental, social and governance aspects, which may not have been widely known by the stakeholders.

### Commitment and Sustainability Strategies

We have implemented business growth strategies which prioritize the balance among the economic, environmental and social achievements or the achievements in terms of profit, planet and people, the three main sustainability elements, in performing business activities. In the operational aspect, we strive to achieve operational excellence and implement good mining practices to ensure efficiency in operational activities and optimize the financial performance in any business condition, while at the same time achieve best results in environmental performance. In the management of our human resources, which are among our main assets and stakeholders, we promote the equal opportunity principle by consistently cultivating the Adaro Group's values "IMORE" as the guidelines in performing daily duties and behaviors. On the corporate sustainability aspect, we promote the "Adaro Nyalakan Perubahan" ("Adaro Ignites Change") program as our guidelines in building harmonious relationship with the surrounding communities and other stakeholders, the concrete manifestation of our commitment to sustainability.

Kami menyusun laporan keberlanjutan ini dengan mengacu kepada sistem pelaporan terbaru, *Sustainability Reporting Guidelines* dengan standar GRI, untuk memberikan gambaran mengenai kontribusi Grup Adaro dalam mendukung pembangunan berkelanjutan berskala global yang dinyatakan dalam SDGs dan telah diratifikasi oleh Pemerintah Indonesia. Kami harap laporan ini dapat memberikan informasi yang bermanfaat mengenai Grup Adaro terutama dalam hal pencapaian di bidang lingkungan, sosial dan tata kelola, yang mungkin belum banyak diketahui oleh para pemangku kepentingan.

### Komitmen dan Strategi Keberlanjutan

Kami telah menerapkan strategi pertumbuhan bisnis yang tetap mengedepankan keseimbangan antara kinerja ekonomi, lingkungan, dan sosial atau pencapaian dalam hal *profit, planet, dan people*, yang merupakan tiga elemen utama keberlanjutan, dalam menjalankan kegiatan usaha. Pada aspek operasional, kami mengupayakan *operational excellence* dan menerapkan praktek penambangan yang baik (*good mining practices*) demi memastikan efisiensi kegiatan operasional dan mengoptimalkan kinerja finansial di setiap kondisi usaha, sekaligus mencapai kinerja lingkungan terbaik. Pada aspek pengelolaan sumber daya manusia, yang merupakan salah satu aset utama perusahaan sekaligus menjadi pemangku kepentingan, kami mengedepankan asas persamaan kesempatan dengan senantiasa menanamkan nilai-nilai Grup Adaro "IMORE" sebagai pedoman dalam menjalankan tugas dan berperilaku sehari-hari. Sementara pada aspek tanggung jawab sosial perusahaan, kami mengupayakan program "Adaro Nyalakan Perubahan" sebagai pedoman dalam membina relasi harmonis dengan masyarakat sekitar maupun pemangku kepentingan lainnya, sebagai wujud nyata komitmen terhadap keberlanjutan.

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Although it is truly challenging, we make our best efforts to implement the sustainability principles in developing our businesses based on these strategies, with the aspiration to continue our positive performance while still adhering to the interests of our stakeholders. This commitment is presented in the following explanation of our sustainability performance.

### **Economic Performance**

Along 2019, the participants of the coal industry were faced with very difficult conditions, among others caused by the slowdown of global economy, uncertainties surrounding government policies, grueling tension brought by the US-China trade war, and lower LNG price, which had pushed down the coal price that 2019 GlobalCoal Newcastle (gCN) average price was US\$77.74 per tonne, or down 28% y-o-y.

We immediately responded to such condition by increasing operational efficiency, reducing strip ratio, and optimizing operational capacity to increase production in a measurable manner, so that revenue decrease would be minimized with the support of the favorable weather condition on the mining sites. The results were a 7% increase in production volume to 58.03 Mt and a strip ratio of 4.69x. Therefore, with the 13% decrease in average selling price, we managed to limit the y-o-y revenue decrease at 4%, recording a revenue of US\$3,457 million. With this total sales figure, we recorded total economic value of US\$3,663 million, or down 3% from US\$3,769 million recorded in the previous year, which we distributed to the stakeholders in the amount of US\$2,939 million, or down 3% from US\$3,030 million in the previous year.

Our economic value was distributed mainly to the business partners and suppliers (totaling US\$1,949 million), to the nation in the forms of tax and royalty (totaling US\$607 million), to the shareholders as dividends (totaling US\$200 million), in addition to the employees, creditors, and communities through CSR programs. Besides making financial contribution to the economy, we also supply coal to meet coal-fired power plants managed by the private sector as well as PT PLN (Persero) in Indonesia, support electricity supply through large to medium scale IPPs for coal-fired power plants and support clean water supply through a number of subsidiaries.

Sekalipun tidak mudah, kami melakukan upaya terbaik untuk menerapkan prinsip keberlanjutan dalam mengembangkan bisnis berdasarkan strategi tersebut, dengan tekad untuk melanjutkan kinerja positif dengan tetap memperhatikan kepentingan para pemangku kepentingan. Komitmen kami tersebut ditunjukkan dalam uraian kinerja keberlanjutan berikut.

### **Kinerja Ekonomi**

Sepanjang tahun 2019, para pelaku industri batu bara menghadapi kondisi yang sangat sulit antara lain akibat pelemahan ekonomi global, ketidakpastian kebijakan pemerintah, ketegangan perdagangan AS-China, dan penurunan harga gas alam cair, yang menekan harga batu bara hingga harga rata-rata GlobalCoal Newcastle (gCN) tahun 2019 menjadi AS\$77,74 per ton, atau turun 28% y-o-y.

Kami segera menanggapi kondisi tersebut dengan meningkatkan efisiensi operasional, mengurangi nisbah kupas, dan mengoptimalkan kapasitas operasi demi meningkatkan produksi secara terukur, sehingga penurunan pendapatan dapat diminimalkan dengan memanfaatkan kondisi cuaca di wilayah tambang yang kondusif. Hasilnya adalah kenaikan 7% pada volume produksi batu bara menjadi sebesar 58,03 juta ton, dengan nisbah kupas 4,69x. Karenanya, dengan penurunan harga jual rata-rata yang mencapai 13%, kami mampu menekan penurunan pendapatan y-o-y hingga hanya sebesar 4%, menjadi AS\$3.457 juta. Dengan angka penjualan tersebut, kami mencatat total perolehan nilai ekonomi sebesar AS\$3.663 juta, atau turun 3% dari AS\$3.769 juta pada tahun sebelumnya, yang kemudian kami distribusikan kepada para pemangku kepentingan sejumlah AS\$2.939 juta, atau turun 3% dari AS\$3.030 juta di tahun sebelumnya.

Perolehan ekonomi terutama dibagikan kepada para mitra kerja dan pemasok (senilai AS\$1.949 juta), kepada negara dalam bentuk pajak dan royalti (senilai AS\$607 juta), kepada pemegang saham dalam bentuk dividen (senilai AS\$200 juta), selain kepada karyawan, kreditur dan kepada masyarakat melalui realisasi Program CSR. Selain berkontribusi terhadap ekonomi dalam bentuk finansial, kami juga memasok batu bara untuk memenuhi kebutuhan PLTU yang dikelola oleh swasta dan PT PLN (Persero) di Indonesia, mendukung penyediaan tenaga listrik melalui PLTU IPP skala besar sampai sedang, dan mendukung ketersediaan air bersih melalui beberapa entitas anak usaha.

## Environmental Performance

Our commitment to maintain and rehabilitate the environmental quality is portrayed in our implementation of green initiatives and integrated mining operations which refer to the principles of environmental protection, which include the implementation of operational standards certified with ISO 14001:2015 for environmental management and ISO 17025 for coal testing laboratory. The mining activities are conducted with the support of IT-based integrated mine planning application which is effective to enable efficient use of heavy equipment and reduce emission.

We also reduce the greenhouse gas emission resulted from the consumption of electricity for the supporting activities by managing mine-mouth steam power plant, developing biodiesel fuel for meeting our needs independently, campaigning on energy and emission management, and carefully calculating energy intensity and greenhouse gas emission from coal production process. The result is the reduction of energy intensity to 0.43 GJ/metric ton of coal from 0.46 GJ/metric ton. Along with such decrease in energy intensity, we recorded an 8% decrease in the intensity of greenhouse gas emission to 0.033 ton equivalent CO<sub>2</sub>/metric ton of coal.

Furthermore, we also perform the measures to minimize water contamination, develop conservation area, and manage waste, in addition to other measures presented in this report. Most of these activities are still centralized at PT Adaro Indonesia (AI), our main coal mining subsidiary. With our green initiatives, in 2019 AI was granted the PROPER Gold award from the Ministry of Environment and Forestry.

## Kinerja Lingkungan

Komitmen kami untuk menjaga dan memperbaiki kualitas lingkungan diwujudkan dengan menerapkan *green initiatives* dan menjalankan kegiatan operasional penambangan terintegrasi dengan merujuk pada prinsip-prinsip perlindungan lingkungan, termasuk penerapan standar operasional bersertifikasi ISO 14001:2015 untuk manajemen lingkungan dan ISO 17025 untuk laboratorium pengujian batu bara. Kegiatan penambangan dilakukan dengan dukungan aplikasi perencanaan penambangan terpadu berbasis teknologi informasi yang efektif dalam mengefisienkan armada alat berat dan mengurangi emisi.

Kami juga mengurangi emisi gas rumah kaca (GRK) yang ditimbulkan oleh kebutuhan listrik untuk aktivitas pendukung dengan mengelola PLTU mulut tambang, mengembangkan bahan bakar nabati biodiesel untuk memenuhi kebutuhan secara mandiri, mengkampanyekan pengelolaan energi dan emisi, dan dengan cermat menghitung intensitas energi maupun emisi GRK dari proses produksi batu bara. Hasilnya adalah penurunan intensitas energi menjadi 0,43 GJ/metrik ton batu bara dari 0,46 GJ/metrik ton. Seiring penurunan intensitas energi tersebut, kami mencatat penurunan intensitas emisi GRK sebesar 8%, menjadi 0,033 ton ekuivalen CO<sub>2</sub>/metrik ton batu bara.

Selain itu, kami juga menjalankan langkah-langkah untuk meminimalkan pencemaran air, mengembangkan kawasan konservasi, dan mengelola limbah, di samping berbagai langkah lainnya yang kami sajikan dalam laporan ini. Sebagian besar dari kegiatan tersebut masih terpusat di PT Adaro Indonesia (AI), anak usaha utama kami yang beroperasi di bidang pertambangan batu bara. Dengan seluruh inisiatif hijau yang kami jalankan, pada tahun 2019 AI berhasil mendapatkan penghargaan PROPER Emas dari Kementerian Lingkungan Hidup dan Kehutanan.

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### Social Performance

For the social aspect, we have a program namely "Adaro Nyalakan Perubahan", a program to invest in the corporate social responsibility which consists of five sub-programs, i.e. "Adaro Nyalakan Ilmu" for education, "Adaro Nyalakan Sejahtera" for community economic empowerment, "Adaro Nyalakan Raga" for health, "Adaro Nyalakan Budaya" for socio-culture including disaster aids, and "Adaro Nyalakan Lestari" for environment.

We realized investment in CSR programs totaling US\$4.1 million in 2019, spent for various programs such as scholarships, development of MSMEs and villages under mentoring programs, installation of clean water and sanitation facilities, establishment of the Dayak cultural village, and building of integrated waste processing facilities in various places within the closest vicinity to the mining area.

### Human Resources Management

We maintain a perspective that our human resources are a part of our stakeholders who play the vital roles in ensuring business success and sustainability. Therefore, we have numerous programs and activities implemented to help our employees to keep improving competencies. We continuously promulgate our corporate culture of integrity, meritocracy, openness, respect and excellence or IMORE, which serve as the guidelines for all personnel of the Adaro Group in working, carrying out duties and responsibilities and interacting with internal and external parties. Furthermore, we have developed a strategic initiative called "The Winning Team" and we are focusing on implementing the associated programs to manage and develop the employees and talents to ensure good and sustainable growth.

### Kinerja Sosial

Pada aspek sosial, kami mengusung program "Adaro Nyalakan Perubahan", suatu program investasi tanggung jawab sosial perusahaan yang terdiri atas lima sub-program, yakni: "Adaro Nyalakan Ilmu" untuk bidang pendidikan, "Adaro Nyalakan Sejahtera" untuk bidang pemberdayaan ekonomi masyarakat, "Adaro Nyalakan Raga" untuk bidang kesehatan, "Adaro Nyalakan Budaya" untuk bidang sosial budaya termasuk bantuan bencana, dan "Adaro Nyalakan Lestari" untuk bidang lingkungan.

Kami merealisasikan investasi program CSR sebesar AS\$4,1 juta di tahun 2019, yang digunakan untuk berbagai program misalnya pemberian beasiswa, pengembangan UMKM dan desa binaan, pemasangan fasilitas air bersih dan sanitasi, pembentukan desa budaya Dayak dan pembangunan tempat pengolahan sampah terpadu di berbagai wilayah di area ring 1 lokasi tambang.

### Pengelolaan Sumber Daya Manusia

Kami memandang SDM adalah salah satu pemangku kepentingan yang memiliki peran vital dalam memastikan keberhasilan dan kesinambungan usaha. Untuk itu, kami menjalankan berbagai program dan kegiatan bagi karyawan untuk terus meningkatkan kompetensi. Kami senantiasa mensosialisasikan budaya perusahaan yakni *integrity, meritocracy, openness, respect* dan *excellence* atau IMORE, sebagai pedoman bagi setiap insan Grup Adaro untuk berkarya, menjalankan tugas dan kewajibannya serta berinteraksi dengan pihak internal maupun eksternal. Selain itu, kami mengembangkan inisiatif strategis "The Winning Team" dan berfokus untuk menerapkan program-program terkait untuk mengelola dan mengembangkan para karyawan dan para *talent* demi memastikan pertumbuhan yang baik dan berkesinambungan.

We are supportive of our labor union, which also serves as the medium for our employees to address and express expectations and aspirations, in addition to being our partner in resolving the problems arising from work relationship and other employment matters. With the belief that employees who are engaged tend to create work environment conducive for company growth, we have regularly conducted the Employee Engagement Survey (EES), the results of which are used as valuable information for enhancing the quality of HR management at the entire Adaro Group.

**Closure**

We are confident that all our consistent efforts to improve and balance the achievements in the economic, social and environmental aspects in the current reporting year and onwards are effective to maintain business sustainability and record solid business growth. For this, we will always communicate actively with our stakeholders, manage close and effective relationship, and build the best collaboration with the stakeholders according to their respective capacity.

We believe the collaboration and harmonious relationship with the stakeholders will support AE to achieve its vision and missions as well as ensuring its contribution to the achievements of the sustainable development goals as stated in SDGs. On behalf of the Board of Directors, I would like to express my sincere gratitude to all stakeholders for all the support, contribution and participation in our efforts to balance the economic, social and environmental performances while at the same time developing our business in a sustainable manner, for the achievements we have attained thus far, and we will attain going forward.

Kami mendukung serikat pekerja, yang juga menjadi wadah para karyawan untuk menyalurkan dan mengekspresikan harapan and keinginan sekaligus menjadi mitra dalam menyelesaikan berbagai persoalan terkait hubungan kerja dan masalah ketenagakerjaan lainnya. Dengan keyakinan bahwa karyawan yang merasa “engaged” menciptakan lingkungan kerja yang kondusif bagi pertumbuhan perusahaan, kami menyelenggarakan survei *Employee Engagement Survey* (EES) secara berkala, yang hasilnya digunakan sebagai informasi berharga untuk meningkatkan kualitas pengelolaan SDM di seluruh Grup Adaro.

**Penutup**

Kami meyakini bahwa seluruh upaya konsisten kami yang dilakukan untuk meningkatkan dan menyeimbangkan kinerja di bidang ekonomi, sosial dan lingkungan pada tahun pelaporan maupun di masa-masa mendatang akan mampu menjaga kesinambungan usaha dan mencatat pertumbuhan bisnis yang solid. Oleh karenanya, kami akan senantiasa menjalin komunikasi aktif dengan para pemangku kepentingan, mengelola hubungan yang baik dan efektif, dan menjalin kerjasama terbaik dengan para pemangku kepentingan sesuai kapasitas masing-masing.

Kami percaya bahwa kerjasama dan hubungan yang harmonis dengan para pemangku kepentingan tersebut akan membantu AE dalam mencapai visi dan misi serta memastikan sumbangsih AE terhadap pencapaian berbagai tujuan pembangunan berkelanjutan dalam SDGs. Atas nama Direksi, saya menyampaikan ucapan terima kasih kepada seluruh pemangku kepentingan atas dukungan dan sumbangsih yang diberikan serta keterlibatannya pada upaya kami dalam menyeimbangkan kinerja ekonomi, sosial maupun lingkungan sekaligus mengembangkan bisnis secara berkelanjutan, yang telah dicapai sampai saat ini maupun di masa mendatang.

Hormat kami,

**Garibaldi Thohir**  
 President Director & Chief Executive Officer  
 Presiden Direktur & Chief Executive Officer

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# ABOUT THE REPORT TENTANG LAPORAN

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Sustainability Report • Laporan Keberlanjutan 2019  
**PT ADARO ENERGY TBK**





# REGARDING SUSTAINABILITY REPORT TENTANG LAPORAN KEBERLANJUTAN

PT Adaro Energy Tbk (AE) is pleased to report its sustainability performance in the form of a sustainability report, after the last publication in 2013. In this report AE describes its efforts to fulfil its commitment to the development of the nation through achieving its sustainability goals through the provision of energy supply acquired by applying *good mining practices*, and to improve the socioeconomic condition of the surrounding communities. This report also conveys AE's efforts to ensure the achievement of sustainable development goals as stated in the formulation of the sustainable development goals (SDGs).

## GUIDELINE, REPORTING STANDARDS & ASSURANCE

We use the Guidelines to Report Sustainability from the Global Reporting Initiatives (GRI), including the Mining and Metals Sector Supplement (MMSS or MM), also from GRI, with the selection of "CORE" standards. [102-48, 102-49, 102-54]

We apply the materiality principle in establishing issues that are considered important to stakeholders. The disclosure indicators of the applied GRI Standards Core are presented with an index in special brackets on every relevant page and summarized in the index list of standard core on page 133. [102- 55].

There is no material change nor restatement in the audited financial statements as a result of changes to the provisions of the financial accounting standards (PSAK). In formulating this 2019 sustainability report, we have not employed any assurance service to guarantee the credibility and quality of the information contained in this report. However, we have implemented an internal verification step. [102- 56]

## PERIOD AND CYCLE OF THE REPORT [102-50, 102-51, 102-52]

This report includes information on various programs and activities carried out by AE in conducting its operational activities. As an integrated coal mining and energy company, we are committed to support the achievement of a wide range of sustainable development goals by balancing our performance in the economic, social and environmental sectors.

The report on the realization of the aforementioned programs is accompanied with relevant data related to the material topic choices over the last two years, during the January 1, 2019 to December 31, 2019 period, and a comparison with the 2018 period. We plan to publish a sustainability report regularly every year.

Pada tahun 2019 ini, kembali PT Adaro Energy Tbk (AE) menyajikan laporan keberlanjutan setelah terakhir kali menerbitkannya pada tahun 2013 lalu. Melalui laporan ini, AE memberikan gambaran upaya yang telah dilakukan dalam menunjukkan komitmen terhadap pembangunan negeri, dan dukungan pencapaian tujuan keberlanjutan melalui penyediaan sumber energi yang diperoleh dan dikelola dengan menerapkan *good mining practice*, dan langkah-langkah meningkatkan kehidupan sosial ekonomi masyarakat sekitar. Laporan ini juga menguraikan upaya yang dilakukan AE untuk memastikan tercapainya tujuan pembangunan yang berkelanjutan sebagaimana tercantum dalam rumusan *Sustainable Development Goals* (SDGs).

## PEDOMAN, STANDARD LAPORAN & ASSURANCE

Laporan ini disusun menggunakan Pedoman Penyusunan Laporan Keberlanjutan *Global Reporting Initiatives* (GRI), termasuk Mining and Metals Sector Supplement (MMSS atau MM), juga dari GRI, dengan pilihan standar "CORE". [102-48, 102-49, 102-54]

AE menerapkan prinsip materialitas dalam menetapkan isu-isu yang dinilai penting bagi para pemangku kepentingan. Adapun indikator disclosure *GRI Standards Core* yang diaplikasikan disajikan dengan indeks dalam kurung berwarna khusus pada setiap halaman yang relevan dan dirangkum dalam Daftar Indeks *Standards Core* pada halaman 133. [102-55].

Tidak ada perubahan material selama periode pelaporan, juga tidak ada penyajian kembali pada Laporan Keuangan Auditan sebagai akibat perubahan ketentuan Pernyataan Standar Akuntansi Keuangan (PSAK). Pada penyusunan laporan keberlanjutan tahun 2019 ini, AE belum menggunakan jasa penjamin (*assurance*), untuk menjamin kredibilitas dan kualitas informasi yang tercantum dalam laporan ini. Namun demikian, AE menerapkan tahap verifikasi internal. [102-56]

## PERIODE DAN SIKLUS LAPORAN [102-50, 102-51, 102-52]

Laporan ini memuat berbagai program dan kegiatan yang dilakukan AE dalam menjalankan kegiatan operasionalnya sebagai perusahaan pertambangan batu bara dan energi terintegrasi yang berkomitmen mendukung tercapainya beragam tujuan pembangunan berkelanjutan dengan menyeimbangkan kinerja di bidang ekonomi, sosial dan lingkungan.

Pelaporan hasil realisasi program tersebut dilengkapi dengan data-data yang relevan dengan pilihan topik material selama dua tahun terakhir, pada periode 1 Januari 2019 sampai dengan 31 Desember 2019 dan perbandingannya untuk periode 2018. AE merencanakan penerbitan laporan keberlanjutan secara reguler setiap tahun.

The data and activities included in this report include AE's data together with data from several subsidiaries that represent the performance of the Adaro Group. Meanwhile, the financial data presented refer to AE's consolidated audited report. [102-45] Reporting of the financial data is based on Indonesia's financial accounting standards (PSAK). For the sustainability data, AE uses internationally applicable data-measuring techniques. Quantitative data in this report are presented using the two year comparability principle according to the established boundary.

### ESTABLISHMENT OF THE CONTENT AND BOUNDARY OF THE REPORT [102-46]

AE establishes the contents of this report by implementing four steps in accordance with GRI standards, namely:

1. Identify material aspects and establish boundary.  
Sustainability contexts are selected based on their relevance to the characteristics of the coal mining industry and its impact on the stakeholders.
2. Establish the priority of the aspects identified in the previous step (priority step).  
Since the priority of material aspects and issues in 2018 is still relevant to the condition in 2019, this report uses material aspects and issues from the two reporting periods.
3. Validate material aspects.  
All material aspects (completeness) obtained validation from the Corporate Secretary and Investor Relations Division and other relevant divisions to determine the priority of information that will be communicated in this report.
4. Review the report after it is published in order to improve the quality of the following year's report (review step).

AE conducts validation by taking into account internal input from the company which might represent matters relevant to the stakeholders, and by considering other stakeholders' responses which are conveyed in several activities involving various stakeholder groups, for example through the AGMS, analyst meetings, media gatherings, public expose and others.

The validation and review processes are conducted to ensure that the report presents balanced information. To improve the quality of future reports, we will also take into account the input and suggestions from stakeholders.

Data dan kegiatan yang dicantumkan dalam laporan ini menyangkut data AE beserta beberapa anak usaha yang merepresentasikan kinerja Grup Adaro. Sementara data keuangan yang ditampilkan, mengacu pada laporan audit konsolidasian AE. [102-45] Pelaporan data keuangan tersebut berdasarkan PSAK Indonesia. Sedangkan untuk data keberlanjutan, AE menggunakan teknik pengukuran data yang berlaku secara internasional. Data kuantitatif dalam laporan ini, disajikan dengan menggunakan prinsip perbandingan dalam dua tahun sesuai *boundary* yang ditetapkan sebelumnya.

### PENETAPAN KONTEN LAPORAN DAN BOUNDARY [102-46]

AE menjalankan proses penetapan isi laporan ini dengan menerapkan empat langkah sesuai Standar GRI, yaitu:

1. Identifikasi aspek-aspek yang material dan menetapkan *boundary*. Identifikasi aspek-aspek keberlanjutan (*sustainability context*) dipilih berdasarkan relevansinya dengan karakteristik industri pertambangan batu bara, dan pengaruhnya terhadap pemangku kepentingan.
2. Membuat prioritas atas aspek-aspek yang telah diidentifikasi pada langkah sebelumnya (langkah prioritas).  
Dengan pertimbangan bahwa prioritas aspek dan isu yang material tahun 2018 masih relevan dengan kondisi tahun 2019, maka laporan ini menggunakan aspek dan isu yang material pada dua periode laporan tersebut.
3. Validasi atas aspek-aspek material.  
Seluruh aspek material (*completeness*) mendapat validasi dari Divisi Corporate Secretary dan Investor Relations serta divisi-divisi terkait dalam perusahaan untuk memastikan prioritas informasi yang akan disampaikan dalam laporan ini.
4. Melakukan *review* atas laporan setelah diterbitkan guna meningkatkan kualitas laporan tahun berikutnya (langkah *review*).

AE melakukan validasi dengan memperhatikan masukan dari internal perusahaan yang dapat merepresentasikan hal-hal yang terkait dengan pemangku kepentingan dan mempertimbangkan respon pemangku kepentingan lain, yang disampaikan dalam beragam kegiatan yang melibatkan berbagai kelompok pemangku kepentingan, misalnya melalui forum RUPS, *analyst meeting*, *media gathering*, *public expose* dan sebagainya.

Proses validasi dan kajian ulang tersebut dilakukan untuk memastikan bahwa laporan menyajikan informasi yang seimbang. Untuk memperbaiki kualitas laporan dimasa mendatang, kami juga akan memperhatikan masukan dan saran dari pemangku kepentingan.

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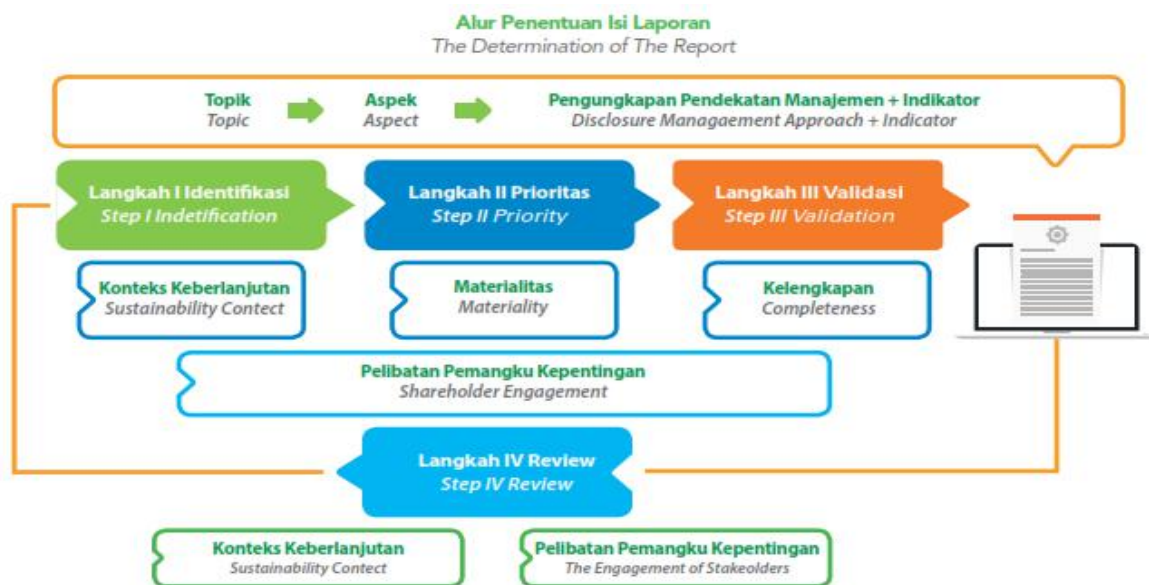
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The process of determining the content of this report is done by observing the compliance with the principles required by GRI standards, namely stakeholder inclusiveness, materiality, sustainability context and completeness, as illustrated in the following chart.

Proses penetapan isi laporan ini dilakukan dengan memperhatikan kesesuaian dengan prinsip yang disyaratkan oleh Standar GRI, yakni: *stakeholders inclusiveness* (pelibatan pemangku kepentingan); *materiality* (materialitas); *sustainability context* (konteks keberlanjutan) dan *completeness* (kelengkapan), sebagaimana tergambar dalam bagan berikut.



With regards to the boundary, it must be noted that the data and information related to the performance of environmental aspects, OHS, implementation of empowerment and training programs presented in this report are data from the following companies:

- PT Adaro Energy Tbk (AE)
- PT Adaro Indonesia (AI)
- PT Saptaindra Sejati (SIS)
- PT Makmur Sejahtera Wisesa (MSW)
- PT Maritim Barito Perkasa (MBP)
- Yayasan Adaro Bangun Negeri (YABN)

Sementara terkait dengan *boundary*, perlu disampaikan bahwa data maupun keterangan terkait kinerja pada aspek-aspek lingkungan, K3, pelaksanaan program pemberdayaan dan program pelatihan yang disampaikan dalam laporan ini merupakan data dari beberapa perusahaan sebagai berikut:

- PT Adaro Energy Tbk (AE)
- PT Adaro Indonesia (AI)
- PT Saptaindra Sejati (SIS)
- PT Makmur Sejahtera Wisesa (MSW)
- PT Maritim Barito Perkasa (MBP)
- Yayasan Adaro Bangun Negeri (YABN)

Table of the Relation / Information of Data with its Source

Tabel Keterkaitan Data / Keterangan dengan Sumbernya

Data Aspect/Information   Aspek Data/Keterangan	Company Entity & Related Parties   Entitas Perusahaan & Pihak Terkait
Finance   Keuangan	AE (Consolidation)   AE (Konsolidasi)
Environment   Lingkungan	AE, AI, SIS, MSW, MBP
OHS   K3	AE, AI, SIS, MSW, MBP
Empowerment   Pemberdayaan	AE, AI, SIS, MSW, MBP, YABN
HR Management   Pengelolaan SDM	AE, AI, SIS, MSW, MBP

Data source limitation has been imposed considering that the relevant data from the five subsidiaries and YABN represent more than 95% of the quantitative data that should be conveyed. For data and information on financial performance, all of the topics in this report are consolidated data that include the performance of AE and all of its subsidiaries.

**SIGNIFICANT IMPACT AND MATERIALITY TEST [102-47]**

In determining the reported topics, AE conducts a material impact assessment by forming an internal discussion group to discuss operational impacts on key stakeholders, as well as considering input from several external parties through meetings with investors and interaction with the surrounding communities.

Through these discussions, AE conducts a materiality test of some of the material topics that are expected to be presented in the report, AE then establishes a list of material topics together with a relevant disclosure index and complete with the reporting boundary in accordance with the data source, as presented in the following materiality matrix and table.

Pembatasan sumber data tersebut dilakukan mengingat data-data terkait dari lima entitas anak usaha dan YABN tersebut telah merepresentasikan lebih dari 95% data kuantitatif yang wajib disampaikan. Untuk data dan keterangan mengenai kinerja keuangan, seluruh bahasan dalam laporan ini merupakan data konsolidasi yang meliputi kinerja AE beserta seluruh entitas anak usahanya.

**DAMPAK SIGNIFIKAN DAN UJI MATERIALITAS [102-47]**

Dalam menentukan topik-topik yang dilaporkan, AE melakukan kajian dampak material dengan membentuk grup diskusi internal guna membahas dampak operasional terhadap para pemangku kepentingan utama, serta mempertimbangkan masukan dari beberapa pihak eksternal melalui pertemuan dengan investor dan interaksi dengan masyarakat sekitar.

Melalui diskusi tersebut AE melakukan uji materialitas terhadap sejumlah topik material yang diperkirakan layak disampaikan dalam laporan, kemudian menetapkan daftar topik material berikut indeks *pengungkapan* yang relevan, lengkap dengan *boundary* pelaporan sesuai tabel sumber data, sebagaimana disajikan dalam matriks dan tabel materialitas berikut.

Materiality Matrix Diagram [102-47]  
Diagram Matriks Materialitas



Twenty-eight (28) material topic groups meet the criteria of having a major material impact on AE’s sustainability performance. AE then establishes 71 disclosure indexes of the mentioned material topics, as follow.

Terdapat 28 kelompok topik material yang memenuhi kriteria dampak paling material terhadap kinerja keberlanjutan AE. AE kemudian menetapkan tidak kurang 71 indeks *disclosure* dari topik material dimaksud, sebagai berikut.

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**Daftar Topik Material dan Boundary**

**Material Aspects and Boundary [102-47]**

No.	Topik Material Material Aspects	Alasan Materialitas Reason for Materiality	Indeks Disclosure Disclosure Index	Boundary	
				Di dalam AE Inside AE	Diluar AE Outside AE
<b>EKONOMI   ECONOMY</b>					
1	Kinerja Keuangan / Ekonomi Financial Economic Performance	Berdampak signifikan pada pemangku kepentingan Has significant impact on the stakeholders	201-1, 201-3	√	
2	Keberadaan Pasar Market Presence	Berdampak signifikan pada pemangku kepentingan Has significant impact on the stakeholders	202-1	√	
3	Dampak ekonomi tak langsung Indirect economic impact	Berdampak signifikan pada pemangku kepentingan Has significant impact on the stakeholders	203-1, 203-2	√	√
4	Anti Korupsi Anti-Corruption	Berdampak signifikan pada pembangunan dan pada reputasi Perseroan Has significant impact on the development and the Company's reputation	205-2, 205-3	√	√
<b>LINGKUNGAN   ENVIRONMENT</b>					
5	Material	Berdampak signifikan pada pemangku kepentingan Has significant impact on the stakeholders	301-1, 301-2	√	√
6	Energi Energy	Berdampak signifikan pada pemangku kepentingan dan bagi perusahaan Has significant impact on the stakeholders and the company	302-1, 302-3, 302-4	√	
7	Air Water	Berdampak signifikan pada pemangku kepentingan dan bagi perusahaan Has significant impact on the stakeholders and the company	303-1, 303-2, 303-3	√	
8	Keanekaragaman Hayati Biodiversity	Berdampak signifikan pada pemangku kepentingan dan reputasi perusahaan Has significant impact on the stakeholders and the Company's reputation	304-1, 304-2, 304-3, 304-4	√	
9	Emisi Emission	Berdampak signifikan pada pemangku kepentingan Has significant impact on the stakeholders	305-1, 305-4, 305-5, 305-7	√	
10	Limbah dan Effluent Waste and Effluent	Berdampak signifikan pada pemangku kepentingan dan reputasi perusahaan Has significant impact on the stakeholders and the Company's reputation	306-1, 306-2, 306-3, 306-4, 306-5	√	√
11	Kepatuhan Lingkungan Environmental Compliance	Berdampak signifikan pada pemangku kepentingan dan reputasi perusahaan Has significant impact on the stakeholders and the Company's reputation	307-1	√	
12	Seleksi Pemasok vs Lingkungan Supplier Selection vs Environment	Berdampak signifikan pada pemangku kepentingan dan reputasi perusahaan Has significant impact on the stakeholders and the Company's reputation	308-1	√	√
<b>SOSIAL   SOCIAL</b>					
13	Kepegawaian Employment	Berdampak signifikan pada pemangku kepentingan dan bagi kesinambungan usaha Has significant impact on the stakeholders and business continuity	401-1, 401-2	√	
14	Hubungan Industri Industrial Relations	Berdampak signifikan pada pemangku kepentingan dan bagi kesinambungan usaha Has significant impact on the stakeholders and business continuity	402-1	√	
15	Aspek K3 OHS Aspects	Berdampak signifikan pada pemangku kepentingan dan bagi kesinambungan usaha Has significant impact on the stakeholders and business continuity	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10	√	
16	Pelatihan dan Pendidikan Training and Education	Berdampak signifikan pada pemangku kepentingan dan bagi kesinambungan usaha Has significant impact on the stakeholders and business continuity	404-1, 404-2, 404-3	√	

No.	Topik Material Material Aspects	Alasan Materialitas Reason for Materiality	Indeks Disclosure Disclosure Index	Boundary		SUSTAINABLE PERFORMANCE HIGHLIGHTS MUTUASAMA KEBERLANJUTAN
				Di dalam AE Inside AE	Diluar AE Outside AE	
17	Keberagaman dan Persamaan Kesempatan Diversity and Equal Opportunity	Berdampak signifikan pada pemangku kepentingan Has significant impact on the stakeholders	405-1, 405-2	✓		WELCOME NOTES FROM PRESIDENT DIRECTOR & CEO PRESIDEN & CEO
18	Non Diskriminasi Non-Discrimination	Berdampak signifikan pada pemangku kepentingan Has significant impact on the stakeholders	406-1	✓		ABOUT THIS REPORT TENTANG LAPORAN
19	Kebebasan Berserikat dan PKB Freedom of Association and CLA	Berdampak signifikan pada pemangku kepentingan dan reputasi Perseroan Has significant impact on the stakeholders and the Company's reputation	407-1	✓		COMPANY PROFILE PROFIL PERUSAHAAN
20	Praktik Keamanan Security Practice	Berdampak signifikan pada pemangku kepentingan dan reputasi Perseroan Has significant impact on the stakeholders and the Company's reputation	410-1	✓		FRAMEWORK AND STRATEGY OF ACHIEVING SUSTAINABILITY GOALS KERANGKA DAN STRATEGI PENCAPAIAN TUJUAN KEBERLANJUTAN
21	Hak Asasi Manusia Human Rights	Berdampak signifikan pada pemangku kepentingan dan reputasi Perseroan Has significant impact on the stakeholders and the Company's reputation	412-2	✓		
22	Masyarakat Lokal Local Communities	Berdampak signifikan pada pemangku kepentingan dan reputasi Perseroan Has significant impact on the stakeholders and the Company's reputation	413-1, 413-2	✓		ENVIRONMENTAL MANAGEMENT PENGELOLAAN LINGKUNGAN
23	Pemasok Vs Sosial Supplier vs Social	Berdampak signifikan pada pemangku kepentingan dan bagi kesinambungan usaha Has significant impact on the stakeholders and business continuity	414-1	✓	✓	
24	K2 Pelanggan Customer Privacy	Berdampak signifikan pada pemangku kepentingan dan reputasi Perseroan Has significant impact on the stakeholders and the company's reputation	416-1	✓		OCCUPATIONAL HEALTH AND SAFETY KESELAMATAN DAN KESEHATAN KERJA
25	Pemasaran dan Pelabelan Marketing and Labeling	Berdampak signifikan pada pemangku kepentingan dan reputasi Perseroan Has significant impact on the stakeholders and the company's reputation	417-1, 417-2	✓		EMPowering AND BUILDING COMMUNITY WELFARE MEMBERDAYAKAN DAN MENGUNCIKAN KEMERDEKAAN KOMUNITAS
26	Kepatuhan Sosial & Ekonomi Social & Economic Compliance	Berdampak signifikan pada pemangku kepentingan dan reputasi Perseroan Has significant impact on the stakeholders and the company's reputation	419-1	✓		
<b>SEKTOR JASA KEUANGAN   FINANCIAL SERVICE SECTOR</b>						
28	Green Mining	Berdampak signifikan pada pemangku kepentingan, keberlanjutan dan pada reputasi Perseroan Has significant impact on the stakeholders, sustainability and the Company's reputation	MM1, MM2, MM3, MM4, MM5, MM6, MM7, MM8, MM9, MM10, MM11	✓	✓	PROVIDING ENERGY FOR NATIONAL DEVELOPMENT MENYEDIAKAN ENERGI BAGI PENGEMBANGAN NEGERI

**CONTACT [102-53]**

For further information or inquiries regarding this report, please contact:

**Corporate Secretary and Investor Relations Division**

PT Adaro Energy Tbk  
Menara Karya 18th Floor  
Jl. H.R. Rasuna Said, Block X-5, Kav. 1-2  
South Jakarta – 12950- Indonesia  
Phone : (62-21) 5211 265, 2533 300  
Fax. : (62-21) 5794 4687  
Website : www.adaro.com  
Email : investor.relations@adaro.com

**KONTAK [102-53]**

Apabila memerlukan informasi lebih lanjut atau pertanyaan-pertanyaan tentang Laporan ini, silahkan menghubungi:

**Corporate Secretary and Investor Relations Division**

PT Adaro Energy Tbk  
Menara Karya Lantai 18  
Jl. H.R. Rasuna Said, Blok X-5, Kav. 1-2  
Jakarta Selatan – 12950 - Indonesia  
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04

# COMPANY PROFILE **PROFIL PERUSAHAAN**

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**PT ADARO ENERGY TBK**





# PROFIL PERUSAHAAN COMPANY PROFILE

**Company Name | Nama Perusahaan**  
PT Adaro Energy Tbk

## Line of Business | Bidang Usaha

According to the Articles of Association, Article 3, the Company's business sectors are:

- Trade, service, industry, coal transportation, workshop, mining, and construction.
- Subsidiaries operate in coal mining, coal trading, mining contractor services, infrastructure, coal logistics, power plants and water treatment plants.

Lines of business that are currently implemented are: Coal mining, mining services, logistics and power services, integrated through subsidiary companies.

Sesuai Anggaran Dasar, Pasal 3, bidang usaha Perseroan adalah:

- Bidang usaha perdagangan, jasa, industri, pengangkutan batu bara, perbengkelan, pertambangan dan konstruksi.
- Entitas anak bergerak dalam bidang usaha pertambangan batu bara, perdagangan batu bara, jasa kontraktor penambangan, infrastruktur, logistik batu bara, pembangkit listrik, dan pengolahan air.

Bidang Usaha yang saat ini dijalankan adalah: Tambang batu bara, jasa pertambangan dan logistik dan ketenagalistrikan yang terintegrasi melalui anak-anak perusahaan.

## Head Office Address | Alamat Kantor Pusat

Menara Karya 18<sup>th</sup> Floor,  
Jl. H.R. Rasuna Said, Blok X-5, Kav. 1-2,  
Jakarta 12950, Indonesia,

**Phone | Telp**  
(62 21) 5211 265, 2533 300

**Facsimile | Faximili**  
(62 21) 5794 4687

**Website**  
[www.adaro.com](http://www.adaro.com)

## Operational Areas | Wilayah Operasional

Various regions in Indonesia  
Berbagai wilayah di Indonesia

## Legal Basis of Establishment | Dasar Hukum Pendirian

1. Deed of Establishment: Notarial Deed No. 25 dated July 28, 2004 made before Sukawaty Sumadi, S.H., Notary in Jakarta. The Deed was published in the State Gazette of the Republic of Indonesia No. 59, dated July 25 2006, State Gazette Supplement No. 8036 and was approved by the Minister of Justice of the Republic of Indonesia in Decision No. C-21493 HT.01.01. TH.2004, dated August 26, 2004.
2. The most recent Deed of Articles of Association amendment: Notarial Deed No. 36 dated July 6, 2015 of Humberg Lie, S.H., S.E., M.Kn., to conform with the requirements of the Financial Services Authority (Otoritas Jasa Keuangan) Regulation No. 32/POJK.04/2014, dated December 8, 2014, regarding Planning and Execution of the General Meeting of Shareholders of a Public Company and the Financial Services Authority Regulation No. 33/POJK.04/2014, dated December 8, 2014, regarding the Boards of Directors and Commissioners of a Public Company. This latest deed has been accepted by the Minister of Law and Human Rights of the Republic of Indonesia in Notification Receipt No. AHU-AH.01.03-0953799, dated August 3, 2015.

1. Akta Pendirian : Akta No.25 tertanggal 28 Juli 2004 yang dibuat di hadapan Sukawaty Sumadi, S.H., Notaris di Jakarta. Akta pendirian Perusahaan diumumkan dalam Berita Negara Republik Indonesia No. 59, tertanggal 25 Juli 2006, Tambahan Berita Negara No. 8036 dan disetujui oleh Menteri Kehakiman Republik Indonesia dengan Surat Keputusan No.C-21493 HT.01.01.TH.2004, tertanggal 26 Agustus 2004.
2. Akta Perubahan AD Terakhir: Akta Notaris Humberg Lie, S.H., S.E., M.Kn., No. 36 tertanggal 6 Juli 2015 untuk menyesuaikan Anggaran Dasar Perusahaan dengan Peraturan Otoritas Jasa Keuangan No. 32/POJK.04/2014 tertanggal 8 Desember 2014, tentang Rencana dan Pelaksanaan Rapat Umum Pemegang Saham Perusahaan Terbuka dan Peraturan Otoritas Jasa Keuangan No. 33/POJK.04/2014, tertanggal 8 Desember 2014, tentang Dewan Direksi dan Komisaris Perusahaan Publik. Akta terakhir ini telah diterima oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia, dengan Surat Penerimaan Pemberitahuan Perubahan Anggaran Dasar No. AHU-AH.01.03-0953799, tertanggal 3 Agustus 2015



### Market Scope | Ruang Lingkup Pasar

Indonesia and Asia  
Indonesia dan kawasan Asia

### Date of Establishment | Tanggal Pendirian

August 26, 2004 | 26 Agustus 2004

### Membership in Associations Keanggotaan dalam Asosiasi

- Indonesian Issuers Association
- Indonesian Mining Services Association – ASPINDO
- Indonesian Coal Mining Association – ICMA
- Indonesian Mining Association – IMA
- The Indonesian Chamber of Commerce and Industry
- Indonesia Global Compact Network
- Indonesian Philanthropy Association
- Asosiasi Emiten Indonesia
- Asosiasi Jasa Pertambangan Indonesia – ASPINDO
- Asosiasi Pertambangan Batubara Indonesia – APBI
- Asosiasi Pertambangan Indonesia – API
- Kamar Dagang dan Industri Indonesia – KADIN
- Indonesia Global Compact Network
- Perhimpunan Filantropi Indonesia

### Authorized Capital | Modal Dasar

Rp8,000,000,000,000 (eight trillion rupiah)  
Rp.8.000.000.000.000 (delapan triliun Rupiah)

### Paid-Up Capital | Modal Disetor

Rp3,198,600,000,000 (three trillion, one hundred and ninety-eight billion, six hundred million rupiah)

Rp3.198.600.000.000 (tiga triliun seratus sembilan puluh delapan miliar enam ratus juta Rupiah)

### Ownership | Kepemilikan

PT Adaro Strategic Investments.....43.91%  
Garibaldi Thohir.....6.18%  
Pemegang saham kunci lainnya .....13.74%  
Masyarakat .....36.17%

PT Adaro Strategic Investments.....43.91%  
Garibaldi Thohir.....6.18%  
Other major shareholders .....13.74%  
Public .....36.17%

### Products and Services | Produk dan Jasa

- Coal
- Coal mining services
- Coal trading services
- Logistics services
- Power generation
- Water treatment
- Utilities
- Supporting infrastructure

- Batu bara
- Jasa penambangan batu bara
- Jasa pemasaran batu bara
- Jasa Logistik
- Pembangkit listrik
- Pengolahan air
- Utilitas
- Infrastruktur pendukung

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# ADARO AT A GLANCE

## SEKILAS ADARO



### ADARO AT A GLANCE

PT Adaro Energy Tbk (AE) is a vertically integrated energy producer in Indonesia with businesses in the coal, energy, utilities and supporting infrastructure sectors.

AE deploys an integrated business model comprised of eight pillars: Adaro Mining, Adaro Services, Adaro Logistics, Adaro Power, Adaro Land, Adaro Water, Adaro Capital and Adaro Foundation.

AE's main location is in South Kalimantan, where Envirocoal, a low-pollutant thermal coal, is mined. AE also has metallurgical coal assets across the spectrum from semi-soft coking coal to premium-hard coking coal in Indonesia and Australia.

While coal remains in the DNA of the company, AE continues to develop the non-coal mining businesses to provide a more stable earnings base and offset the volatility of the coal sector.

### SEKILAS ADARO

PT Adaro Energy Tbk (AE) adalah perusahaan energi yang terintegrasi secara vertikal di Indonesia dengan bisnis di sektor batu bara, energi, utilitas dan infrastruktur pendukung.

AE memiliki model bisnis terintegrasi yang terdiri dari delapan pilar: Adaro Mining, Adaro Services, Adaro Logistics, Adaro Power, Adaro Land, Adaro Water, Adaro Capital dan Adaro Foundation.

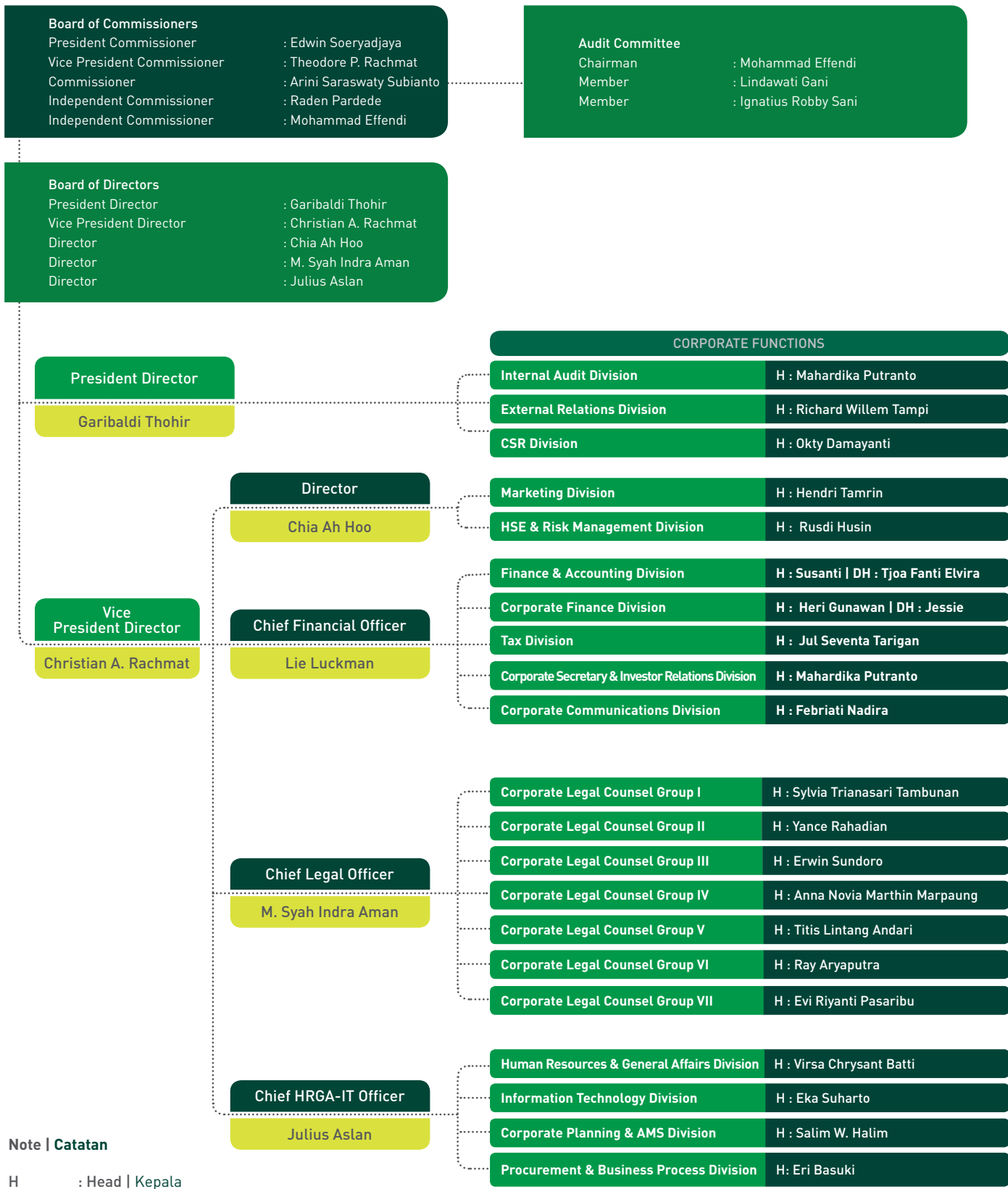
Lokasi utama tambang AE terletak di Kalimantan Selatan, tempat ditambangnya Envirocoal, batu bara termal dengan kadar polutan yang rendah. AE juga memiliki aset batu bara metalurgi yang beragam mulai dari batu bara kokas semi lunak sampai batu bara kokas keras premium di Indonesia dan Australia.

Walaupun batu bara tetap merupakan DNA perusahaan, AE terus mengembangkan bisnis non batu bara untuk mendapatkan dasar penghasilan yang lebih stabil dan mengimbangi volatilitas sektor batu bara.



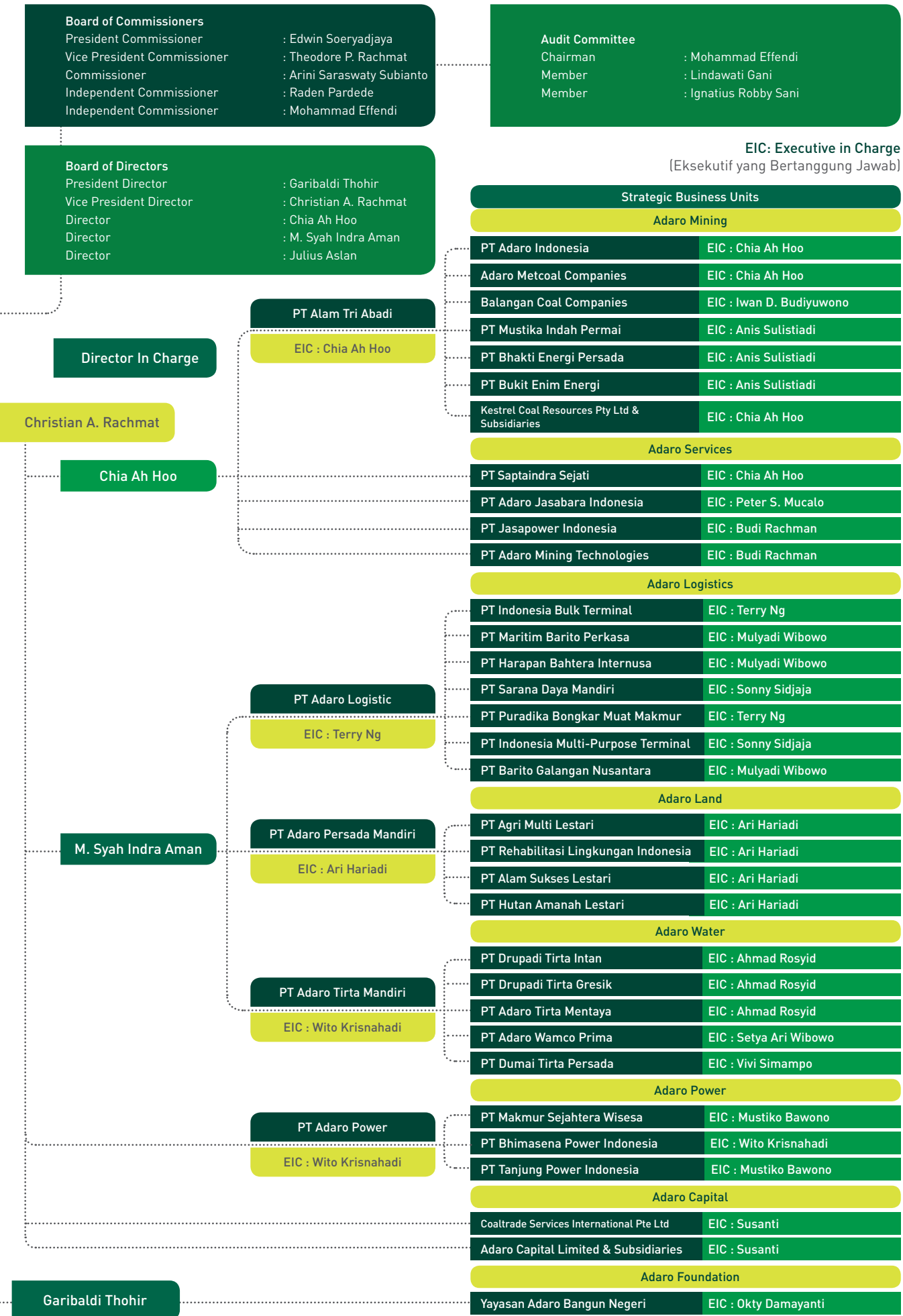
# STRUKTUR ORGANISASI

## ORGANIZATIONAL STRUCTURE



**Note | Catatan**

H : Head | Kepala  
 DH : Deputy Head | Wakil Kepala  
 AMS : Adaro Mangement Systems | Sistem Manajemen Adaro



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## ECONOMIC SCALE [102-7]

As of December 31, 2019, the business scale of PT Adaro Energy Tbk is illustrated in the following table:

Notes	Period			Keterangan
	2019	2018	2017	
Number of Employees	12.691	12.538	11.050	Jumlah Karyawan
Total Net Income (US\$ billion)	3,457	3,620	3,258	Total Pendapatan Bersih (AS\$ miliar)
Total capitalization (US\$ billion):				Total Kapitalisasi (AS\$ miliar)
-Total Liabilities (US\$ billion)	3.233	2,758	2,723	- Total Liabilitas (AS\$ miliar)
-Equity (US\$ million)	3.983	4,303	4,092	- Ekuitas (AS\$ miliar)
-Total Assets (US\$ million)	7.217	7,061	6,814	- Aset Total (AS\$ miliar)
Volume of Coal Production (million tons)	58.03	54.0	51.8	Volume Produksi Batu Bara (juta ton)

## SUPPLY CHAIN [102-9]

AE meets the demands of products and services for operational activities by establishing an integrated supply chain through several subsidiaries and affiliate companies.

However, apart from the integrated internal suppliers, AE needs support from other supplier partners, which have been strictly selected based on the Company requirements. The supplier selection process is done by the direct selection and appointment method. In order to establish cooperation, AE always complies with the applicable laws and regulations in order that no parties are harmed.

## SKALA EKONOMI

Hingga 31 Desember 2019, skala usaha PT Adaro Energy Tbk (AE) digambarkan dalam tabel berikut:

## RANTAI PASOK [102-9]

AE memenuhi kebutuhan produk dan jasa untuk kegiatan operasional dengan membentuk rantai pasok terintegrasi melalui beberapa entitas anak usaha maupun perusahaan afiliasi.

Namun demikian diluar pemasok internal terintegrasi tersebut, AE membutuhkan dukungan dari mitra pemasok lain, yang diseleksi ketat berdasarkan persyaratan Perusahaan. Proses seleksi pemasok dilakukan dengan metode pemilihan langsung dan penunjukan langsung. Dalam menjalin kerjasama tersebut, AE senantiasa mengikuti aturan dan perundang-undangan yang berlaku sehingga tidak ada pihak yang dirugikan.





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FRAMEWORK AND  
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**PT ADARO ENERGY TBK**



**PT. ADARO INDONESIA**  
**ENVIRONMENTAL REKLAMASI**  
**DATA TANAMAN**

LOKASI : S+2  
TAMAN TANAM : 2010  
JARAK TANAM : 2 m x 2 m  
JENIS TANAMAN : JARAK PAGAR  
VARIETAS : IP . IP  
JUMLAH TANAMAN : 3.438 POHON  
LUAS AREAL : 1.37 Ha

# FRAMEWORK AND STRATEGY TO ACHIEVE SUSTAINABILITY GOALS

## KERANGKA DAN STRATEGI PENCAPAIAN TUJUAN KEBERLANJUTAN

### SUSTAINABLE DEVELOPMENT IN GLOBAL SCALE

Since early 2016, every country throughout the world has started the implementation of sustainable development concept in a global scale as formulated in *Sustainable Development Goals* (SDGs) up until the end of 2030. SDGs replaced the *Millennium Development Goals* (MDGs) which were applied in the 2000-2015 period. The formulation of global scale sustainable development goals in the SDGs was discussed and determined by every member nation of the United Nations.

To ensure the implementation of various SDGs goals, each country which has committed to participate in achieving the SDGs goals conduct regular meeting called the Cooperation of Parties (COP). In 2019, the COP-25 was held in Chile and was organized by the *United Nations Framework Convention on Climate Change* (UNFCCC).

Indonesia has stated its commitment to work together with other countries to formulate global sustainable development goals in the SDGs. The formulation of said development objectives, also called Global Goals, covers five basic principles of sustainability, the 5-P, i.e. *People, Planet, Partnership, Peace and Prosperity*, elaborated into 17 goals, as follows.

### PEMBANGUNAN BERKELANJUTAN SKALA GLOBAL

Sejak awal tahun 2016 hingga akhir tahun 2030 seluruh negara di dunia telah sepakat untuk mulai menerapkan konsep pembangunan berkelanjutan skala global sebagaimana dirumuskan dalam *Sustainable Development Goals* (SDGs), pengganti rumusan *Millennium Development Goals* (MDGs) yang diterapkan sejak tahun 2000-2015. Rumusan tujuan pembangunan berkelanjutan skala global dalam SDGs dibahas dan ditetapkan oleh hampir seluruh negara dunia yang menjadi anggota PBB.

Dalam rangka pencapaian beragam tujuan dalam SDGs, seluruh negara yang telah menunjukkan komitmen partisipasinya menyelenggarakan pertemuan secara rutin yang disebut Cooperation of Parties (COP). Pada tahun 2019, COP-25, diselenggarakan di Chile. COP-25 diselenggarakan oleh *United Nations Framework Convention on Climate Change* (UNFCCC).

Indonesia telah menyatakan komitmennya untuk bersama-sama dengan negara lain merumuskan tujuan pembangunan berkelanjutan skala global dalam SDGs. Rumusan tujuan pembangunan dimaksud, disebut juga Global Goals, meliputi lima prinsip keberlanjutan, 5-P, *People, Planet, Partnership, Peace dan Prosperity*, yang kemudian dijabarkan kedalam 17 rumusan tujuan, sebagai berikut.

	<b>No Poverty</b> - End poverty in all its forms everywhere. <b>Tanpa Kemiskinan</b> - Mengakhiri kemiskinan dalam segala bentuknya di mana-mana
	<b>Zero Hunger</b> - End hunger, achieve food security and improved nutrition, and promote sustainable agriculture. <b>Tanpa Kelaparan</b> - Mengakhiri kelaparan, mencapai ketahanan pangan dan perbaikan nutrisi, serta menggalakkan pertanian yang berkelanjutan.
	<b>Good Health and Well-being</b> - Ensure healthy lives and promote well-being for people of all ages. <b>Kehidupan Sehat dan Sejahtera</b> - Menggalakkan hidup sehat dan mendukung kesejahteraan untuk semua usia.
	<b>Quality Education</b> - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. <b>Pendidikan Berkualitas</b> - Memastikan pendidikan berkualitas yang layak dan inklusif serta mendorong kesempatan belajar seumur hidup bagi semua orang
	<b>Gender Equality</b> - Achieve gender equality and empower all women and girls. <b>Kesetaraan Gender</b> - Mencapai kesetaraan gender dan memberdayakan semua perempuan.
	<b>Clean Water and Sanitation</b> - Ensure availability and sustainable management of water and sanitation for all. <b>Air Bersih dan Sanitasi Layak</b> - Menjamin akses atas air dan sanitasi untuk semua.
	<b>Affordable and Clean Energy</b> - Ensure access to affordable, reliable, sustainable and modern energy for all. <b>Energi Bersih dan Terjangkau</b> - Memastikan akses pada energi yang terjangkau, bisa diandalkan, berkelanjutan dan modern untuk semua.
	<b>Decent Work and Economic Growth</b> - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. <b>Pekerjaan Layak dan Pertumbuhan Ekonomi</b> - Mempromosikan pertumbuhan ekonomi berkelanjutan dan inklusif, lapangan pekerjaan dan pekerjaan yang layak untuk semua.
	<b>Industry, Innovation, and Infrastructure</b> - Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation. <b>Industri, Inovasi, dan Infrastruktur</b> - Membangun infrastruktur kuat, mempromosikan industrialisasi berkelanjutan dan mendorong inovasi.

	<b>Reduced Inequality</b> - Reduce income inequality within and among countries. <b>Berkurangnya Kesenjangan</b> - Mengurangi kesenjangan di dalam dan di antara negara-negara.
	<b>Sustainable Cities and Communities</b> - Make cities and human settlements inclusive, safe, resilient, and sustainable. <b>Kota dan Komunitas Berkelanjutan</b> - Membuat perkotaan menjadi inklusif, aman, kuat, dan berkelanjutan.
	<b>Responsible Consumption and Production</b> - Ensure sustainable consumption and production patterns. <b>Konsumsi dan Produksi yang Bertanggung Jawab</b> - Memastikan pola konsumsi dan produksi yang berkelanjutan.
	<b>Climate Action</b> - Take urgent action to combat climate change and its impacts. <b>Penanganan Perubahan Iklim</b> - Mengambil langkah penting untuk melawan perubahan iklim dan dampaknya.
	<b>Life Below Water</b> - Conserve and use sustainably the oceans, seas and marine resources for sustainable development. <b>Ekosistem Laut</b> - Pelindungan dan penggunaan samudra, laut dan sumber daya kelautan secara berkelanjutan.
	<b>Life on Land</b> - Protect, restore and promote sustainable use of terrestrial ecosystems, manage forests sustainably, combat desertification, and halt and reverse land degradation and biodiversity loss. <b>Ekosistem Daratan</b> - Mengelola hutan secara berkelanjutan, melawan perubahan lahan menjadi gurun, menghentikan dan merehabilitasi kerusakan lahan, menghentikan kepunahan keanekaragaman hayati.
	<b>Peace, Justice and Strong Institutions</b> - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. <b>Perdamaian, Keadilan, dan Kelembagaan yang Kuat</b> - Mendorong masyarakat adil, damai, dan inklusif.
	<b>Partnerships for the Goals</b> - Strengthen the means of implementation and revitalise the global partnership for sustainable development. <b>Kemitraan untuk Mencapai Tujuan</b> - Menghidupkan kembali kemitraan global demi pembangunan berkelanjutan.

## The Company's Commitment to Achieve Sustainability Objectives

Adaro Energy has a vision "To be a leading Indonesian mining and energy group", and is fully committed to support the achievement of sustainability objectives according to SDGs and related regulations in Indonesia.

### STRATEGY IN ACHIEVING SUSTAINABILITY GOALS

AE has also set its own vision and mission regarding the achievement of these sustainability goals, derived from its vision in the environmental and social fields that are integrated into achieving economic and operational targets in a balanced manner.

### Vision and Mission of Sustainability

Vision:

To achieve a prosperous, intelligent and independent society in a sustainable environment.

Mission:

- Empowering communities in an inclusive manner based on local potential and needs towards a society that is vibrant, productive and able to self - develop
- Supporting the sustainability of Adaro Group's business by building and strengthening community-based institutions as agents of change in the fields of education, economy, health, socio-cultural and environment.
- Building partnerships with stakeholders at both local and national level.
- Supporting government priority programs implemented in Adaro Group's operational areas.

### Strategy

The general strategies used to achieve sustainability goals are:

- Work in an inclusive manner, i.e. designate the community as a strategic partner and embrace all community groups.
- Uphold local wisdom so that the program is implemented according to needs, utilising the potential of the community, and not conflicting with positive values that already exist in the community.
- Build multi-party partnerships.
- Be oriented to the principle of sustainability through capacity-building and institutional strengthening.
- Ensure the CSR program is carried out transparently, accountably, effectively and efficiently.
- Share knowledge through print and digital media, both local and national.

## Komitmen Perseroan Terhadap Pencapaian Tujuan Keberlanjutan

Adaro Energy memiliki visi "Menjadi grup perusahaan tambang dan energi Indonesia yang terkemuka", berkomitmen penuh untuk mendukung pencapaian berbagai rumusan tujuan keberlanjutan sesuai SDGs dan peraturan terkait di Indonesia.

### STRATEGI PENCAPAIAN TUJUAN KEBERLANJUTAN

Perseroan telah menetapkan visi dan misi tersendiri berkaitan dengan pencapaian tujuan keberlanjutan tersebut, yang dirumuskan sebagai penjabaran dari visi perusahaan di bidang lingkungan, sosial yang terintegrasikan kedalam pencapaian target-target ekonomi dan operasional secara berimbang.

### Visi dan Misi Keberlanjutan

Visi:

Terwujudnya masyarakat yang sejahtera, cerdas dan mandiri dalam lingkungan yang lestari.

Misi:

- Memberdayakan masyarakat secara inklusif berbasis potensi dan kebutuhan lokal menuju masyarakat yang berkarakter, produktif dan mampu mengembangkan diri sendiri.
- Mendukung keberlanjutan usaha Grup Adaro dengan membangun dan memperkuat institusi berbasis masyarakat sebagai agen perubahan di bidang pendidikan, ekonomi, kesehatan, sosial budaya dan lingkungan.
- Membangun kemitraan dengan para pemangku kepentingan baik di tingkat lokal maupun nasional.
- Mendukung program prioritas pemerintah yang diimplementasikan di area operasional Grup Adaro.

### Strategi

Strategi umum yang diterapkan untuk mencapai tujuan keberlanjutan adalah:

- Bekerja secara inklusif, yaitu menjadikan masyarakat sebagai strategic partner, serta merangkul semua kelompok masyarakat.
- Menjunjung tinggi kearifan lokal (local wisdom), artinya program dilaksanakan sesuai kebutuhan, memanfaatkan potensi masyarakat, serta tidak bertentangan dengan nilai-nilai positif yang ada di masyarakat.
- Membangun kemitraan multi pihak.
- Berorientasi kepada prinsip Keberlanjutan (sustainability) melalui peningkatan kapasitas dan penguatan kelembagaan.
- Program CSR dilakukan secara transparan, akuntabel, efektif, dan efisien.
- Sharing pembelajaran melalui media cetak dan digital, baik lokal maupun nasional.

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STANDAR GRI

### Policy Basis

The basis for formulating policies as the foundation is the implementation of AE's social and environmental responsibility programs. This is a manifestation of various programs to achieve sustainability goals that is in line with the various rules and regulations for implementing related programs, as follows:

- Law Number 25 Year 2007 on investment
- Law Number 40 of 2007 on limited liability companies
- Law Number 4 of 2009 on mineral and coal mining
- Government Regulation Number 23 of 2010 last amended with Government Regulation Number 8 of 2018 on the Fifth Revision to Government Regulation Number 23 of 2010 on the Implementation of Mineral and Coal Mining Business Activities
- Government Regulation Number 47 of 2012 on Social and Environmental Responsibility for Limited Liability Companies
- Regulation of Minister of Finance No.76/PMK.03/2011
- Decision of Minister of Finance No.76/PMK.03/2011
- *Sustainable Development Goals*
- ISO 26000
- UN *Global Impact Corporate Sustainability in the World Economy*
- *International Finance Corporation Performance Standards on Environmental and Social Sustainability*

### PROGRAMS

The programs implemented by AE to achieve or support the achievement of sustainability objectives vary, but in essence they refer to the efforts to meet the expectations of the stakeholders that have been identified. The various programs include

- Implementation of responsibilities to consumers/customers.
- Management and Implementation of community social development programs, i.e. the Company's CSR programs.
- Environmental management
- Human resources management
- Occupational health and safety management

### Dasar Kebijakan

Dasar penyusunan kebijakan sebagai landasan pelaksanaan program-program Tanggung Jawab Sosial dan Lingkungan Perseroan yang merupakan manifestasi dari beragam program dalam rangka pencapaian tujuan keberlanjutan adalah berbagai Peraturan Perundangan dan berbagai kaidah pelaksanaan program terkait, sebagai berikut.

- UU Nomor 25 Tahun 2007 tentang Penanaman Modal;
- UU Nomor 40 Tahun 2007 tentang Perseroan Terbatas;
- UU Nomor 4 Tahun 2009 tentang Pertambangan Mineral dan Batubara;
- PP Nomor 23 Tahun 2010 sebagaimana diubah terakhir kali dengan PP Nomor 8 Tahun 2018 tentang Perubahan Kelima atas Peraturan Pemerintah Nomor 23 Tahun 2010 tentang Pelaksanaan Kegiatan Usaha Pertambangan Mineral dan Batubara
- PP Nomor 47 Tahun 2012 tentang Tanggung Jawab Sosial dan Lingkungan Perseroan Terbatas
- Peraturan Menteri Keuangan No.76/PMK.03/2011
- Keputusan Menteri Keuangan No. 76/PMK.03/2011
- *Sustainable Development Goals*
- ISO 26000
- UN *Global Impact Corporate Sustainability in the World Economy*
- *International Finance Corporation Performance Standards on Environmental and Social Sustainability*

### PROGRAM-PROGRAM

Program-program yang dijalankan Perseroan untuk mencapai ataupun mendukung pencapaian tujuan keberlanjutan tersebut beragam, namun pada intinya mengacu kepada upaya pemenuhan harapan para pemangku kepentingan yang telah diidentifikasi. Berbagai program dimaksud, mencakup diantaranya.

- Pelaksanaan Tanggung Jawab Terhadap Konsumen / Pelanggan.
- Pengelolaan dan Pelaksanaan Program-Program Pengembangan Sosial Kemasyarakatan atau Program CSR Perusahaan.
- Pengelolaan Lingkungan
- Pengelolaan Sumber Daya Manusia
- Pengelolaan Aspek Kesehatan dan Keselamatan Kerja.



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# ENVIRONMENTAL MANAGEMENT **PENGELOLAAN LINGKUNGAN**

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Sustainability Report • Laporan Keberlanjutan **2019**  
**PT ADARO ENERGY TBK**





# ENVIRONMENTAL MANAGEMENT

## PENGELOLAAN LINGKUNGAN

### LEGAL BASIS AND ENVIRONMENTAL POLICY

#### LEGAL BASIS [103-2]

PT Adaro Energy Tbk (AE) is committed to carry out environmental management programs as stipulated in Adaro Group's quality, health, safety and environment (QHSE) policy. The policy states that in conducting its activities, the Company must abide by the best practices in environmental management, complies with prevailing law and regulations, develops human resources in order to acquire the right competencies in the environmental sector, and carries out continuous improvement.

While environmental management primarily refers to the Laws and regulations imposed by the Ministry of Energy and Mineral Resources and the Ministry of Environment and Forestry as well as the international certification guidelines. Adaro Group's technical guidelines and standards are formulated to facilitate the companies within the group to achieve environmental excellence by exceeding the required standards and performing at a higher level than required.

#### POLICY AND COMMITMENT TO ENVIRONMENTAL MANAGEMENT [103-1, 103-3]

In its operations, the Adaro Group refers to the Adaro Group QHSE (Quality, Health, Safety and Environment) policy. Adaro Group is committed to:

- Prioritize occupational health and safety.
- Conduct best practices in QHSE management.
- Comply with QHSE laws and regulations.
- Conduct business activities effectively and efficiently to deliver quality products and services.
- Develop human resources in the QHSE sector to gain the right competencies.
- Carry out continuous improvement in order to enhance QHSE performance.

Adaro Group has also formulated the Adaro Environmental Management Standards (SML Adaro) to enable environmentally friendly mining operations and business activities.

### LANDASAN HUKUM DAN KEBIJAKAN LINGKUNGAN

#### LANDASAN HUKUM [103-2]

PT Adaro Energy Tbk (AE) berkomitmen penuh untuk melaksanakan pengelolaan lingkungan hidup yang dituangkan dalam kebijakan Mutu, Kesehatan dan Keselamatan Kerja, serta Lingkungan Hidup (MK3LH) Grup Adaro yang menegaskan bahwa Perseroan dalam melaksanakan aktivitasnya berpedoman pada praktik terbaik dalam pengelolaan lingkungan hidup, mematuhi peraturan perundang-undangan, membina sumber daya manusia agar memiliki kompetensi yang memadai di bidang lingkungan hidup, serta melaksanakan perbaikan secara berkesinambungan.

Pengelolaan lingkungan terutama merujuk kepada Undang-Undang dan peraturan yang diberlakukan oleh Kementerian Energi dan Sumber Daya Mineral dan Kementerian Lingkungan Hidup dan Kehutanan serta panduan sertifikasi internasional. Pedoman-pedoman teknis dan standar-standar Grup Adaro disusun untuk memfasilitasi perusahaan-perusahaan dalam grup untuk mencapai keunggulan lingkungan hidup dengan melampaui standar yang diwajibkan dan melakukan lebih dari yang diharuskan.

#### KEBIJAKAN DAN KOMITMEN TERHADAP PENGELOLAAN LINGKUNGAN [103-1, 103-3]

Dalam pelaksanaan operasionalnya, Grup Adaro berpedoman pada "Kebijakan MK3LH (Mutu, Kesehatan dan Keselamatan Kerja, serta Lingkungan Hidup) Grup Adaro". Grup Adaro berkomitmen untuk:

- Mengutamakan kesehatan dan keselamatan kerja,
- Melaksanakan praktik terbaik dalam pengelolaan MK3LH,
- Mematuhi peraturan perundang - undangan dan persyaratan lainnya di bidang MK3LH,
- Melaksanakan kegiatan usaha dengan efektif dan efisien untuk menghasilkan produk dan jasa yang memenuhi persyaratan,
- Membina sumber daya manusia di bidang MK3LH agar mempunyai kompetensi yang memadai,
- Melaksanakan perbaikan secara berkesinambungan untuk meningkatkan kinerja MK3LH.

Grup Adaro juga telah merumuskan Standar Manajemen Lingkungan Hidup Adaro (SML Adaro) untuk mendukung kegiatan operasional penambangan dan kegiatan bisnis yang ramah lingkungan.

## CERTIFICATION

Adaro Group, through PT Adaro Indonesia (AI) and PT Saptaindra Sejati (SIS), coal mining and mining services companies, respectively, have obtained and maintained the ISO 14001:2015 certification, the latest version of environmental management standards, and obtained certification for their respective environmental management systems in 2013 and 2011. This affirms Adaro Group's compliance with the highest international standards of environmental management.

In addition, AI has obtained ISO 17025 accreditation for its coal laboratory services, located at the Kelanis Dedicated Coal Terminal.

## IMPACT, RESPONSE AND MITIGATION OF ENVIRONMENTAL QUALITY

FORM OF IMPACT	SOURCE OF IMPACT	ENVIRONMENTAL PROGRAM
Landscape change Perubahan bentang darat	Overburden removal and coal mining Pemindahan lapisan penutup dan penambangan batu bara	Applying the Good Mining Practices (GMP)   Menerapkan <i>Good Mining Practices</i> <ul style="list-style-type: none"> <li>Periodical maintenance of heavy equipment and generator sets</li> <li>Limiting speed of coal transport vehicles</li> <li>Planting and tending plants on borders of coal transport roads as well as in the supporting area between land conveyors and residential settlements</li> </ul>
Noise   Suara	Heavy mining equipment operation Kegiatan operasional alat berat	<ul style="list-style-type: none"> <li>Melakukan perawatan berkala untuk alat berat dan genset.</li> <li>Membatasi kecepatan truk angkutan batu bara.</li> <li>Menanam dan merawat tumbuhan di sisi jalan angkut batu bara dan di area antara konveyor dan wilayah penduduk.</li> </ul>
	Power plant operations Kegiatan operasional pembangkit listrik	<ul style="list-style-type: none"> <li>Noise monitoring activities</li> <li>Power plant regular maintenance</li> <li>Pemantauan kebisingan.</li> <li>Perawatan berkala pembangkit listrik</li> </ul>
Water and soil pollution Polusi air dan tanah	Mining operations Kegiatan penambangan	<ul style="list-style-type: none"> <li>Managing mining water and stormwater runoff in the settling pond and ensuring that they meet the quality standards before being released into the body of water.</li> <li>Applying geotube technology.</li> <li>Mengelola air tambang dan air hujan di kolam pengendapan dan memastikan bahwa air memenuhi standar baku mutu sebelum dialirkan ke badan air.</li> <li>Menggunakan teknologi <i>geotube</i>.</li> </ul>
	Office activities and employees' accommodation Kegiatan di kantor dan akomodasi karyawan	<p>Constructing domestic waste water treatment facility to manage domestic waste water and monitor parameters according to Minister of Environment and Forestry Regulation No. 68 of 2016 to ensure the fulfillment of quality standards before being released into the body of water.</p> <p>Membangun fasilitas pengolahan air limbah domestik untuk mengelola limbah air domestik dan memantau parameternya berdasarkan Peraturan Menteri Lingkungan Hidup dan Kehutanan No. 68 tahun 2016 untuk memastikan standar baku mutu sebelum dialirkan ke badan air.</p>

## SERTIFIKASI

Grup Adaro, melalui PT Adaro Indonesia (AI) dan PT Saptaindra Sejati (SIS) yang bergerak di bisnis pertambangan dan jasa pertambangan telah mendapatkan dan mempertahankan sertifikasi ISO 14001:2015 yang merupakan versi terbaru untuk standar manajemen lingkungan dan melakukan sertifikasi terhadap sistem manajemen lingkungan masing-masing perusahaan sejak tahun 2013 dan 2011. Hal ini mengukuhkan kepatuhan Grup Adaro terhadap standar internasional tertinggi untuk bidang pengelolaan lingkungan hidup.

Selain itu AI juga telah terakreditasi ISO 17025 untuk laboratorium pengujian batu bara (*Coal Laboratory Services*) yang berada di wilayah Terminal Khusus Batu Bara Kelanis.

## DAMPAK, RESPON DAN MITIGASI KUALITAS LINGKUNGAN

FORM OF IMPACT	SOURCE OF IMPACT	ENVIRONMENTAL PROGRAM
Water and soil pollution Polusi air dan tanah	Hazardous Chemical Waste (B3) Management Pengelolaan limbah bahan berbahaya dan beracun (B3)	Managing B3 waste in accordance with the applicable regulations and storing B3 waste in authorized B3 waste landfills before being transported by an authorized third party Mengelola limbah B3 sesuai dengan peraturan yang berlaku dan menyimpan limbah B3 di tempat penyimpanan limbah B3 resmi sebelum diangkut oleh pihak ketiga resmi.
Air pollution Polusi udara	Heavy mining equipment and operational vehicle emissions Emisi alat berat pertambangan dan kendaraan operasional Emissions from coal-fired power plant Emisi dari PLTU Dust from coal transport Debu dari transportasi batu bara	<ul style="list-style-type: none"> <li>Using machines that have passed emission tests and performing periodic maintenance.</li> <li>Installing air quality control device in the form of electrostatic precipitator (ESP)</li> <li>Developing the nozzle sprayer system by utilizing rainwater to maintain air quality</li> <li>Menggunakan mesin yang lolos uji emisi dan melakukan perawatan berkala.</li> <li>Memasang alat pengendali kualitas udara <i>electrostatic precipitator</i> (ESP).</li> <li>Mengembangkan <i>nozzle sprayer system</i> dengan memanfaatkan air hujan untuk menjaga kualitas air.</li> </ul>
Squander of water resources Inefisiensi sumber air	Mining operations Kegiatan penambangan Coal-fired power plant operations Kegiatan PLTU Domestic / supporting activities Aktivitas domestik dan pendukung	<ul style="list-style-type: none"> <li>Processing wastewater into clean water at the water treatment plant (WTP) facility</li> <li>Mengolah air limbah menjadi air bersih di <i>water treatment plant</i> (WTP).</li> </ul>
Reduced biodiversity Berkurangnya keanekaragaman hayati	Land clearing Pembukaan lahan	<ul style="list-style-type: none"> <li>Execution of biodiversity program.</li> <li>Development of restoration area / biodiversity zone.</li> <li>Implementation of perennial and endemic plant nursery in the plant nursery facility.</li> <li>Menjalankan program pelestarian keanekaragaman hayati.</li> <li>Pengembangan area restorasi atau zona keanekaragaman hayati</li> <li>Pembibitan tumbuhan abadi dan endemik di fasilitas pengembangan bibit (<i>nursery</i>).</li> </ul>

#### Regulatory Compliance [307-1, 308-1]

In 2019 there were no significant environmental incidents reported within the operational areas of Adaro Group.

All partners working in the group's operational areas must comply with the group's environmental regulations, and will be evaluated using the CSMS (Contractor Safety Management System). The environmental criterias applied include ownership of environmental documents and the environmental protection and management permit (PPLH permit), procedures for management of hazardous materials and waste, environmental insurance and an emergency response system in the event of environmental incidents. To date, the Adaro Group has more than 158 business partners.

With regards to the procurement of goods, the Adaro Group has set a procedure on the procurement of goods which identifies materials that cannot be used including materials containing asbestos, ozone depleting substances and PCBs, and materials banned according to the regulations and to the Stockholm Convention.

#### Kepatuhan Terhadap Regulasi [307-1, 308-1]

Di sepanjang tahun 2019 tidak terjadi insiden lingkungan maupun pelanggaran terhadap regulasi di bidang lingkungan hidup yang signifikan di wilayah kerja Grup Adaro.

Seluruh mitra kerja yang bekerja di wilayah operasional grup diharuskan mematuhi peraturan lingkungan yang dapat dievaluasi melalui CSMS (*Contractor Safety Management System*). Kriteria lingkungan yang diterapkan antara lain kepemilikan dokumen lingkungan dan izin perlindungan dan pengelolaan lingkungan hidup (izin PPLH), prosedur pengelolaan material dan limbah B3, asuransi lingkungan hidup, serta sistem tanggap darurat apabila terjadi insiden lingkungan. Hingga saat penyusunan laporan ini Grup Adaro memiliki lebih dari 158 mitra kerja.

Selain itu dari segi pengadaan barang, Grup Adaro telah mengidentifikasi material yang tidak boleh digunakan melalui prosedur pengadaan barang antara lain material mengandung asbestos, material mengandung bahan perusak ozon (*Ozone Depleting Substances*), material mengandung PCBs, material yang dilarang sesuai dengan peraturan perundang – undangan, serta material yang dilarang dalam Stockholm Convention.

## BIODIVERSITY [304-2]

Biodiversity management is applied both in the context of species and the ecosystem, from pre-operation to preparation of post-mining operations. Biodiversity management includes of conservation and sustainability.

Conservation efforts are carried out by:

1. Developing sustainable biodiversity strategies, plans and programs
2. Identifying biological resources in operational areas.
3. Determining species that will be protected or preserved.
4. Identifying processes and categories of activities that have or are expected to have a significant impact on biodiversity.
5. Regularly monitoring and supervising species and biodiversity.
6. Increasing the biodiversity status of species that have been determined as important biological resources.
7. Conducting continuous review and improvement on biodiversity protection programs.

## LAND MANAGEMENT [304-1]

We have compiled an analysis on environmental impact (AMDAL) document which applies to all operational areas and always try to minimize the environmental impact of our mining activities. Best practices in the management and monitoring of the environment are implemented in order to improve the ecosystem and biodiversity in affected and unaffected areas, both inside and outside the operational areas. The existence of protected flora and fauna species as well as invasive ones is monitored on a regular basis.

We aim to compensate for environmental risks to biodiversity caused by our mining operations through reclamation program, watershed rehabilitation and post-mining program.

Since 2018, AI has been collaborating with BKSDA (The Agency for the Conservation of Natural Resources), of South Kalimantan, in the development of Pulau Bakut Ecotourism Park, a mangrove ecosystem which has become the habitat of the endangered proboscis monkey (*Nasalis larvatus*).

Every year, biodiversity management carried out by AE's subsidiaries is evaluated by the Ministry of Environment and Forestry through the PROPER (Corporate Performance Rating in Environmental Management) program. In 2019, AI obtained Gold PROPER, the highest rank. The parameters of biodiversity protection evaluation in the PROPER program include biodiversity protection policy, structure and responsibilities, program planning, program reporting and program implementation.

## KEANEKARAGAMAN HAYATI [304-2]

Manajemen keanekaragaman hayati diterapkan baik dalam konteks spesies maupun ekosistem, dimulai dari pra operasi hingga persiapan pasca operasi (pasca tambang). Upaya pengelolaan kehati mencakup aspek konservasi dan pemanfaatan yang berkelanjutan.

Upaya konservasi tersebut dilakukan dengan cara :

1. Mengembangkan strategi, rencana, dan program perlindungan keanekaragaman hayati secara berkelanjutan.
2. Mengidentifikasi sumber daya hayati di wilayah operasional
3. Menetapkan spesies sumber daya hayati yang akan dilindungi atau dilestarikan
4. Mengidentifikasi proses dan kategori kegiatan yang mempunyai atau diperkirakan mempunyai dampak kerugian yang nyata terhadap sumber daya hayati.
5. Melakukan pemantauan dan pengawasan secara berkala terhadap spesies dan keragaman hayati.
6. Meningkatkan status keanekaragaman hayati speies yang telah ditetapkan sebagai sumber daya hayati penting.
7. Melakukan peninjauan dan perbaikan secara berkelanjutan terhadap program perlindungan keanekaragaman hayati.

## PENGELOLAAN LAHAN [304-1]

Kami telah menyusun dokumen Analisis Mengenai Dampak Lingkungan (AMDAL) yang berlaku untuk keseluruhan area operasi dan selalu berusaha meminimalkan dampak terhadap lingkungan hidup yang diakibatkan oleh kegiatan penambangan. Praktik terbaik dalam pengelolaan dan pemantauan lingkungan hidup diimplementasikan dalam rangka perbaikan ekosistem dan keanekaragaman hayati pada lahan yang terganggu, tidak terganggu, di dalam maupun di luar area operasi. Keberadaan jenis flora dan fauna yang dilindungi maupun jenis invasif dipantau secara berkala.

Kami bertekad untuk mengkompensasi dampak lingkungan sisa (*environmental residual risk*) terhadap keanekaragaman hayati yang diakibatkan dari proses pertambangan, melalui upaya program reklamasi, program rehabilitasi Daerah Aliran Sungai (DAS) serta program pasca tambang.

Sejak tahun 2018, AI bekerja sama dengan Balai Konservasi Sumber Daya Alam (BKSDA) Kalimantan Selatan dalam rangka pengembangan Taman Wisata Alam Pulau Bakut, ekosistem mangrove yang menjadi habitat satwa dilindungi yaitu bekantan (*Nasalis larvatus*).

Setiap tahunnya, bentuk pengelolaan keanekaragaman hayati yang dilakukan oleh anak-anak perusahaan AE dievaluasi oleh Kementerian Lingkungan Hidup dan Kehutanan melalui program PROPER (Program Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan). Pada tahun 2019 lalu, AI mendapatkan penghargaan tertinggi, yaitu PROPER Emas. Parameter evaluasi perlindungan keanekaragaman hayati (kehati) dalam PROPER antara lain kebijakan perlindungan kehati, struktur dan tanggung jawab pelaksana, perencanaan program, pelaporan program, dan implementasi program.

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**Protected Area**

To preserve the habitat and ecosystem of flora and fauna in its managed area, AI has established a 113 hectares biodiversity protection area. AI's habitat & fauna protection program in the biodiversity protection area in Paringin reclamation area has been in operations since 2013.

The following activities are conducted in the biodiversity conservation zone:

- Development of void as a habitat of the biodiversity of cultured fish and local fish (germplasm source) with a sustainable fishery system.
- Development of endangered animal conservation areas, such as proboscis monkey, and maintaining the biodiversity of bird species.
- Development of endangered flora (germplasm source) conservation areas, such as orchid forest, arboretum for local fruits and germplasm sources.

**RECLAMATION, REVEGETATION AND REHABILITATION [MM1, MM2]**

During the 2018 - 2019 period, AI cleared 2,224.93 ha land, and at the same time carried out, in phases, land rehabilitation activities amounting to a total area of 673,56 ha. The complete data is shown in the following table.

**Area Dilindungi**

Namun sebagai upaya menjaga habitat dan ekosistem flora fauna yang berada di kawasan pengelolaan, ditetapkan kawasan perlindungan keanekaragaman hayati dengan luas 113 ha. Program perlindungan habitat & fauna di Kawasan Perlindungan Keanekaragaman Hayati di area reklamasi Paringin di AI telah berjalan dari tahun 2013.

Pada zona perlindungan keanekaragaman hayati ini dilakukan kegiatan sebagai berikut:

- Pembangunan void sebagai habitat keanekaragaman hayati ikan budidaya dan ikan lokal (sumber plasma nutfah) dengan sistem perikanan berkelanjutan.
- Pembangunan kawasan perlindungan satwa dilindungi (area konservasi) seperti Bekantan dan keanekaragaman spesies burung.
- Pembangunan kawasan perlindungan flora (area konservasi / sumber plasma nutfah) yang dilindungi seperti hutan anggrek, arboretum tanaman buah – buahan lokal serta sumber plasma nutfah.

**REKLAMASI, REVEGETASI DAN REHABILITASI [MM1, MM2]**

Selama periode tahun 2018-2019, AI telah melakukan pembukaan lahan seluas 2.224,93 ha, yang diiringi kegiatan rehabilitasi lahan secara bertahap dengan total luas 673,56 ha. Data selengkapnya dapat dilihat pada tabel berikut ini.

Land clearing and rehabilitation table [MM1]

Tabel Pembukaan Lahan dan Rehabilitasi [MM1]

Area	2018		2019	
	Land Clearing Pembukaan Lahan	Rehabilitation Rehabilitasi	Land Clearing Pembukaan Lahan	Rehabilitation Rehabilitasi
	2018	2018	2019	2019
	(Ha)	(Ha)	(Ha)	(Ha)
Wara	253.79	0.00	475.19	0.00
Tutupan	405.05	231.12	867.79	212.22
Paringin	105.41	83.92	117.70	146.30
<b>Total</b>	<b>764.25</b>	<b>315.04</b>	<b>1,460.68</b>	<b>358.52</b>

### ENDEMIC FLORA AND FAUNA CONSERVATION [304-3, 304-4]

We frequently monitor or supervise endemic fauna and flora in the managed areas. Especially in the biodiversity zone, data collection regarding the population of the proboscis monkey (*Nasalis larvatus*) is carried out as an indicator of the degree of success of the development of the biodiversity conservation area in Paringin.

During the 2013-2019 observation period we observed seventeen (17) species of birds and three (3) mammals categorized as endangered species according to the Minister of Environment and Forestry Regulation No. P. 106/Menlhk/Setjen/Kum.1/ 8/2018.

In addition, over the 2013-2019 observation period, we found five species of migrant birds and one species of endemic bird. Migrant birds take shelter in AI's Biodiversity Conservation Area.

Overall, AI found 105 type of birds residing within the managed area, with the following IUCN status: LC -, NT - seven types, VU - three types and EN - one type. One species of bird in the EN (endangered) status is the white-rumped woodpecker. The species within the VU (vulnerable) status are the greater green leafbird, the lesser adjutant and the fairy pitta.

More information about the endangered species within the area managed by AI can be found in the following table.

Table of conservation status of mammals in the conservation area [304-3, 304-4]

No.	Family Keluarga	Indonesian name Nama dalam Bahasa Indonesia	Scientific name Nama ilmiah	Common Name Nama umum	Permenlhk 106/2018	IUCN	CITES
1	Cercopithecidae	Bekantan	<i>Nasalis larvatus</i>	Proboscis Monkey	v	NT	I
2	Cercopithecidae	Lutung Kelabu	<i>Trachypithecus cristatus</i>	Silvery Lutung	v	NT	II
3	Lorisidae	Kukang Kalimantan	<i>Nycticebus borneanus</i>	Bornean Slow Loris	v	VU*	I

Note (\*) Previously estimated to be the synonym of *Nycticebus menagensis* which has vulnerable status, before eventually becoming a separate species

### KONSERVASI FLORA DAN FAUNA ENDEMIK [304-3, 304-4]

Kami secara berkala melakukan pemantauan atau monitoring terhadap keberadaan fauna maupun flora endemik di wilayah kelola, serta secara khusus pada zona keanekaragaman hayati dilakukan pendataan populasi bekantan (*Nasalis larvatus*) sebagai indikator keberhasilan pengembangan wilayah perlindungan kehati Paringin.

Selama periode pengamatan 2013-2019 kami mendapatkan tujuh belas (17) spesies burung dan tiga (3) mamalia termasuk spesies yang dilindungi menurut lampiran spesies tumbuhan dan satwa yang dilindungi sesuai Peraturan Menteri Lingkungan Hidup dan Kehutanan Nomor P.106/Menlhk/Setjen/Kum.1/ 8/2018.

Selain itu, selama periode pengamatan tahun 2013-2019 kami menemukan 5 spesies burung migran dan 1 spesies burung endemik. Burung migran singgah di Kawasan Perlindungan Keanekaragaman Hayati di AI.

Secara keseluruhan, AI mendapatkan 105 jenis burung yang hidup di areal kelolaan, dengan status menurut IUCN adalah: LC -, NT - tujuh jenis, VU - tiga jenis dan EN - satu jenis. Satu jenis burung dalam status EN (Endangered - Terancam Punah) adalah Caladi Batu. Sedangkan yang masuk status VU (Vulnerable - Rentan) adalah Cica Daun Besar, Bangau Tongtong dan Paok Bidadari.

Informasi selengkapnya mengenai spesies yang dilindungi di area kelola AI dapat dilihat pada tabel berikut ini.

Tabel Status Konservasi Mamalia di Kawasan Kelolaan [304-3, 304-4]

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- Lemur Kalimantan
- Kukang Kalimantan

The following is the complete information on the types of birds protected in AI's conservation area.

Sedangkan informasi lengkap mengenai jenis avifauna yang dilindungi di area kelola AI adalah sebagai berikut.

Table of bird's species by family and status in the conservation area [304-3, 304-4]

Tabel Konservasi sebagian jenis Avifauna (burung) menurut Famili dan Status di Kawasan Kelola [304-3, 304-4]

No.	Family Keluarga	Indonesian name Nama dalam Bahasa Indonesia	Scientific name Nama ilmiah	Common Name Nama umum	Permenlhk 106/2018	IUCN
1	Aegithinidae	Cipoh jantung	<i>Aegithina viridissima</i>	Green Lora		NT
2	Anhingidae	Pecuk ular asia	<i>Anhinga melanogaster</i>	Oriental Darter	v	NT
3	Campephagidae	Sepah tulin	<i>Pericrocotus igneus</i>	Fiery Minivet		NT
4	Chloropseidae	Cica daun besar	<i>Chloropsis sonnerati</i>	Greater Green Leaf bBrd		VU
5	Ciconiidae	Bangau tongtong	<i>Leptoptilos javanicus</i>	Lesser Adjutant	v	VU
6	Columbidae	Walik jambu	<i>Ptilinopus jambu</i>	Jambu Fruit-dove		NT
7	Megalaimidae	Takur tutut	<i>Psilopogon rafflesii</i>	Red-crowned Barbet	v	NT
8	Picidae	Caladi badok	<i>Meiglyptes tukki</i>	Buff-necked Woodpecker		NT
9	Picidae	Caladi batu	<i>Meiglyptes tristis</i>	White-rumped Woodpecker		EN
10	Pittidae	Paok bidadari	<i>Pitta nympha</i>	Fairy Pitta	v	VU
11	Sturnidae	Kerak kerbau	<i>Acridotheres javanicus</i>	Javan Myna		VU



**FLORA AND FAUNA RESTORATION [304-3]**

AI has applied a biodiversity conservation policy and has developed a model reclamation area biodiversity zone in Paringin, with an area size of 113 ha, or 0.36% of PT Adaro Indonesia's CCoW area.

This zone is an area especially developed and protected for the purpose of increasing the population of biodiversity, especially avians and proboscis monkey. The zone has been designated as a biodiversity conservation area since 2013 as one of the managed areas prepared for post-mining, hence it will not be disturbed again. The increase in population of proboscis monkey since the establishment of the biodiversity zone can be seen in the figure below.

**RESTORASI FLORA DAN FAUNA [304-3]**

AI menerapkan kebijakan perlindungan keanekaragaman hayati di seluruh kawasan kelola dan telah mengembangkan model zona keanekaragaman hayati kawasan reklamasi di Paringin seluas 113 ha atau 0,36% dari luas PKP2B Adaro Indonesia.

Zona tersebut merupakan daerah yang dikembangkan dan dilindungi secara khusus dalam rangka peningkatan populasi keanekaragaman hayati, khususnya avifauna (burung) dan bekantan. Zona ini telah ditetapkan sebagai kawasan perlindungan kehati sejak tahun 2013, sebagai salah satu area kelola yang dipersiapkan menuju pasca tambang sehingga tidak diganggu kembali. Tren populasi bekantan sejak penetapan zona keanekaragaman hayati hingga saat ini dapat dilihat pada gambar berikut ini.

Trend of Proboscis Monkey Population in Paringin Reclamation Area (2013-2019)  
Trend Populasi Bekantan di Area Reklamasi Paringin



The trend for the population increases of avians can be seen in the figure below.

Adapun tren peningkatan populasi pun terjadi pada avifauna (burung), dapat dilihat pada gambar berikut ini.

Trend of Avifauna Species Diversity in Paringin Reclamation Area (2013-2019)  
Trend Keragaman Spesies Avifauna di Area Reklamasi Paringin (2013-2019)



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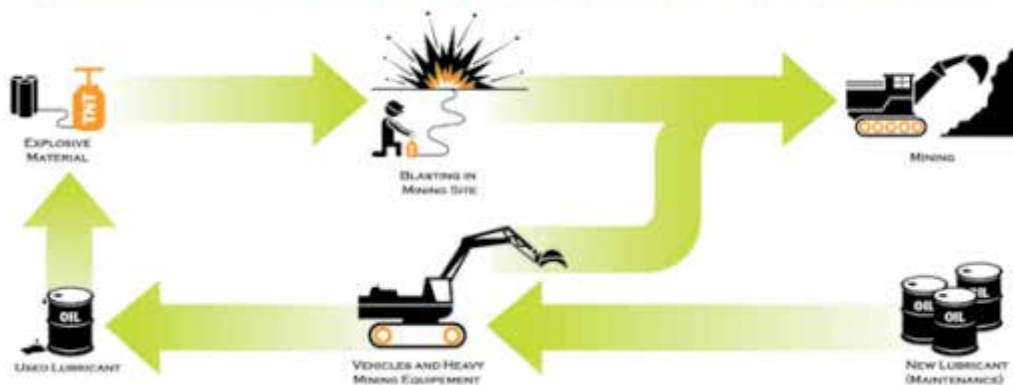
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In conducting its conservation or restoration program, AI always involves related stakeholders. For example, AI has a cooperation with BKSDA South Kalimantan, under the Cooperative Agreement (PKS) No. PKS.4108/BKSDAKALSEL-1.5/2018. The PKS is expected to optimize the function of the proboscis monkey conservation area in Pulau Bakut Ecotourism Park, which has an area of 15,58 ha which will provide good ecological, economic and social benefits for the community.

Saat merealisasikan program perlindungan atau restorasi habitat, AI selalu melibatkan pemangku kepentingan terkait. Contohnya kerja sama dengan BKSDA Kalimantan Selatan dalam perlindungan Bekantan (*Nasalis larvatus*) yang tertuang dalam Perjanjian Kerja Sama (PKS) No. PKS.4108/BKSDAKALSEL-1.5/2018. PKS ini diharapkan dapat mengoptimalkan fungsi kawasan konservasi habitat bekantan di Taman Wisata Alam (TWA) Pulau Bakut yang memiliki luas kawasan 15,58 ha, sehingga dapat memberikan manfaat baik ekologi, ekonomi dan sosial terhadap masyarakat



**DIAGRAM OF THE USE OF MATERIALS AND RECYCLED MATERIALS AT MINING SITES**



## ENVIRONMENTAL MONITORING AND MANAGEMENT

### MATERIAL MANAGEMENT [301-1, 301-2]

We use recycled materials for blasting activities. In the production of explosives, we use a mix of biodiesel (fuel oil), used lubricant, emulsion and ammonium nitrate, also known as the ANFO (ammonium nitrate fuel oil). We use recycled materials to improve efficiency in explosives usage.

Total volume of used lubricant produced in 2019 was 8,107,559 kg, which was an increase of 10% on consumption in 2018. Meanwhile, the total amount of ANFO used in 2019 was about 6,297,252 kg, or a decrease of 28% compared to the amount of ANFO used in 2018.

Table of used oil utilization as ANFO

Material	2018	2019	Up/ (Down) Naik/ (Turun)	2018		2019		Recycled Material Material daur ulang	
				2018	2019	Up/ (Down) Naik/ (Turun)	2018	2019	2018
Waste oil/used lubricant (in kg) Minyak/oli bekas (dalam kg)	7,389,582	8,107,559	10%	648,788	763,973	18%	8.8%	9.4%	
Biodiesel (fuel oil) (in liters) Biodiesel (BBM) (dalam liter)	655,313	389,727	(40%)	-	-	-	-	-	
Ammonium nitrate (in kg) Amonium nitrat (dalam kg)	32,043,272	30,941,583	(3%)	-	-	-	-	-	
Emulsion (in kg) Emulsi (dalam kg)	21,184,589	19,565,749	(8%)	-	-	-	-	-	
<b>ANFO (in kg)</b> <b>ANFO (dalam kg)</b>	<b>8,734,916</b>	<b>6,297,252</b>	<b>(28%)</b>	-	-	-	-	-	

## ENERGY MANAGEMENT

### Legal Basis and General Policy [103-1, 103-2, 103-3]

The Adaro Group consumes more than 6,000 TOE of energy per year, therefore we apply energy management, in line with Government Regulation Number 70 of 2009.

As part of our commitment to energy consumption management, we have released the Adaro Group Policy on Energy and Greenhouse Gas (GHG).

The policy includes a commitment to comply with regulations related to energy efficiency and reduction of greenhouse gas emissions, formulation of operational planning oriented in energy efficiency and reduction of greenhouse gas emission, and ensuring availability of resources and sustainable repair.

## PENGELOLAAN DAN PEMANTAUAN LINGKUNGAN

### PENGELOLAAN MATERIAL [301-1, 301-2]

Kami menggunakan bahan daur ulang dalam aktivitas peledakan. Dalam pembuatan bahan peledak, kami menggunakan campuran biodiesel (fuel oil), pelumas bekas, emulsifier, dan ammonium nitrat, yang disebut juga dengan ANFO (Ammonium Nitrate Fuel Oil). Hal ini dilakukan sebagai bentuk efisiensi dalam penggunaan bahan peledak.

Total volume pelumas bekas yang dihasilkan di tahun 2019 adalah sebesar 8.107.559 kg, meningkat 10% dari penggunaan tahun 2018. Sementara total kebutuhan ANFO di tahun 2019 adalah sebesar 6.297.252 kg atau turun 28% dari kebutuhan di tahun 2018.

Tabel pemanfaatan minyak bekas ANFO

Material	2018	2019	Up/ (Down) Naik/ (Turun)	2018		2019		Recycled Material Material daur ulang	
				2018	2019	Up/ (Down) Naik/ (Turun)	2018	2019	2018
Waste oil/used lubricant (in kg) Minyak/oli bekas (dalam kg)	7,389,582	8,107,559	10%	648,788	763,973	18%	8.8%	9.4%	
Biodiesel (fuel oil) (in liters) Biodiesel (BBM) (dalam liter)	655,313	389,727	(40%)	-	-	-	-	-	
Ammonium nitrate (in kg) Amonium nitrat (dalam kg)	32,043,272	30,941,583	(3%)	-	-	-	-	-	
Emulsion (in kg) Emulsi (dalam kg)	21,184,589	19,565,749	(8%)	-	-	-	-	-	
<b>ANFO (in kg)</b> <b>ANFO (dalam kg)</b>	<b>8,734,916</b>	<b>6,297,252</b>	<b>(28%)</b>	-	-	-	-	-	

## PENGELOLAAN ENERGI

### Dasar Hukum dan Kebijakan Umum [103-1, 103-2, 103-3]

Sebagai pengguna energi besar, dengan konsumsi energi melebihi 6.000 TOE per tahun, Grup Adaro menerapkan manajemen energi sesuai Peraturan Pemerintah Nomor 70 Tahun 2009.

Sebagai wujud komitmen terhadap upaya pengelolaan konsumsi energi, kami menerbitkan Pernyataan Kebijakan Energi dan Gas Rumah Kaca (GRK) Grup Adaro.

Adapun isi kebijakan tersebut mencakup: komitmen untuk mematuhi peraturan perundangan terkait efisiensi energi dan penurunan emisi GRK, perencanaan operasional yang berorientasi pada efisiensi energi dan penurunan emisi GRK, serta memastikan ketersediaan sumber daya dan pelaksanaan perbaikan secara berkesinambungan.

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### Energy Consumption

Through a variety of energy management initiatives, the Adaro Group has decreased energy use by 0.07% in 2019, as shown in the reduction in energy intensity from 0.046 gigajoule per metric ton of coal in 2018 to 0.043 gigajoule per metric ton of coal in 2019.

This conclusion was made from the recapitulation of the use of two main energy sources, namely biodiesel for operational activities in the mining and logistics sectors and coal for power generation. The recapitulation of the use of primary energy source is presented in the following table.

Table of energy source and energy source consumption volume [302-1, 302-4]

No.	Type of Energy Resources Sumber Energi	Unit Unit	Energy Resources per Production Sumber Energi per Produksi		Change (%) Perubahan (%)
			2018	2019	
1.	Biodiesel fuel (B15 & B20) for mining sector Bahan bakar biodiesel (B15&B20) untuk sektor pertambangan	Liter	637,898,253	637,332,000	-0.09%
		Liter			
		In Gigajoule (Gj) Dalam Gigajoule (Gj)	24,176,343	24,154,882	-0.09%
2.	Biodiesel fuel (B15 & B20) for logistics sector Bahan bakar biodiesel (B15&B20) untuk sektor logistik	Liter	7,504,000	7,672,389	2.2%
		Liter			
		In Gigajoule (Gj) Dalam Gigajoule (Gj)	284,401	290,768	2.2%
3.	Coal for power plant Batu bara untuk pembangkit listrik	Ton	341,977.27	278,326.80	(-18.61%)
		Ton			
		In Gigajoule (Gj) Dalam Gigajoule (Gj)	5,422.05	4,582.57	(-18.61%)
<b>Total Energy Consumption Total Konsumsi Energi</b>		In Gigajoule (Gj) Dalam Gigajoule (Gj)	<b>24,466,166.05</b>	<b>24,450,232.57</b>	<b>-0.07%</b>

The total energy consumption was used to produce coal with a total volume of 56,603,168 tonne in 2019 and 53,614,485 tonne in 2018. The following is the calculation of energy intensity used per tonne of product:

Table of energy intensity calculation [302-3]

Notes   Catatan	2018	2019
Total Energy Consumption (in Gigajoules)   Total Konsumsi Energi (dalam Gigajoule)	<b>24,466,166.05</b>	<b>24,450,232.57</b>
<b>Production   Produksi</b>		
Total Coal Production (metric ton)   Total Produksi Batu Bara (metric ton)	53,614,485	56,603,168
<b>Energy Intensity (Gigajoule/ metric ton)   Intensitas Energi (Gigajoule/metric ton)</b>	<b>0.46</b>	<b>0.43</b>

### Konsumsi Energi

Melalui beragam inisiatif penerapan manajemen energi, Grup Adaro telah menurunkan intensitas energi dari 0,46 gigajoule per metrik ton batu bara pada tahun 2018 menjadi 0,43 gigajoule per metrik ton batu bara pada tahun 2019.

Kesimpulan tersebut diperoleh dari rekapitulasi penggunaan dua sumber energi utama yakni Biodiesel (B15 & B20) untuk kegiatan operasional di bidang pertambangan dan logistik, serta batu bara di bidang pembangkit tenaga listrik. Rekapitulasi penggunaan sumber energi utama tersebut disajikan dalam tabel berikut.

Tabel Sumber Energi dan Volume Konsumsi Sumber Energi [302-1, 302-4]

Konsumsi energi tersebut digunakan untuk memproduksi batu bara dengan volume total sebesar 56.603.168 ton di tahun 2019 dan 53.614.485 ton di tahun 2018, sehingga diperoleh intensitas energi sebagai berikut.

Tabel Perhitungan Intensitas Energi [302-3]

## EMISSIONS MANAGEMENT AND REDUCTION [305-1]

### Greenhouse Gas Emissions

AI has done a comprehensive calculation of the GWP (global warming potential) value using the life cycle assessment (LCA) approach based on ISO 14040:2006 from the use of raw materials to the disposal of waste by our customers. (from Cradle to Grave).

The scope of the LCA calculation in the Adaro Group includes the following:

1. The use of raw materials for supporting the main mining activities.
2. Main activities in the mine, including land clearing, dredging and removal of top soil and overburden, coal transportaion from pit to ROM and ROM to Kelanis port, coal processing, and coal transfer from stockpile to barges.
3. Mining supporting activities, such as the watering of hauling roads and processing of acid mine drainage

Based on the calculations of GHG emission intensity, we have reduced GHG intensity by 8.33%. In 2018 the intensity was 0.036 tons CO<sub>2</sub> equivalent and in 2019 it was 0.033 tons CO<sub>2</sub> equivalent. Emissions calculations, emissions intensity and the GHG emissions reduction at the Adaro Group can be seen in the following table.

Table of GHG emission scope 1 [305-1]

GHG Emissions (in tons of CO <sub>2</sub> eq) Emisi Gas Rumah Kaca (dalam ton CO2 eq)	Unit Unit	2018	2019
<b>Total Direct Emissions</b> Total Emisi Langsung	<b>Ton of CO<sub>2</sub> equivalent</b> Ton CO2 ekuivalen	<b>1,978,104.54</b>	<b>1,880,261.97</b>

Table of emissions intensity and GHG emissions reduction [305-1, 305-4, 305-5]

Carbon Emission Intensity Intensitas Emisi Karbon	2018	2019	Change (%) Perubahan (%)
Total emissions Total emisi	1,978,104.54	1,880,261.97	-4.95%
Total coal production Total produksi batu bara	53,614,485	56,603,168	5.47%
GHG emissions intensity (total emissions/ ton of coal) Intensitas gas rumah kaca (total emisi/ton batu bara)	<b>0.036</b>	<b>0.033</b>	<b>- 8,33%</b>

### Initiatives to Reduce Carbon Emissions

The Adaro Land pillar has subsidiaries which own forest management permits for ecosystem restoration and forest management permits for carbon absorption. One of the key area for development under this pillar is ecosystem restoration and carbon capture in forest area, which have the capability to absorb CO<sub>2</sub> emissions from our mining activities. PT Hutan Amanah Lestari (HAL) is a holder of business license for utilization of carbon absorption (Izin Usaha Pemanfaatan Penyerapan dan/atau Penyimpanan Karbon (IUP PAN/RAP Karbon)) to implement Adaro Group's energy and greenhouse gas policies. As one of the largest holders of IUP PAN/RAP Karbon concessions in Indonesia, HAL expects its carbon trading business, once operational, to be its main business.

## PENGELOLAAN DAN REDUKSI EMISI [305-1]

### Emisi Gas Rumah Kaca

AI telah melakukan perhitungan komprehensif nilai GWP (*Global Warming Potential*) menggunakan pendekatan *Life Cycle Assessment* (LCA) berdasarkan ISO 14040:2006 dari penggunaan bahan baku sampai pembuangan limbah di pelanggan (*from Cradle to Grave*).

Ruang lingkup perhitungan LCA di Grup Adaro mencakup proses berikut:

1. Penggunaan bahan baku penunjang kegiatan utama di tambang
2. Kegiatan utama di tambang meliputi: pembukaan lahan, pengerukan dan pemindahan lapisan tanah atas dan lapisan penutup, pengangkutan batu bara dari pit ke ROM dan ROM ke Kelanis, pemrosesan batu bara dan pemindahan batu bara dari *stockpile* ke kapal tongkang.
3. Kegiatan penunjang pertambangan seperti penyiraman jalan *hauling* dan pengolahan air asam tambang

Berdasarkan dari hasil perhitungan intensitas emisi GRK yang telah dilakukan, kami dapat menurunkan 8.33% dari tahun 2018 sebesar 0.036 ton CO<sub>2</sub> ekuivalen menjadi 0,033 ton CO<sub>2</sub> ekuivalen di tahun 2019. Perhitungan emisi, intensitas emisi dan pengurangan emisi GRK di Grup Adaro dapat dilihat pada tabel berikut.

Tabel Emisi GRK Scope 1 [305-1]

Tabel Intensitas Emisi dan Pengurangan Emisi GRK [305-1, 305-4, 305-5]

### Inisiatif untuk Mengurangi Emisi Karbon

Pilar Adaro Land memiliki anak perusahaan yang memiliki izin pengelolaan hutan untuk restorasi ekosistem dan pengelolaan hutan untuk penyerapan karbon. Salah satu area utama untuk dikembangkan pilar Adaro Land adalah restorasi ekosistem dan penyerapan karbon di area hutan, yang dapat menyerap emisi CO<sub>2</sub> dari aktivitas pertambangan. PT Hutan Amanah Lestari (HAL) memegang Izin Usaha Pemanfaatan Penyerapan dan/atau Penyimpanan Karbon (IUP PAN/RAP Karbon) untuk menerapkan kebijakan energi dan gas rumah kaca Grup Adaro. Sebagai salah satu pemegang IUP PAN/RAP Karbon terbesar, HAL berharap agar setelah beroperasi, bisnis perdagangan karbon akan menjadi bisnis utamanya.

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Adaro Power pillar is actively looking for power projects from renewable energy sources to have a balanced energy mix in its portfolio and it has installed its first renewable project, the 100-kWp rooftop-mounted solar PV panels at Al's coal processing and barge loading facility in Kelanis, Central Kalimantan, which is expected to generate 125,000 kWh per year.

**Other Gas Emissions [305-7]**

Adaro Group periodically performs emission tests on non-moving emission sources, which include total particulate, SO<sub>2</sub>, NO<sub>x</sub> and CO parameters. Emission tests are conducted on generators with a capacity of ≤ 570 kW and > 570 kW.

In addition, coal combustion activities in the boilers at the steam power plant (PLTU) owned by one of the business units in the Adaro Group generate stack emissions. Emissions from the stacks are managed by installing an air pollutant control facility in the form of an electrostatic precipitator (ESP) so that the stack emissions that emanate into the environment still meet the Government's emission quality standard (BME).

The emission pollution load released by the Adaro Group in 2019 is shown in the table below:

Parameter   Parameter	Emission Load (ton/year)   Beban Emisi (ton/tahun)
Sulfur dioxide   Sulfur dioksida (SO <sub>2</sub> )	265.92
Nitrogen dioxide   Nitrogen dioksida (NO <sub>2</sub> )	1327.59
Carbon monoxide   Karbon monoksida (CO)	322.58
Particulate   Partikulat	218.69

The method to calculate emission load for conventional air pollutants refers to the Minister of Environment and Forestry Regulation No. 14 of 2014 on the quality standard of non-moving emission source for business and/or mining activities, particularly to appendix VIII which is the guideline on emission load calculations. The calculation of emission load from manual readings is performed by accredited laboratories.

The emission load calculation for the power plant sector refers to Minister of Environment and Forestry Regulation No. 15 of 2019 on the quality standard of thermal power plant emission, particularly to appendix XV, which is the guideline on emission load calculations. The calculation of emission load is made from continuous readings using CEMS.

**Nozzle sprayers to Handle particulate dust**

In 2019 Al applied nozzle sprayers system by utilizing run-off water to alter the haul road watering system, which previously used water truck, in order to maintain air quality. This innovation has had a positive environmental impact as it has reduced the use of raw water from rivers by 16,848 m<sup>3</sup> in 2019, which is equivalent to budget savings of Rp4,212,000,000, -

Pilar Adaro Power aktif mencari proyek-proyek ketenagalistrikan dari sumber energi terbarukan untuk mendapatkan bauran yang seimbang dalam portofolionya. AP telah memasang proyek energi terbarukan pertamanya, yaitu panel PV 100-kWp rooftop-mounted solar di fasilitas pemrosesan batu bara dan pemuatan tongkang Al di Kelanis, Kalimantan Tengah, yang diharapkan akan menghasilkan 125.000 kWh per tahun.

**Emisi Gas Lainnya [305-7]**

Grup Adaro secara berkala melakukan pengujian emisi terhadap sumber emisi tidak bergerak meliputi parameter Total Partikulat, SO<sub>2</sub>, NO<sub>x</sub> dan CO. Pengujian emisi pada generator dilakukan pada generator dengan kapasitas ≤ 570 kW dan > 570 kW.

Selain itu, kegiatan pembakaran batu bara di boiler pada operasi pembangkit listrik tenaga uap (PLTU) yang dimiliki oleh salah satu unit bisnis di Grup Adaro menimbulkan emisi cerobong. Emisi yang keluar dari cerobong dikelola dengan memasang fasilitas pengendali pencemar udara berupa *Electrostatic Precipitator* (ESP) sehingga emisi cerobong yang keluar ke lingkungan masih memenuhi Baku Mutu Emisi (BME) cerobong yang ditetapkan pemerintah.

Beban emisi pencemaran yang dilepaskan oleh Grup Adaro selama tahun 2019 dijelaskan pada tabel di bawah ini:

Metode perhitungan beban emisi untuk bahan pencemar udara konvensional mengacu pada Peraturan Menteri Lingkungan Hidup dan Kehutanan No. 14 tahun 2014 tentang baku mutu emisi sumber tidak bergerak bagi usaha dan/atau kegiatan pertambangan, pada lampiran VIII yaitu tata cara penghitungan beban emisi, pada bagian perhitungan beban emisi dari hasil pengukuran manual yang dilakukan oleh laboratorium terakreditasi.

Sedangkan pada sektor pembangkit listrik perhitungan beban emisi mengacu pada Peraturan Menteri Lingkungan Hidup dan Kehutanan No. 15 tahun 2019 tentang baku mutu emisi pembangkit listrik tenaga termal pada lampiran XV yaitu tata cara penghitungan beban emisi, pada bagian perhitungan beban emisi dari hasil pengukuran secara terus – menerus menggunakan CEMS.

**Nozzle Sprayer untuk Mengatasi Debu Partikulat**

Pada tahun 2019 Al menerapkan Nozzle Sprayer dengan memanfaatkan air larian hujan untuk mengubah sistem penyiraman jalan tambang yang sebelumnya dilakukan dengan sistem trucking (water truck) dalam rangka memelihara kualitas udara. Inovasi ini memberikan dampak lingkungan yang positif terhadap lingkungan karena menurunkan penggunaan air baku dari sungai sebesar 16,848 m<sup>3</sup> pada tahun 2019 yang setara dengan penghematan anggaran sebesar Rp. 4.212.000.000,-



- Nozzle sprayer system in use on hauling road.
- Sistem nozzle sprayer yang digunakan di jalan hauling.

### WATER MANAGEMENT [303-1]

In mining area, the volume of water used for mining activities is much higher than what we use for domestic purposes. AI is therefore focused on water management in the mining activities. The following is the table for sources of water and consumption volume.

Table of the volume of water by its source [303-1]

Water source Sumber air	Location Lokasi	Volume of water taken (in m <sup>3</sup> )   Volume air yang diambil		
		2018	2019	Change (%) Perubahan (%)
Water from sump pit and rainwater Air tambang dan air hujan	Wara	8,412,151	6,333,636	-24.7%
	Tutupan	98,997,179	79,782,821	-19.4%
	Paringin	12,889,278	15,232,176	18.2%
River water   Air sungai	Kelanis	402,329	274,633	-31.7%
Surface water   Air permukaan	Hill-11	1,763,856	1,403,311	-20.4%
<b>Total   Total</b>		<b>122,464,793</b>	<b>103,026,577</b>	<b>-15.8%</b>

### Water Use and Treatment

AI treats water from its mining activities (sump pit) and rainwater, both of which are directed to settling ponds for further processing. Water from the settling ponds are directed to the water treatment facility to be processed into clean water, which will be further distributed to the surrounding community through pipes and water trucks.

The remaining water in the settling ponds will then be processed to meet the quality standard of waste water as determined by the Governor of South Kalimantan Regulation Number 36 of 2008 before being transferred to the river body and used to spray roads in the mining area. The following is the diagram of water treatment in the mining area.

### PENGELOLAAN AIR [303-1]

Di areal pertambangan, volume penggunaan air untuk kebutuhan kegiatan pertambangan jumlahnya lebih signifikan dibandingkan penggunaan air domestik. Oleh karena itu AI lebih berfokus pada penanganan air pada kegiatan pertambangan. Berikut tabel sumber air dan volume konsumsinya.

Tabel Volume Air yang diambil menurut Sumber Air [303-1]

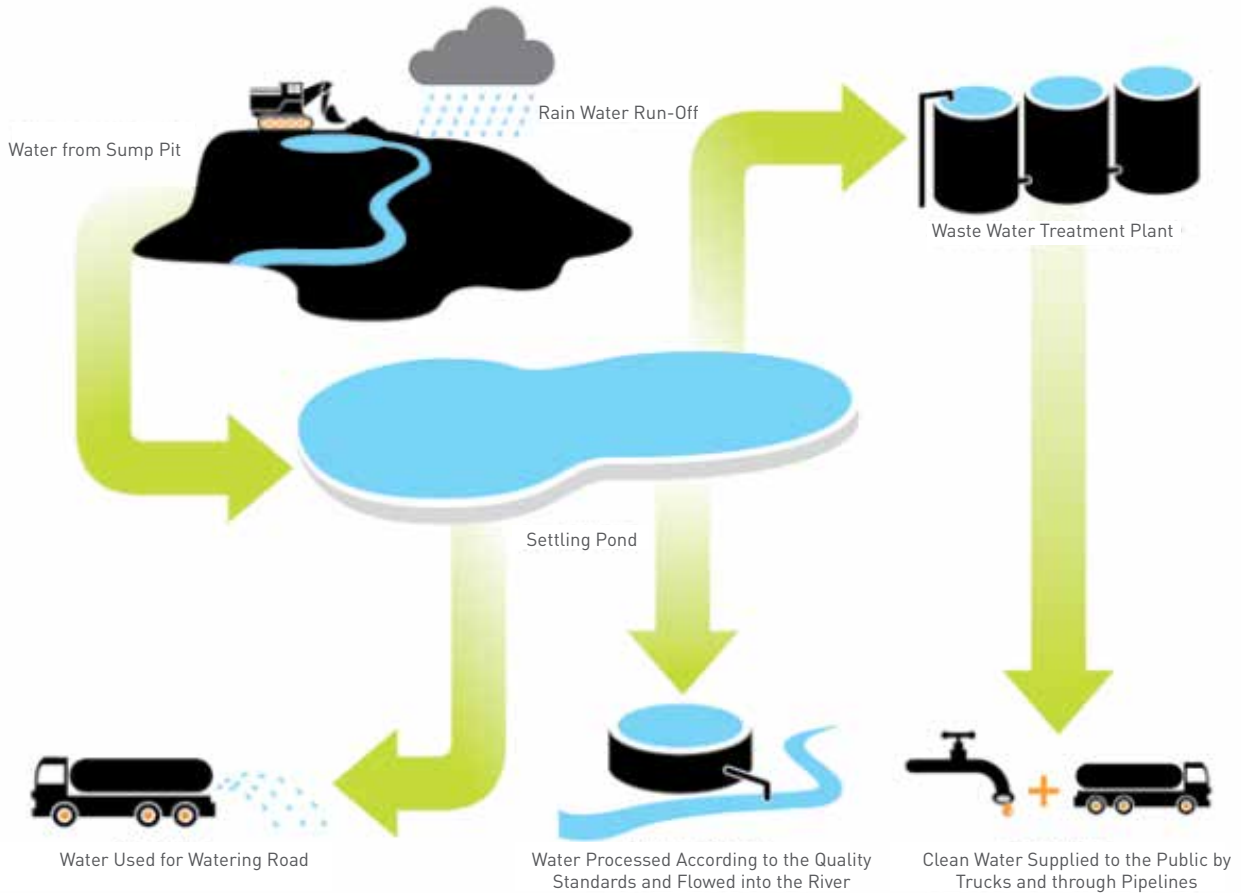
Water source Sumber air	Location Lokasi	Volume of water taken (in m <sup>3</sup> )   Volume air yang diambil		
		2018	2019	Change (%) Perubahan (%)
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<b>Total   Total</b>		<b>122,464,793</b>	<b>103,026,577</b>	<b>-15.8%</b>

### Penggunaan Air dan Pengolahan Air

AI mengolah air dari kegiatan penambangan (*sump pit*) dan air hujan, yang dialirkan menuju kolam pengendapan untuk dikelola lebih lanjut. Air dari kolam pengendapan sebagian dialirkan dalam fasilitas pengolahan air untuk diolah menjadi air bersih yang selanjutnya akan didistribusikan kepada masyarakat sekitar melalui pipa maupun truk air.

Sisa air yang berada dalam kolam pengendapan kemudian diolah hingga memenuhi standar kualitas air limbah yang ditentukan sesuai dengan Peraturan Gubernur Kalimantan Selatan Nomor 36 Tahun 2008 untuk selanjutnya dialirkan ke badan air sungai dan penyiraman jalan tambang. Berikut diagram pengolahan air di area tambang.

## DIAGRAM OF THE WATER USAGE AND TREATMENT IN MINING SITES



In Kelanis Dedicated Coal Terminal area, in addition to being used to meet domestic demand, a significant amount of water is also needed to prevent dust from coal crushing and coal transport operations.

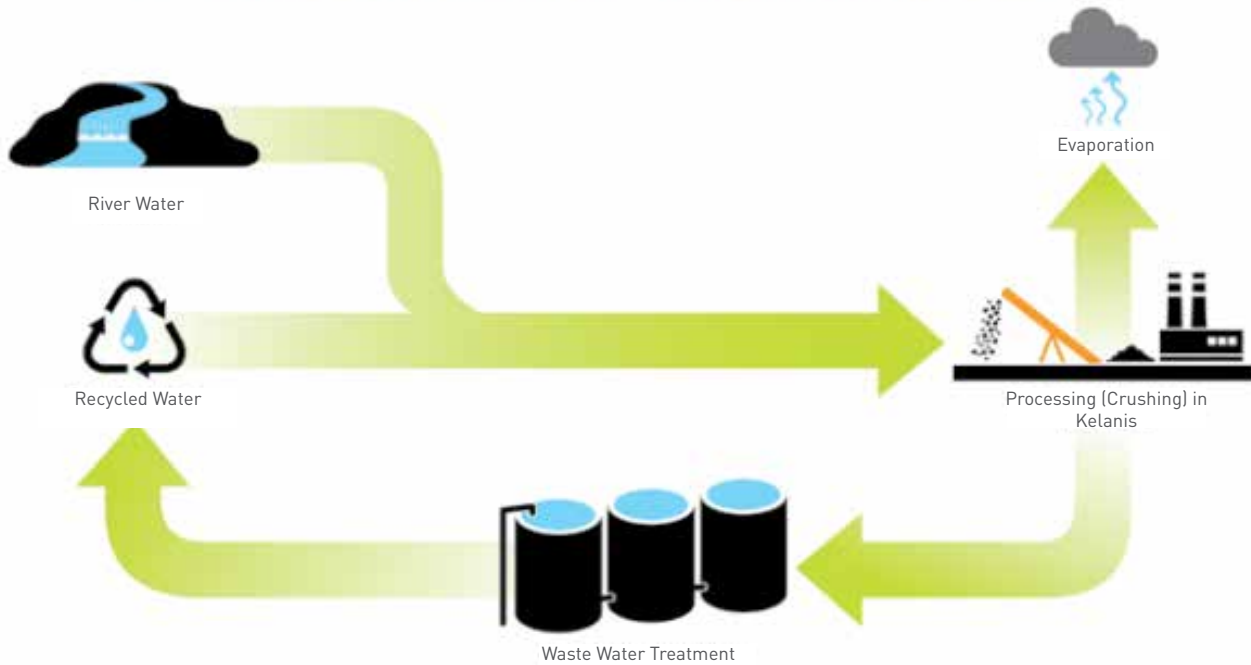
In order to reduce the use of river water, a recycling process on the wastewater from the settling ponds is conducted on the coal processing and barge loading activities in Kelanis using the closed-cycle system. Wastewater is processed into clean water to be reused. The following is the diagram of closed-cycle water treatment.

Di area Terminal Khusus Batu Bara Kelanis, selain untuk kebutuhan domestik, air juga diperlukan untuk penyiraman guna mencegah terlepasnya debu ke udara pada operasi penghancuran dan pengangkutan batu bara dimana dalam hal ini air dibutuhkan dalam jumlah yang signifikan.

Guna mengurangi penggunaan air sungai, kegiatan pemrosesan dan pemuatan batu bara di Kelanis melakukan daur ulang air limbah dari kolam pengendapan dengan siklus tertutup. Air limbah dikelola menjadi air bersih untuk dapat digunakan kembali. Berikut diagram pengolahan air secara tertutup.



## DIAGRAM OF THE WATER USAGE AND TREATMENT IN KELANIS



The use of river water for domestic activities is only conducted in the Kelanis area, and currently we have partially implemented the use of recycled water from the settling ponds. For power plant activities, water is taken from Hill-11, which is a post-mining area. Currently, Hill-11 is also being used by nearby communities to fulfil their day-to-day needs.

In 2019, the amount of recycled water from the water treatment process which was distributed to the communities and used to meet the water needs of AI and contractors reached 670,243 m<sup>3</sup>, increased by 10.2% compared to 2018. The amount of wastewater managed and reused in the Kelanis area in 2019 was 6,293 m<sup>3</sup>, declined by 42% compared to 2018.

Penggunaan air sungai untuk kegiatan domestik hanya dilakukan di area Kelanis, dan saat ini sebagian sudah menggunakan air hasil daur ulang dari kolam pengendapan. Untuk kegiatan pembangkit listrik, air diambil dari Hill-11 yang merupakan area bekas tambang. Saat ini Hill-11 juga dimanfaatkan oleh masyarakat sekitar untuk memenuhi kebutuhan sehari – hari.

Jumlah air hasil daur ulang dari proses pengolahan yang kemudian dikelola dan digunakan kembali untuk didistribusikan kepada masyarakat dan kebutuhan air bagi AI dan kontraktor pada tahun 2019 sebesar 670,243 m<sup>3</sup> atau mengalami peningkatan sebesar 10,2% dibandingkan tahun 2018. Jumlah air limbah yang dikelola dan digunakan kembali di area Kelanis pada tahun 2019 sebesar 6,293 m<sup>3</sup> atau mengalami penurunan sebesar 42% dibandingkan tahun 2018.

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Table of water consumption volume and recycled water volume [303-2, 303-3]

Tabel volume konsumsi air dan volume air daur ulang [303-2, 303-3]

Location   Lokasi	Volume of water taken (in m <sup>3</sup> ) Volume air yang digunakan (dalam m <sup>3</sup> )		Up/ (Down) Naik/(Turun)	Volume of recycled water (in m <sup>3</sup> ) Volume air yang didaur ulang (dalam m <sup>3</sup> )		Up/ (Down) Naik/ (Turun)
	2018	2019		2018	2019	
Pit and Kelanis   Tambang dan Kelanis	1,327,707	1,248,237	(6%)	619,233	676,536	9.3%

### Management of Acid Mine Drainage

AI manages Acid mine drainage (AMD) by carefully handling overburden that has the potential to generate AMD.

Overburden material which has the potential to generate AMD is called potentially acid forming (PAF) material. This material must be managed separately from other materials that do not have the potential to generate AMD or are non-acid forming (NAF), starting from pit excavation to its removal to the disposal area. To find out the acid forming potential of overburden, we need to conduct geochemical characterization to classify whether the overburden material is PAF or NAF in order to make a geological model of PAF / NAF spread.

Based on the geological model, the production planning department then removes, transports and places PAF/NAF materials in the disposal area using the dry cover method, where the PAF overburden material is isolated or covered with the NAF material to reduce the oxidation potential of PAF material.

Pit water is managed in the settling ponds through an active method of neutralizing acid water with a strong alkali. Water which has been treated and meets the environmental quality standards as stated in the Governor of South Kalimantan Regulation No. 36 of 2008 is released to the river body.

Early prevention and mitigation of AMD can reduce the long-term management cost of AMD. Successful prevention and mitigation of AMD will guarantee the success of the implementation of land reclamation and post-mining operation.

### MANAGEMENT AND TREATMENT OF WASTE AND WASTEWATER

#### Management and Treatment of Wastewater [306-1]

AI manages and monitors the quality of wastewater using 19 settling ponds built in AI's mining operation area. During 2019, the total amount of pit water managed by AI was 282,751,836 m<sup>3</sup>, 36% lower compared to 2018.

### Pengelolaan Air Asam Tambang

AI melakukan pengolahan Air Asam Tambang (AAT) dengan mengelola batuan penutup yang berpotensi menimbulkan air asam.

Material batuan penutup yang memiliki potensi untuk menimbulkan AAT disebut material Potentially Acid Forming (PAF). Material ini harus dikelola secara terpisah dari material lain yang tidak berpotensi menimbulkan AAT, Non Acid Forming (NAF), mulai dari penggalian di pit sampai penempatannya di area disposal. Untuk mengetahui potensi AAT dari batuan penutup, karakterisasi geokimia perlu dilakukan untuk mengklasifikasikan apakah material batuan penutup tersebut PAF atau NAF untuk selanjutnya dibuat model geologi penyebaran PAF/NAF.

Berdasarkan model geologi tersebut, departemen planning produksi akan melakukan penjadwalan pengupasan, pengangkutan dan penempatan PAF/NAF di disposal sesuai desain metode dry cover/pengkapsulan, dimana material batuan penutup PAF akan diisolasi/ditutup dengan material NAF untuk mengurangi potensi oksidasi material PAF.

Air tambang dikelola di kolam pengendapan/settling pond melalui metode aktif yaitu dengan cara menetralkan air asam dengan menggunakan basa kuat. Air yang telah mengalami perlakuan dan memenuhi baku mutu lingkungan sesuai yang tercantum dalam Peraturan Gubernur Kalimantan Selatan Nomor 36 tahun 2008 kemudian dilepaskan ke badan sungai.

Dengan melakukan pencegahan dan mitigasi AAT sejak dini, maka biaya pengelolaan AAT dalam jangka panjang dapat dikurangi. Pencegahan dan mitigasi AAT yang berhasil akan menjamin kesuksesan pelaksanaan, reklamasi lahan, dan pasca tambang.

### PENGLOLAAN DAN PENGOLAHAN AIR LIMBAH DAN LIMBAH

#### Pengelolaan dan Pengolahan Air Limbah [306-1]

AI mengelola dan memantau kualitas air limbah menggunakan 19 kolam pengendapan (settling pond) yang dibangun di wilayah operasional penambangan AI. Selama tahun 2019, total air tambang yang dikelola oleh AI mencapai 282.751.836 m<sup>3</sup>, lebih rendah 36% dibandingkan dengan tahun 2018.

### SOLID WASTE MANAGEMENT [306-2, 306-4]

AI manages solid waste depending on the type of waste. Solid waste from AI's operational activities consists of organic waste, inorganic waste and hazardous chemical waste (B3).

To manage organic waste, apart from being transported to landfill, AI also conducts waste composting in the Paringin and Kelanis areas. The compost is then used as fertilizer in the reclamation activity. Organic solid waste is transported into a landfill. Solid waste that can still be utilized, such as wooden pallets from the heavy equipment casing, is used for stingless bee's hives in our CSR program.

In 2019 there was 3,125 tons of organic solid waste, 1,541 tons of inorganic waste, and 455 tons of residual solid waste. This amount represented a 3% decrease from 2018, which was 3,235 tons of organic solid waste, 1,604 tons of non-organic waste, and 443 tons of residual solid waste. In 2019, compost from processing organic solid waste was 12,285 kg, 9.3% higher from 11,240 kg in the previous year.

B3 waste management is conducted by keeping B3 waste in an authorized temporary B3 waste storage area before being transported by an authorized third party in accordance with the applicable laws and regulations. We carry out the storage and transport processes of B3 waste meticulously and there were no spillages during the reporting year. There were also no waste spilled into water bodies. [No. 306-3, 306-5].

The following table shows the volume of B3 waste from AI's operational activities according to type and treatment.

Table of B3 waste from operational activities and its treatment [306-2]

Amount in 2018 (in tons)   Jumlah tahun 2018 (dalam ton)					
No.	Type of B3 Waste Tipe Limbah B3	Generated Dhasilkan	Transported Diangkut	Stored   Disimpan	Utilized Dimanfaatkan
1	<b>Total B3 Waste Total Limbah B3</b>	<b>50,839,380</b>	<b>8,726.81</b>	<b>41,602.30</b>	<b>510.27</b>
2	<b>Compliance percentage Persentase kepatuhan</b>		<b>17.17%</b>	<b>81.83%</b>	<b>1.00%</b>
			<b>100.00%</b>		

Table of total waste from operational activities and its treatment [306-2]

Amount in 2019 (in tons)   Jumlah tahun 2019 (dalam ton)					
No	Type of B3 Waste Tipe Limbah B3	Generated Dhasilkan	Transported Diangkut	Stored Disimpan	Utilized Dimanfaatkan
1	<b>Total B3 Waste Total Limbah B3</b>	<b>57,171,581</b>	<b>25,548.3</b>	<b>30,942,951</b>	<b>680.33</b>
2	<b>Compliance percentage Persentase kepatuhan</b>		<b>44.69%</b>	<b>54.12%</b>	<b>1.19%</b>
			<b>100.00%</b>		

### PENGELOLAAN LIMBAH PADAT [306-2, 306-4]

AI mengelola limbah padat dari kegiatan operasional berdasarkan jenis limbahnya, antara lain limbah organik, anorganik, dan limbah Bahan Berbahaya dan Beracun (B3).

Untuk pengelolaan limbah organik, selain diangkut ke tempat pemrosesan akhir, AI melakukan komposting di area Paringin dan Kelanis. Kompos kemudian digunakan sebagai pupuk pada kegiatan reklamasi. Limbah padat organik dikelola dengan cara diangkut ke Tempat Pemrosesan Akhir (TPA). Limbah padat yang masih dapat dimanfaatkan seperti palet kayu dari wadah pembelian part alat berat digunakan untuk sarang lebah kalulut bagian dari program CSR.

Jumlah limbah padat yang dihasilkan di tahun 2019 adalah 3.125 ton limbah padat organik, 1.541 ton limbah padat anorganik, dan 455 ton limbah padat residu. Jumlah tersebut secara total menurun sebesar 3% dibandingkan tahun 2018 yaitu sebesar 3.235 ton limbah padat organik, 1.604 limbah padat anorganik, dan 443 ton limbah padat residu. Jumlah kompos yang dihasilkan dari limbah padat organik pada tahun 2019 sejumlah 12.285 kg atau mengalami kenaikan sebesar 9,3% dari tahun sebelumnya yaitu sejumlah 11.240 kg.

Pengelolaan limbah B3 dilakukan dengan cara menyimpan limbah B3 pada tempat penyimpanan sementara limbah B3 yang telah memiliki izin sebelum diangkut oleh pihak ketiga yang juga memiliki izin sesuai dengan peraturan perundang – undangan yang berlaku. Perseroan menjalankan proses penyimpanan maupun pengangkutan limbah B3 tersebut dengan sangat berhati-hati, sehingga tidak mencatatkan ada tumpahan sepanjang tahun pelaporan. Juga tidak mencatatkan adanya tumpahan limbah ke badan air [306-3, 306-5]

Berikut volume limbah B3 dari kegiatan operasional AI menurut jenisnya dan perlakuannya.

Tabel Limbah B3 dari Kegiatan Operasional dan Perlakuannya [306-2]

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### **PREPARATION AND MANAGEMENT OF POST-MINING AREAS [MM10]**

AI has prepared post-mining plans that will be adjusted from time to time according to the circumstances:

- To comply with Indonesian laws and regulations in the environmental management sector
- To incorporate various environmental considerations into all phases of planning, construction, operation and closure of all facilities.
- To establish and implement a variety of programs directed at significant risk management including everything related to pit water management and waste flow.
- To communicate openly with the government, NGOs, communities, employees and other related stakeholders.
- To foster cooperation and partnership with communities, NGOs and the government to ensure that all programs are carried out by implementing best practices program.

The implementation of these policies is documented in three major programs, namely reclamation, maintenance and socio-economic program (through CSR program) as presented in the table below.

### **PERSIAPAN DAN PENGELOLAAN KAWASAN PASCA TAMBANG [MM10]**

AI telah membuat rencana pasca tambang yang senantiasa disesuaikan oleh AI dari waktu ke waktu sesuai keadaan:

- Memenuhi ketentuan hukum dan peraturan perundangan di bidang pengelolaan lingkungan yang berlaku di Indonesia.
- Menyertakan berbagai pertimbangan lingkungan ke dalam tahap perencanaan, pembangunan, pengoperasian serta penutupan seluruh sarana.
- Menetapkan dan menerapkan berbagai program yang diarahkan pada pengelolaan risiko yang signifikan termasuk segala hal yang terkait dengan pengelolaan air tambang dan pengaliran limbah.
- Berkomunikasi secara terbuka dengan pemerintah, LSM, masyarakat, karyawan dan para pemangku kepentingan terkait lainnya.
- Menjalin kerjasama dalam kemitraan dengan masyarakat, LSM dan pemerintah untuk memastikan agar semua program dilaksanakan dengan menerapkan praktek terbaik.

Pelaksanaan kebijakan ini tertuang dalam 3 program utama yaitu reklamasi, pemeliharaan dan perawatan, dan program sosial ekonomi (melalui program CSR) yang disajikan di tabel berikut.

No	Post-mining program Program pascatambang	Notes Catatan
1.	Reclamation Reklamasi	<p>a. Post-mining area</p> <ol style="list-style-type: none"> <li>1) Dismantling of mining facilities</li> <li>2) Reclamation of post-mining facilities</li> <li>3) Dismantling and reclamation of haul road</li> <li>4) Reclamation of surface post-mining areas</li> <li>5) Reclamation of ex-settling ponds</li> <li>6) Protection of all mine openings that are dangerous to humans</li> </ol> <p>a. Area pascatambang</p> <ol style="list-style-type: none"> <li>1) Pembongkaran fasilitas penambangan</li> <li>2) Reklamasi fasilitas pascatambang</li> <li>3) Pembongkaran dan reklamasi jalan angkut</li> <li>4) Reklamasi permukaan area pascatambang</li> <li>5) Reklamasi bekas kolam pengendapan</li> <li>6) Menjaga lubang tambang yang berbahaya</li> </ol> <hr/> <p>b. Processing facilities</p> <ol style="list-style-type: none"> <li>1) Dismantling of processing facilities</li> <li>2) Reclamation of ex-processing facilities</li> </ol> <p>b. Fasilitas Pengolahan</p> <ol style="list-style-type: none"> <li>1) Pembongkaran fasilitas pengolahan</li> <li>2) Reklamasi bekas fasilitas pengolahan</li> </ol> <hr/> <p>c. Supporting facilities</p> <ol style="list-style-type: none"> <li>1) Reclamation of ex-landfill facilities</li> <li>2) Dismantling of remaining buildings, electric transmissions, pipes, ports (air and water) and other facilities</li> <li>3) Reclamation of former building sites, electric transmissions, pipes, ports (air and water) and other facilities</li> <li>4) Disassembly of equipment, engines, oil tanks, and lubricants</li> <li>5) Treatment of oil, lubricants and chemicals residues</li> <li>6) Former transportation area</li> <li>7) Reclamation of former building sites and concrete foundations</li> <li>8) Remediation of land contaminated with chemicals, oil, and B3 waste</li> </ol> <p>c. Fasilitas pendukung</p> <ol style="list-style-type: none"> <li>1) Reklamasi bekas fasilitas pembuangan</li> <li>2) Pembongkaran bangunan, transmisi listrik, pipa, saluran (udara dan air), serta fasilitas lain</li> <li>3) Reklamasi bekas lokasi bangunan, transmisi listrik, pipa, saluran (udara dan air), serta fasilitas lain</li> <li>4) Pembongkaran peralatan, mesin, dan tangki minyak dan oli</li> <li>5) Pengolahan residu minyak, oli dan bahan kimia</li> <li>6) Bekas area transportasi</li> <li>7) Reklamasi bekas lokasi bangunan dan fondasi beton</li> <li>8) Remediasi lahan yang terkontaminasi bahan kimia, minyak, dan limbah B3</li> </ol>
2.	Maintenance and Treatment Pemeliharaan dan perawatan	<p>Maintenance and treatment of post-mining areas, ex-processing facilities areas and former supporting facilities areas</p> <p>Pemeliharaan dan perawatan area pascatambang, bekas area pengolahan, dan bekas area fasilitas pendukung</p>
3.	Social and Economy Sosial dan Ekonomi	<p>a. Handling of layoff and termination of employment, guidance and assistance to switch jobs for the employees Penanganan pemutusan hubungan kerja, bimbingan dan bantuan peralihan pekerjaan bagi karyawan</p> <hr/> <p>b. Development of alternative businesses for local communities that is tailored to the corporate social responsibility programs Pengembangan bisnis alternatif untuk masyarakat lokal yang disesuaikan dengan program tanggung jawab sosial perusahaan</p>

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# OCCUPATIONAL HEALTH AND SAFETY KESEHATAN DAN KESELAMATAN KERJA

## COMMITMENT AND POLICY [103-1, 103-2, 103-3]

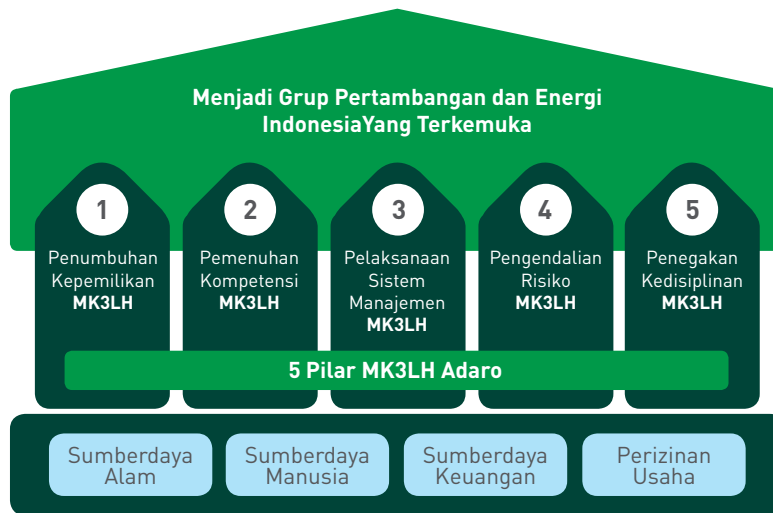
The Adaro Group has four main foundations for management of quality, health, safety and environment (QHSE), namely natural resources (coal reserves), human resources (technical and managerial capabilities), financial resources and the validity of the business license.

On top of this foundation, there are five pillars of QHSE management which supports the achievement of AE's vision.

## KOMITMEN DAN KEBIJAKAN [103-1, 103-2, 103-3]

Grup Adaro memiliki empat fondasi utama dalam pengelolaan mutu, keselamatan, kesehatan kerja dan lingkungan hidup (MK3LH), yaitu sumber daya alam (cadangan batu bara), sumber daya manusia (kemampuan teknis dan manajemen), sumber daya keuangan, dan kelengkapan perizinan usaha.

Di atas pondasi tersebut didirikan lima pilar pengelolaan MK3LH yang mendukung pencapaian visi AE.



The five pillars of Adaro Group's QHSE management are:

1. Growth of QHSE Leadership
2. QHSE Competence Compliance
3. Implementation of QHSE Management System
4. QHSE Risk Control
5. Enforcement of QHSE Discipline

Referring to Law No. 1 Of 1970 on work safety, the Adaro Group is committed to:

1. Prioritizing occupational health and safety in its business activities.
2. Carrying out best practices in the management of quality, health, safety and environment.
3. Complying with regulations and other requirements in the fields of quality, health, safety and environment.
4. Conducting its business activities effectively and efficiently to deliver quality products and services.
5. Developing human resources in the fields of quality, health, safety and environment so that they possess adequate competency.
6. Carrying out continuous performance improvement in the fields of quality, health, safety and environment.

Lima pilar pengelolaan MK3LH di Grup Adaro adalah:

1. Penumbuhan Kepemimpinan MK3LH
2. Pemenuhan Kompetensi MK3LH
3. Pelaksanaan Sistem Manajemen MK3LH
4. Pengendalian Risiko MK3LH
5. Penegakan Kedisiplinan MK3LH

Mengacu kepada Undang-undang Nomor 1 Tahun 1970 tentang keselamatan kerja, Group Adaro berkomitmen untuk:

1. Mengutamakan kesehatan dan keselamatan kerja dalam melaksanakan kegiatan usaha
2. Melaksanakan praktek terbaik dalam pengelolaan mutu, kesehatan dan keselamatan kerja serta lingkungan hidup
3. Mematuhi peraturan perundang-undangan dan persyaratan lainnya di bidang mutu, kesehatan dan keselamatan kerja serta lingkungan hidup
4. Melaksanakan kegiatan usaha dengan efektif dan efisien untuk menghasilkan produk dan jasa yang memenuhi persyaratan
5. Membina sumberdaya manusia di bidang mutu, kesehatan dan keselamatan kerja serta lingkungan hidup agar mempunyai kompetensi yang memadai
6. Melaksanakan perbaikan secara berkesinambungan untuk meningkatkan kinerja di bidang mutu, kesehatan dan keselamatan kerja serta lingkungan hidup.



### Policy [103-2, 103-3]

Referring to Law no. 1 of 1970 on Work Safety, the Adaro Group formulates OHS policy in accordance with vision, mission and nature of the companies, taking into account OHS characteristics, scale and risks. The Adaro Group's OHS policy should at least include the following commitments.

- Prioritize the OHS aspect, including the prevention of occupational accidents and illnesses.
- Comply with OHS law, licensing and other requirements
- Carry out continual improvement in the field of OHS.

In carrying out its operational activities, the Adaro Group requires work operation procedures for each activity. The work operation procedures are not limited to Standard Operating Procedures (SOPs), work instructions and manuals, but also Job Safety Analysis (JSA). Operating procedures and work procedures must be reviewed on a regular basis and in the event of accidents, changes of equipment, process and / or material.

### OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM [403-1]

Occupational Health and Safety Management System (OHSMS) is part of the company's overall management system to manage OHS risk in order to create a safe, healthy, efficient and productive workplace.

All of AE's business units must implement Adaro's OHS management system (Adaro OHSMS). Adaro OHSMS is created based on OHS business processes and risks with a systematic approach that strictly upholds the principles of transparency and accountability.

In addition to their obligation to implement Adaro OHSMS, business units such as AI (Adaro Mining) and SIS (Adaro Services) are also obliged to implement the Mining OHS Management System (MOHSMS) in accordance with the Decree of the Minister of Energy and Mineral Resources No. 1827 K/30/MEM/2018 concerning the guideline for good mining practices.

### Kebijakan [103-2, 103-3]

Mengacu pada amanat Undang-undang No. 1 Tahun 1970 tentang Keselamatan Kerja, Grup Adaro menyusun kebijakan K3 sesuai dengan visi, misi dan konteks perusahaan dengan mempertimbangkan karakteristik, skala dan risiko K3. Kebijakan K3 Grup Adaro sekurangnya memuat komitmen sebagai berikut.

- Mengutamakan K3, termasuk pencegahan kecelakaan dan penyakit akibat kerja
- Memenuhi peraturan perundang-undangan, perizinan dan persyaratan K3 lain; dan
- Melakukan perbaikan berkelanjutan dalam bidang K3.

Dalam melaksanakan kegiatan operasionalnya, Grup Adaro mewajibkan adanya prosedur operasi kerja untuk setiap aktivitas. Prosedur operasi kerja tidak terbatas pada *Standard Operating Procedure* (SOP), instruksi kerja dan buku manual, namun juga Job Safety Analysis (JSA). Prosedur operasi dan prosedur kerja harus ditinjau secara berkala, dan apabila terjadi kecelakaan, perubahan peralatan, perubahan proses dan/atau perubahan bahan.

### SISTEM MANAJEMEN KESELAMATAN KERJA [403-1]

Sistem Manajemen Keselamatan dan Kesehatan Kerja (SMK3) merupakan bagian dari sistem manajemen perusahaan secara keseluruhan dalam rangka pengendalian risiko K3 guna terciptanya tempat kerja yang aman, sehat, efisien dan produktif.

AE memiliki standar manajemen K3 (SMK3 Adaro) yang wajib diterapkan oleh setiap unit bisnis. SMK3 Adaro dibuat berdasarkan proses bisnis dan risiko K3, dengan pendekatan yang sistematis serta menjunjung prinsip transparansi dan akuntabilitas.

Selain wajib menerapkan SMK3 Adaro, unit bisnis seperti AI (Adaro Mining) dan SIS (Adaro Services) juga wajib menerapkan Sistem Manajemen K3 Pertambangan (SMKP) sesuai dengan Kepmen ESDM Nomor 1827 K/30/MEM/2018 Tentang Pedoman Pelaksanaan Kaidah Teknik Pertambangan yang Baik.

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**The Scope of Occupational Health and Safety Management System [403-8]**

The Occupational Health and Safety Management System covers all company employees, contractors / working partners involved in mining activities in the managed area. The following is the data of the number of employees including contractors or working partners in 2019:

**Cakupan Sistem Manajemen Keselamatan Kerja [403-8]**

Sistem Manajemen Keselamatan dan Kesehatan Kerja dimaksud, mencakup seluruh personel karyawan Perseroan dan Kontraktor / Mitra Kerja yang terlibat dalam kegiatan penambangan di areal kelolaan, dengan data jumlah pegawai termasuk kontraktor atau mitra kerja di tahun 2019 adalah sebagai berikut:

	AI	SIS	MSW	MBP
Employees, contractor, subcontractor (regular labor supply, project worker)   Karyawan, kontraktor, subkontraktor	25,502	5,592	213	51

**OHS Certification [102-12]**

With a large scale of mining operations, AI and SIS have to ensure a high level of performance in the field of occupational health and safety. One of the key efforts to achieve this end is the application of ISO 45001:2018 certified occupational health and safety management system. In 2019, SIS obtained the ISO 45001:2018 certification, which is the latest version of the occupational health and safety management standards. In addition, in 2019, AI still maintained the 18001:2007 OHSAS certificate obtained in 2013. AI also adopted the ISO 45001:2018 guideline in managing occupational health and safety.

**Sertifikasi K3 [102-12]**

Dengan skala operasi pertambangan yang sangat besar, AI dan SIS harus memastikan kinerja keselamatan dan kesehatan kerja yang tinggi. Salah satu upaya penting untuk hal ini adalah dengan menerapkan sistem manajemen keselamatan dan kesehatan kerja yang tersertifikasi ISO 45001:2018. Pada tahun 2019, SIS mendapatkan sertifikasi ISO 45001:2018, yang merupakan versi terbaru standar manajemen keselamatan dan kesehatan kerja. Di sisi lain, pada tahun 2019, AI masih mempertahankan sertifikat OHSAS 18001:2007 yang didaparkannya pada tahun 2013, namun telah mengadopsi panduan ISO 45001:2018 dalam mengelola keselamatan dan kesehatan kerja.

**ORGANIZATION AND OPERATING STANDARD**

The mining safety organizations at AI and SIS consist of mining operation safety (KO) and mining occupational health safety (K3). KO are responsible for managing the safety of facilities, infrastructure, installations and equipment in the mine area. Meanwhile, K3 is responsible for evaluating work accidents, managing work environment and occupational health. Both KO and K3 are directly responsible to the highest leadership on the site.

**ORGANISASI DAN STANDAR OPERASI**

Di AI dan SIS, organisasi keselamatan pertambangan terdiri dari keselamatan operasi (KO) pertambangan dan keselamatan kesehatan kerja (K3) pertambangan. KO pertambangan bertanggung jawab terhadap pengelolaan keselamatan dari sarana, prasarana, instalasi dan peralatan di area tambang. Sementara itu, K3 pertambangan bertanggung jawab terhadap evaluasi kecelakaan kerja, pengelolaan lingkungan kerja dan kesehatan kerja. Baik KO dan K3 bertanggung jawab langsung kepada pimpinan tertinggi di site.

**Occupational Health and Safety Committee [403-4]**

The Adaro Group developed and formed an occupational health, safety and environment committee, which comprises of the OHS section, operations section, and representatives of the labor union. Its structure, members and tasks are prepared and reported to each company leader under the Group. The composition of the committee consists of chairman, vice- chairman, secretary and members. The chairman of the steering committee (SC) is the company's highest ranking employee and the secretary is the company's highest ranking OHS employee. Members consist of division head or department head related to company operations in the working area, as well as the leaders of working partners.

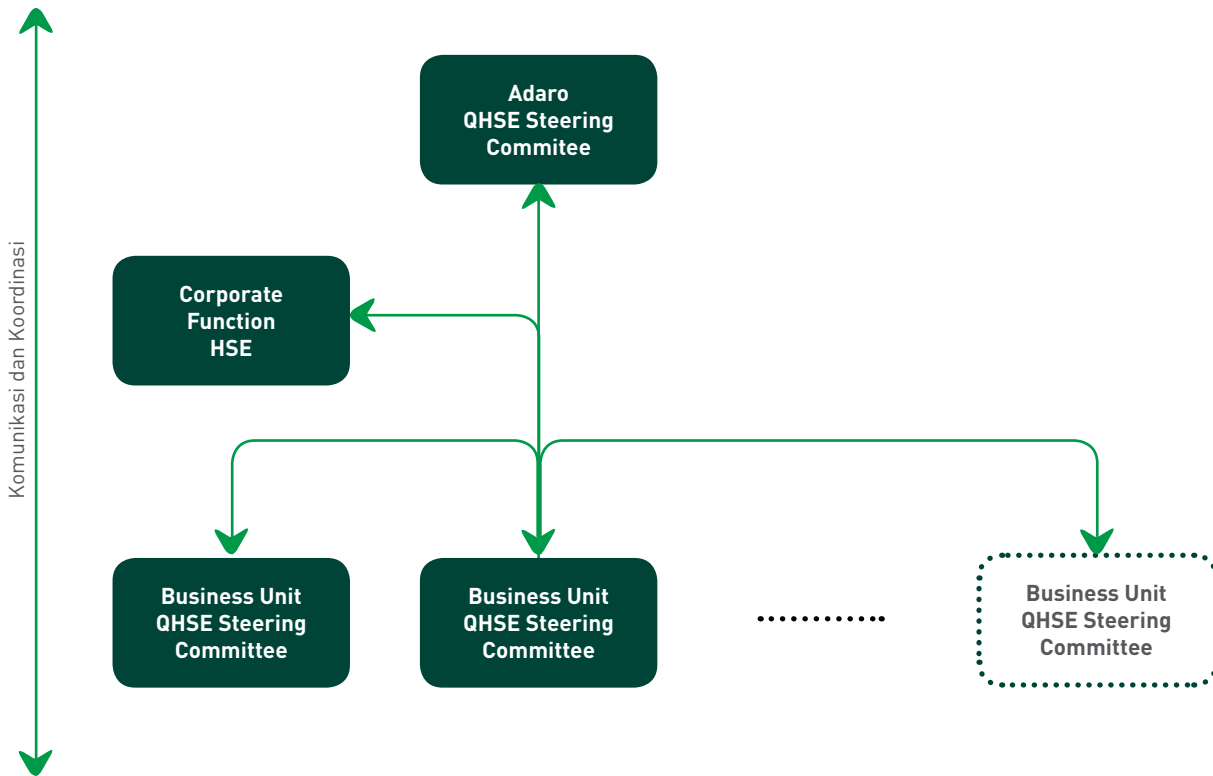
**Komite Keselamatan dan Kesehatan Kerja [403-4]**

Grup Adaro mengembangkan dan membentuk Komite Keselamatan dan Kesehatan Kerja serta Lingkungan Hidup yang anggotanya terdiri dari bagian K3, operasi, dan perwakilan organisasi pekerja. Struktur, anggota dan tugas komite disiapkan dan dilaporkan kepada masing-masing pemimpin perusahaan dibawah naungan Grup. Komposisi komite terdiri dari ketua, wakil ketua, sekretaris dan anggota. Ketua Steering Committee (SC) adalah pimpinan tertinggi perusahaan dan sekretaris adalah pimpinan tertinggi K3 perusahaan. Anggota terdiri dari Kepala Divisi atau Kepala Departemen yang terkait dengan operasi perusahaan di wilayah kerja, serta pimpinan dari mitra kerja.

In the corporate or holding function, AE has a health, safety and environment (HSE) steering committee. This committee is headed by one of AE's directors and the secretary, who is the highest ranking leader employee in the HSE function in the corporate or holding. The committee members consist of representatives of the Board of Directors of each business pillar.

The roles and responsibilities of Adaro Group's HSE steering committee are to help AE's Board of Directors in the following ways:

1. Formulating Adaro Group's HSE policy, which must refer to the laws and regulations as well as to best standards and practices.
2. Providing a guideline on the objective and management strategy of Adaro Group's HSE.
3. Providing consideration and approval of the standards and technical guideline of Adaro Group's HSE.
4. Encouraging the socialization of HSE standards and technical guideline to be implemented by all parties in the Adaro Group.



Pada fungsi Korporasi atau Holding, Perseroan memiliki komite pengarah Kesehatan dan Keselamatan Kerja, dan Lingkungan Hidup (K3LH). Komite ini diketuai oleh salah satu Direksi Perusahaan dan sekretaris adalah pimpinan tertinggi K3LH fungsi Korporat atau Holding. Sedangkan untuk anggota komite terdiri dari perwakilan Direksi dari masing-masing pilar bisnis.

Peran dan tanggung jawab Komite Pengarah K3LH Adaro adalah membantu BOD Adaro Energy dalam hal sebagai berikut:

1. Menyusun kebijakan K3LH Grup Adaro yang berpedoman pada peraturan perundangan, standar dan praktek terbaik yang sesuai.
2. Memberikan pedoman tentang tujuan dan strategi pengelolaan K3LH Adaro
3. Memberikan pertimbangan dan persetujuan atas standar dan pedoman teknis K3LH Adaro
4. Mendorong agar kebijakan, standar dan pedoman teknis K3LH disosialisasikan dan dilaksanakan oleh semua pihak dalam organisasi Adaro.

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### DEVELOPING AN OHS-CONSCIOUS CULTURE [103-2]

Since 2018, AE has continued to implement the Adaro Zero Accident Mindset (AZAM) campaign. This mindset encourages employees to carry out their work safely to avoid any accidents. The internalization of this OHS-conscious culture is based on the belief that all accidents are predictable, preventable and intolerable.



### MENGEMBANGKAN BUDAYA SADAR K-3 [103-2]

Sejak tahun 2018, AE terus menggalakan kampanye pola pikir *zero accident* atau dikenal dengan istilah *Adaro Zero Accident Mindset* (AZAM) guna menjalankan pekerjaan secara aman sehingga tidak terjadi kecelakaan. Internalisasi budaya sadar K3 ini didasari keyakinan bahwa semua kecelakaan dapat diprediksi, dapat dicegah dan tidak boleh ditolerir.

#### ADARO ZERO ACCIDENT MINDSET (AZAM)

1. Understand your job well.
2. Understand the dangers in your job.
3. Understand how to control hazards.
4. Ensure you do it consistently.
5. Ensure there are work equipment and infrastructure for safe and healthy work.

#### ADARO ZERO ACCIDENT MINDSET (AZAM)

1. Pahami Pekerjaan dengan Baik.
2. Pahami Bahaya Pekerjaan.
3. Pahami Pengendalian Bahaya.
4. Pastikan Dilakukan dengan Konsisten.
5. Pastikan Tersedia Sarana dan Prasarana Kerja yang Aman dan Sehat.

We conduct safety behavior survey to measure the level of OHS understanding in AE's subsidiaries, carried out in AI, MBP and MSW. The findings from this survey are expected to support us in formulating more effective strategies in strengthening AZAM.

Survei perilaku keselamatan dilakukan guna mengukur tingkat kematangan budaya K3 di anak-anak perusahaan AE, yang dilaksanakan di AI, MBP dan MSW. Temuan dari survei ini diharapkan akan mendukung kami dalam merumuskan strategi yang lebih efektif dalam memperkuat AZAM.

We carry out other routine programs throughout 2019 to foster an OHS-conscious culture in the company as follow.

Kami juga menjalankan program rutin lainnya sepanjang tahun 2019 untuk menumbuhkan budaya Sadar K-3 meliputi:

1. Safety Accountability Program (SAP), which consists of hazard report, job safety analysis (JSA), 5-minute conversation (P5M), safety talk, and OHS inspection.
2. Family Education for the families of SIS' operators and mechanics. The training aims to provide an understanding on OHS to SIS's families and employees and to increase families' awareness in supporting the need for OHS implementation in their daily life.
3. Personal contact. This is a management tool used by supervisors or managers to find out about the personal needs of their subordinates.
4. 5-R Program: Ringkas, Rapi, Resik, Rawat, Rajin [Concise, Tidy, Clean, Foster, Diligent].
5. OHS bulletin. This is a brief statement or summary of news about OHS-related matters occurring within or outside of the company.
6. Safety behaviour observation (SBO).
7. National OHS month.

1. *Safety Accountability Program* (SAP), yang terdiri dari *hazard report*, *Job Safety Analysis* (JSA), Pembicaraan 5 menit (P5M), *safety talk*, dan inspeksi K3
2. *Family education* untuk seluruh keluarga operator dan mekanik karyawan SIS. Training tersebut bertujuan untuk memberikan pemahaman kepada keluarga dan karyawan SIS terkait K3, sehingga dapat meningkatkan awareness keluarga untuk mendukung karyawan akan perlunya menerapkan K3 dalam kehidupan sehari-hari.
3. Kontak Pribadi merupakan alat manajemen yang dipergunakan oleh supervisor atau manajer untuk mengetahui kebutuhan pribadi para bawahan mereka.
4. Program 5-R: Ringkas, Rapi, Resik, Rawat, Rajin.
5. Buletin K3 merupakan pernyataan singkat atau ringkasan siaran berita berisi mengenai informasi K3 yang terjadi di area perusahaan atau di luar perusahaan
6. Safety Behaviour Observation (SBO)
7. Bulan K3 Nasional.



SAP



National OHS Month



Family Education

### OHS INCIDENT PREVENTION [403-7]

To prevent work accidents, the Company has set out the following standard procedure.

- All employees, guests and working partners who enter the Adaro Group's work area are required to go through an induction process first.
- As an effort to control potential hazards, each job should include HIRA, JSA and hazard report.
- In order to increase employees' understanding of OHS, Adaro Group provides training programs in accordance with the available training needs analysis (TNA).
- All personnel must have a clear duty and responsibility which include aspects of mine safety.

### Management of OHS Risks [403-2]

The OHS risk identification process is done by studying documents or logs, such as incident reports, laws, regulations and other official requirements, material safety data sheets, audit reports and inspection reports both internal and external. OHS risk identification is also carried out by means of interviews with employees who perform or design work activities, people with expertise in the field of work, brainstorming, and observations or field inspections. OHS risk identification must consider all activities in the workplace, such as routine activities, non-routine activities, emergency conditions and activities of all people who have access to the work area (including contractors and visitors, facilities, infrastructure, installation and equipment in our work area.

Risk analysis is then performed to understand the nature of OHS risk and to determine the level of risk in order that it can be ascertained whether the risk is acceptable or not (acceptable risk/non-significant risk).

The advanced risk control model is created to decrease OHS risk level by following the rules of the hierarchy of control, namely elimination, substitution, engineering controls, administrative controls and personal protective equipment.

### PENCEGAHAN INSIDEN K3 [403-7]

Untuk mencegah terjadinya insiden kecelakaan kerja, Perseroan menetapkan prosedur standar sebagai berikut.

- Seluruh pekerja, tamu, mitra kerja yang masuk ke area kerja Grup Adaro diwajibkan mendapatkan induksi terlebih dahulu.
- Sebagai upaya untuk mengendalikan potensi bahaya, maka setiap pekerjaan harus terdapat HIRA, JSA dan hazard report.
- Untuk meningkatkan pemahaman pekerja akan K3, maka Grup Adaro memberikan program pelatihan sesuai dengan matriks Training Needs Analysis (TNA) yang tersedia.
- Setiap personel harus memiliki tugas dan tanggung jawab yang jelas dan di dalamnya mencakup aspek Keselamatan Pertambangan

### Pengelolaan Risiko Aspek K3 [403-2]

Proses identifikasi risiko K3 dilakukan dengan cara mempelajari dokumen atau catatan seperti laporan insiden, peraturan perundang-undangan dan persyaratan lainnya, *Material Safety Data Sheet*, laporan audit dan laporan inspeksi baik internal ataupun eksternal. Identifikasi risiko K3 juga dilakukan dengan metode wawancara terhadap karyawan yang melakukan pekerjaan, karyawan yang merancang aktivitas pekerjaan dan orang yang mempunyai keahlian di bidang pekerjaan tersebut, *brainstorming* dan observasi atau inspeksi lapangan. Identifikasi risiko K3 harus mempertimbangkan segala aktivitas di tempat kerja seperti aktivitas rutin, non-rutin, kondisi darurat dan aktivitas terhadap semua orang yang mempunyai akses ke area kerja (termasuk kontraktor dan pengunjung, sarana dan prasarana, instalasi dan peralatan) yang ada di area kerja.

Selanjutnya dilakukan analisis risiko untuk memahami sifat dari risiko K3 dan untuk menetapkan level risiko sehingga dapat diputuskan apakah risiko dapat diterima atau tidak (acceptable risk / non-significant risk).

Model pengendalian risiko lanjutan dilakukan untuk menurunkan tingkat risiko K3 dengan mengikuti kaidah hirarki pengendalian yaitu eliminasi, substitusi, kendali engineering, kendali administratif dan alat pelindung diri.

### Hazard Reporting

The purpose of hazard reporting is to ensure all identified OHS hazards, both unsafe actions and unsafe conditions, are followed up on and resolved as part of mitigation, thus enabling minimization or elimination of incidents.

The hazard reporting process begins with employees identifying a potential hazard and recording it in the hazard report form. This information must be submitted to the supervisor, who then checks and verifies the report. The supervisor can stop an activity if it is deemed to be a potentially serious hazard (LTI and fatality). The activity can resume if corrective action is taken to eliminate the potential for an accident. Hazard reports are kept and summarized while monitoring the course of corrective action.

### Occupational Accident Incident Reporting

Anyone who experiences or witnesses an incident is required to report it or ensure that it has been reported. Business units are required to provide a 24-hour communication system to report an incident. The emergency response team conducts first aid and casualty handling according to the type of incident.

The purpose of investigating an incident is to create a corrective and preventive action plan to prevent any recurrences. This is done by following the rules of the hierarchy of control, namely elimination, substitution, engineering controls, administrative controls and personal protective equipment.

### OHS ASPECT EXERCISE [403-5]

One of Adaro Group's commitments as stated in the QHSE policy is to develop human resources to have adequate competence, including in the OHS field. Employee competencies have been outlined in Training Need Analysis (TNA) according to the type of work. Achieving competencies can be done through assignments and training.

Some of the OHS training courses held are:

- Emergency response exercise, which is training in handling emergencies according to the risks in the work area.
- Major emergency response exercise, which is a crisis management plan-oriented exercise in the event of a large-scale emergency which causes the Company to cease operations.
- Firefighting exercise, which trains employees on the dangers of fire or basic firefighting.
- First aid exercise, which is training for employees on first aid to victims of an accident or basic life support.

### Hazard Reporting

*Hazard reporting* bertujuan untuk memastikan semua bahaya K3 yang teridentifikasi baik tindakan tidak aman dan kondisi tidak aman ditindaklanjuti dan diselesaikan sebagai bagian dari mitigasi, sehingga dapat meminimalkan atau menghilangkan insiden.

Proses *hazard reporting* dimulai dari pekerja saat mengidentifikasi adanya potensi bahaya dan menuliskannya dalam form *hazard report*. Informasi ini wajib diserahkan kepada pengawas dan selanjutnya Pengawas memeriksa dan memverifikasi laporan kondisi bahaya tersebut. Pengawas dapat menghentikan aktivitas terkait jika dirasa mempunyai potensi bahaya yang serius (LTI dan fatality). Aktivitas dapat dilanjutkan jika tindakan perbaikan yang diambil dapat menghilangkan potensi kecelakaan. Laporan *hazard report* disimpan dan dibuat ringkasan sambil memantau jalannya tindakan perbaikan.

### Pelaporan Insiden Kecelakaan Kerja

Setiap orang yang mengalami atau menyaksikan terjadinya insiden wajib melaporkan atau memastikan bahwa kejadian tersebut sudah dilaporkan. Unit bisnis wajib menyediakan sistem komunikasi 24 jam untuk melaporkan insiden. *Emergency Response Team* melakukan pertolongan pertama dan tindakan penanganan korban sesuai dengan jenis insiden.

Investigasi dari insiden wajib memunculkan suatu rencana tindakan perbaikan baik itu korektif maupun preventif untuk mencegah terulangnya insiden dengan mengikuti kaidah hirarki pengendalian yaitu eliminasi, substitusi, kendali enjinering, kendali administratif dan alat pelindung diri.

### PELATIHAN ASPEK K3 [403-5]

Salah satu komitmen Grup Adaro seperti yang tertuang dalam kebijakan MK3LH adalah membina sumber daya manusia agar mempunyai kompetensi yang memadai, termasuk di bidang K3. Kompetensi karyawan secara detail telah dituangkan dalam *Training Need Analysis* (TNA) sesuai dengan jenis pekerjaannya. Pemenuhan kompetensi karyawan dapat dilakukan melalui penugasan maupun pelatihan.

Beberapa pelatihan aspek K3 yang diselenggarakan mencakup:

- Latihan Tanggap Darurat (Emergency Response Exercise), yaitu latihan penanganan keadaan darurat sesuai dengan risiko yang ada di area kerja.
- Latihan Tanggap Darurat Besar (*Major Emergency Response Exercise*), yaitu latihan yang mengarah kepada *crisis management plan* jika terjadi keadaan darurat dengan skala besar dan menyebabkan terhentinya operasional perseroan.
- Latihan pemadaman kebakaran, yaitu edukasi kepada karyawan mengenai bahaya kebakaran atau *basic fire fighting*.
- Latihan pertolongan pertama pada kecelakaan, yaitu edukasi kepada karyawan tentang pertolongan pertama pada korban kecelakaan atau *Basic Life Support*.

**PERFORMANCE AND EVALUATION OF OCCUPATIONAL ACCIDENT ASPECT [403-9]**

**Evaluation and recording basis**

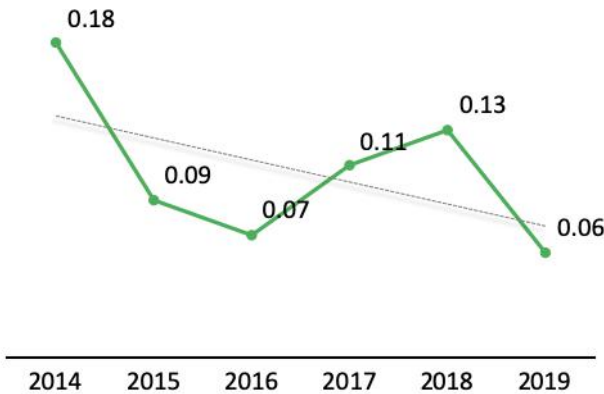
Every accident risk incidents that occur in the operational area, whether it involves company employees and/or employees of contractors or work partners, are recorded and become part of the OHS performance improvement.

Incidents recording and evaluation refer to the technical guidelines for Adaro Group’s incidents investigation in line with applicable laws and regulations in the group’s operations.

AE’s safety performance is measured by two parameters, i.e. Lost Time Injury Frequency Rate (LTIFR) which measures the number of work accidents resulting in the loss of workdays per one million working hours, and Severity Rate (SR), which measures the number of days lost per one million working hours. In 2019, AE recorded an LTIFR of 0.06, lower than 0.13 in 2018. SR significantly dropped from 108.36 in 2018 to 5.46 in 2019. This achievement was possible due to the effective implementation of AZAM and stronger OHS leadership.

The FR and SR graphic during 2014-2019 period is as follows: [403-9]

**AE’s LTIFR Graph  
Grafik LTIFR AE**



**Occupational Accident Incident Evaluation**

Based on work accidents analysis for 2019, work accident related to mobile facilities remained as the most significant, with the main cause being unfit or fatigued while carrying out tasks. To prevent this type of incident, AI implements a fitness for work program, which aims to improve workers’ fitness through physical training and nutrition management, and ensure that operators stretch before operating any equipment. The results are then measured by the Harvard test method, surveillance via CCTV, and inspection at critical hours.

**KINERJA DAN EVALUASI ASPEK KECELAKAAN KERJA [403-9]**

**Dasar evaluasi dan pencatatan**

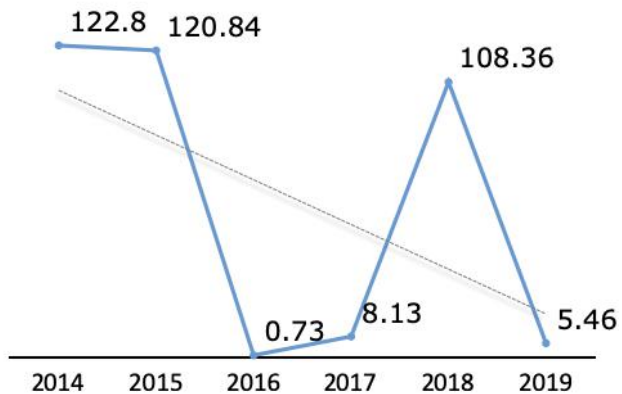
Seluruh insiden risiko kecelakaan yang terjadi di area operasional, baik yang melibatkan karyawan perusahaan maupun karyawan dari kontraktor dan mitra kerja akan dicatat dan menjadi bagian dari perbaikan kinerja aspek K3.

Pencatatan dan evaluasi insiden mengacu pada pedoman teknis investigasi insiden Grup Adaro yang telah disusun dengan mengadopsi peraturan perundang – undangan yang berlaku sesuai dengan operasional bisnis grup.

Kinerja keselamatan AE diukur menggunakan dua parameter: Lost Time Injury Frequency Rate (LTIFR), yaitu jumlah kecelakaan kerja yang mengakibatkan hilangnya hari kerja per satu juta jam kerja, dan Severity Rate (SR), yaitu jumlah hari yang hilang per satu juta jam kerja. AE mencatat LTIFR sebesar 0,06 pada tahun 2019, lebih rendah daripada 0,13 pada tahun 2018. SR AE turun signifikan, dari 108,36 pada tahun 2018 menjadi 5,46 pada tahun 2019. Pencapaian ini adalah berkat implementasi AZAM yang efektif serta kepemimpinan K3 yang semakin kuat.

Grafik FR dan SR selama periode 2014-2019 adalah sebagai berikut: [403-9]

**AE’s SR Graph  
Grafik SR AE**



**Evaluasi Insiden Kecelakaan Kerja**

Berdasarkan analisis kecelakaan kerja selama tahun 2019, insiden kecelakaan kerja terkait sarana bergerak masih memegang porsi paling signifikan, dengan penyebab utama adalah kondisi tidak fit atau kelelahan saat menjalankan tugas. Untuk mencegah insiden jenis ini, AI menerapkan program *fitness for work*, yang bertujuan untuk meningkatkan kebugaran pekerja melalui latihan fisik dan pengaturan asupan gizi, serta memastikan para operator melakukan peregangan sebelum mengoperasikan sarana. Hasilnya kemudian diukur dengan metode Harvard test, pengawasan melalui CCTV, dan inspeksi di jam kritis.

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STANDAR GRI

## OCCUPATIONAL HEALTH

Occupational health management carried out at the Adaro Group includes comprehensive activities in the form of promotive, preventive, curative and rehabilitative efforts. We have strived to comply with all provisions related to occupational health which are regulated in the relevant laws, regulations and standards.

Occupational health management is carried out through programs and actions such as:

1. Occupational health check, including.
  - a) Initial health check.
  - b) Periodic health check.
  - c) Special health check.
  - d) Final health check.
2. Occupational health services.
3. First aid.
4. Fatigue management.
5. Management of mine employees who work at high risk sites.
6. Records of occupational health data.
7. Employees are registered in Healthcare and Social Security Agency (BPJS Kesehatan) and Social Security Agency (BP Jamsostek).

### Occupational Health Service [403-3]

The Company has an IHOH (Industrial Hygiene and Occupational Health) function in every business unit it owns and all IHOH business unit representatives are members of the IHOH Champion Adaro Group. IHOH has important functions in the management of occupational health and safety (OHS), including identifying, removing danger and minimizing risks through four pillars of IH (*Industrial Hygiene*): anticipation, recognition, evaluation, and control, focusing on work environment including work equipment, and the four pillars of OH (*Occupational Health*): preventive, promotive, curative, and rehabilitative focusing on the human aspect.

Health and well-being are an absolute requirement to ensure occupational safety. AE has created a program to support the management in the implementation of IHOH, such as conducting health risk assessments (HRA), reviewing health check results, reviewing the results of the measurement of workplace environment (temperature, noise, dust, etc.) and controlling or programming assignments to improve the health standards of the employees.

AE provides health clinic, IHOH personnel, physicians and paramedics, and employees can consult for medical care or health problems. At certain times, medical check-up (MCU) activities are conducted in order to check employees' health conditions. The results of the MCU are used to determine actions to treat, restore, or maintain the condition of employees so that they remain healthy.

In order to ensure that the quality of the IHOH facilities and services are well maintained, AE business units provide sufficient facilities and infrastructure, establish standards, provide training, and conduct periodic internal and external audits.

## KESEHATAN KERJA

Pengelolaan Kesehatan Kerja yang dilakukan di Grup Adaro mencakup kegiatan yang bersifat komprehensif berupa upaya promotif, preventif, kuratif dan rehabilitatif. Kami telah berupaya memenuhi seluruh ketentuan terkait aspek kesehatan kerja yang diatur pada aturan perundangan terkait maupun standar yang berlaku.

Pemenuhan aspek kesehatan kerja dilakukan melalui program-program seperti:

1. Pemeriksaan kesehatan kerja, mencakup:
  - a) Pemeriksaan kesehatan awal.
  - b) Pemeriksaan kesehatan berkala.
  - c) Pemeriksaan kesehatan khusus dan,
  - d) Pemeriksaan kesehatan akhir.
2. Pelayanan kesehatan kerja.
3. Pertolongan pertama pada kecelakaan.
4. Pengelolaan fatigue.
5. Pengelolaan pekerja tambang yang bekerja pada tempat risiko tinggi.
6. Rekaman data kesehatan kerja.
7. Setiap pekerja terdaftar BPJS Kesehatan dan BP Jamsostek.

### Layanan Kesehatan Kerja [403-3]

Perseroan memiliki fungsi Higiene Industri dan Keselamatan Kerja (*Industrial Hygiene and Occupational Health - IHOH*) di setiap unit bisnis yang dimilikinya dan semua perwakilan IHOH unit bisnis tergabung dalam IHOH Champion Grup Adaro. IHOH memiliki fungsi penting dalam pengelolaan kesehatan dan keselamatan kerja termasuk dalam mengidentifikasi, penghapusan bahaya, dan meminimalisir risiko melalui 4 pilar Higiene Industri yaitu antisipasi, rekognisi, evaluasi, dan pengendalian yang berfokus pada lingkungan kerja, termasuk peralatan kerja, serta empat pilar Keselamatan Kerja yaitu preventif, promotif, kuratif, dan rehabilitative, yang berfokus pada aspek manusia.

Kesehatan dan kebugaran merupakan persyaratan mutlak dalam memastikan keselamatan kerja. AE membuat program untuk mendukung manajemen dalam pelaksanaan aspek IHOH di perusahaan seperti melakukan penilaian risiko kesehatan (Health Risk Assessment/ HRA), review hasil pemeriksaan kesehatan, review hasil pengukuran aspek lingkungan kerja (suhu, bising, debu, dll.) serta penetapan kendali atau program untuk meningkatkan derajat kesehatan pekerja.

AE menyediakan fasilitas klinis, personil IHOH, dokter dan paramedis yang dapat digunakan oleh karyawan untuk perawatan medis atau konsultasi masalah kesehatan. Dalam periode tertentu, kegiatan *Medical Check Up* (MCU) diadakan untuk memeriksa kondisi kesehatan karyawan. Hasil MCU digunakan untuk menentukan tindakan mengobati, mengembalikan, atau menjaga kondisi pekerja agar tetap sehat.

Agar kualitas dari fasilitas dan layanan IHOH terjaga dengan baik maka setiap unit bisnis AE menyediakan sarana dan prasarana yang memadai, membuat standar, memberikan pelatihan, serta audit internal dan eksternal secara berkala.



### Occupational Health Risk [403-10]

Until the reporting year, AE did not record any incidents of employees who had experienced illness due to causes that were directly related to their work. However, AE has identified various factors that can cause or potentially cause illness, namely physical, chemical, biological, ergonomic and psychosocial factors.

AE provides personal protective equipment in order to protect its employees from the risk of potential illness from these hazards. It is a condition that employees must always comply with all operational standards.

### Health Insurance and Campaign [403-6]

The Adaro Group provides guaranteed health insurance for its employees, so when employees and their families require health service, they may go directly to assigned hospitals. Some sites provide clinics in the employees housing that can be accessed not only by the employees but also their families. The clinics also provides specialist doctors.

Health funds for outpatient and inpatient employees and their families registered at the Company are provided by the Company in accordance with the predetermined procedures. In addition, the Company also regularly organizes health seminars for its employees.

We conduct regular health campaigns with topics on local and international health issues. We also hold regular health seminars with topics such as healthy lifestyle to avoid risk factors for stroke and heart attack, HIV / AIDS, motivation to stop smoking, and many more. The seminar is delivered by professional medical personnel and national activists.

AI has even implemented a quit smoking program through hypnotherapy training and created several health posts that can be visited by all workers. In addition there is a health surveillance program that helps workers to monitor body mass index (BMI) to normal levels by carrying out activities that are monitored by company doctors.

### Risiko Kesehatan dari Pekerjaan [403-10]

Sampai tahun pelaporan AE belum pernah mencatat adanya insiden pekerja-pekerja yang mengalami sakit karena sebab yang berhubungan langsung karena pekerjaannya. Namun demikian, AE telah mengidentifikasi kondisi-kondisi bahaya dari pekerjaan yang bisa menimbulkan atau berpotensi menyebabkan sakit, yakni faktor fisik, kimia, biologi, ergonomi, dan psikososial.

Untuk melindungi para pekerja dari potensi risiko sakit dari kondisi bahaya tersebut, AE menyediakan APD dan mensyaratkan para pekerja untuk senantiasa mematuhi seluruh standar operasi yang terkait dengan sebaik-baiknya.

### Asuransi dan Kampanye Kesehatan [403-6]

Grup Adaro telah menjamin layanan asuransi kesehatan untuk pekerja sehingga ketika pekerja dan keluarga mereka membutuhkannya, mereka dapat langsung pergi ke rumah sakit yang telah ditentukan. Beberapa *site* menyediakan klinik di mess yang bisa diakses tidak hanya oleh pekerja namun keluarga pekerja. Klinik tersebut juga menyediakan dokter spesialis.

Dana kesehatan untuk rawat jalan dan rawat inap pekerja dan keluarga pekerja yang terdata di perusahaan disediakan oleh perusahaan dengan mengikuti prosedur yang telah ditetapkan. Selain itu, perusahaan juga secara teratur memberikan menyelenggarakan seminar kesehatan untuk para pekerja.

Grup Adaro melakukan kampanye kesehatan secara berkala dengan topik sesuai dengan isu-isu lokal hingga internasional. Seminar kesehatan secara rutin juga dilakukan seperti paparan terkait gaya hidup sehat untuk menghindari faktor risiko stroke dan serangan jantung, HIV/AIDS, motivasi berhenti merokok, dan lain sebagainya. Materi-materi seminar disampaikan langsung oleh tenaga medis profesional maupun aktivis-aktivis nasional.

AI bahkan telah melaksanakan program berhenti merokok melalui pelatihan hipnoterapi dan membuat beberapa pos layanan berhenti merokok yang bisa didatangi oleh seluruh pekerja. Selain itu ada program pengawasan kesehatan yang membantu pekerja untuk memonitor *body mass index* (BMI) hingga ke angka normal dengan melakukan aktivitas yang dipantau oleh dokter perusahaan.

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EMPOWERING AND  
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**MEMBERDAYAKAN  
DAN MEMBANGUN  
KESEJAHTERAAN  
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**PT ADARO ENERGY TBK**



# EMPOWERING AND BUILDING COMMUNITY WELFARE

## MEMBERDAYAKAN DAN MEMBANGUN KESEJAHTERAAN MASYARAKAT

### CORPORATE SOCIAL RESPONSIBILITY VISION [103-1, 103-2, 103-3]

The vision of PT Adaro Energy Tbk's (AE) corporate social responsibility (CSR) program is in line with its sustainability vision of "The creation of a prosperous, intelligent and independent society in a sustainable environment". The vision, together with the full sustainability mission statement, is presented in the "Framework and Strategy for Achieving Sustainability Objectives" chapter.

#### Approaches

The strategy of approach that AE used in implementing its CSR programs is ethical approach which emphasizes efforts to create a better quality of life for the community. However, other approach, such as the instrumental approach that emphasizes the *shared value chain*, can still be carried out when possible.

#### Objectives

Our CSR activities is aimed to create a prosperous, intelligent and independent community in a sustainable environment.

The programs' success is measured through an analysis of the outcomes from program implementation. As a general example, AE measures changes in the community development index (IPM) and community satisfaction index (IKM). AE and its subsidiaries also take into account the changes in the community's behavior.

### ANALYSIS OF IMPACT, POLICY BASIS AND PROGRAM SETTING

#### Social Impact Analysis [413-1, 413-2]

The Adaro Group has identified and analyzed potential social impacts that may arise from our operational activities.

Specifically at PT Adaro Indonesia (AI), where assisted villages have been categorized into ring 1, 2 and 3, based on priority, in the Environmental Impact Assessment (AMDAL) document. AI prioritizes the implementation of community empowerment programs in ring 1 villages which includes economic, education, health, socio-cultural and environmental programs.

### VISI PROGRAM TANGGUNG JAWAB SOSIAL PERUSAHAAN [103-1, 103-2, 103-3]

Visi program tanggung jawab sosial (Corporate Social Responsibilites / CSR), PT Adaro Energy Tbk (AE) sejalan dengan visi keberlanjutan AE yaitu "Mewujudkan masyarakat yang sejahtera, cerdas dan mandiri dalam lingkungan yang lestari". Visi tersebut, beserta pernyataan misi keberlanjutan secara lengkap, disampaikan di Bab "Kerangka dan Strategi Pencapaian Tujuan Keberlanjutan".

#### Pendekatan

Strategi pendekatan yang digunakan oleh AE dalam implementasi program CSR adalah pendekatan etika yang menekankan pada upaya untuk mewujudkan kualitas hidup masyarakat yang lebih baik. Namun pendekatan lain seperti pendekatan instrumental yang lebih menekankan pada *shared value chain* tetap dapat dijalankan jika dimungkinkan.

#### Tujuan

Tujuan pelaksanaan CSR oleh AE adalah mewujudkan masyarakat yang sejahtera, cerdas dan mandiri dalam lingkungan yang lestari.

Keberhasilan program diukur melalui analisa terhadap hasil dari realisasi program. Sebagai contoh umum, AE mengukur perubahan Indeks Pembangunan Masyarakat (IPM) dan Indeks Kepuasan Masyarakat (IKM). AE dan juga anak-anak usahanya juga memperhatikan parameter perubahan perilaku masyarakat.

### ANALISA DAMPAK, DASAR KEBIJAKAN DAN PENYUSUNAN PROGRAM

#### Analisa Dampak Sosial [413-1, 413-2]

Grup Adaro telah melakukan identifikasi dan analisis potensi dampak sosial yang mungkin timbul dari kegiatan operasional.

Khususnya di PT Adaro Indonesia (AI), dalam dokumen Analisis Dampak Lingkungan (AMDAL) telah ditetapkan prioritas desa binaan yang terdiri dari ring 1, 2 dan 3. AI mengutamakan pelaksanaan program pemberdayaan masyarakat pada desa ring 1 yang meliputi program ekonomi, pendidikan, kesehatan, sosial budaya dan lingkungan.

### Economic Impact [203-1, 203-2]

AE takes into account the economic and social impacts of its CSR programs by utilizing social mapping and community action plans (CAP) analysis from each area and involves consultants and interaction with local community leaders and local government in the preparation, in order to deliver useful programs for the community. These programs include the development of basic facilities and infrastructure, as well as infrastructure related to economic activities or MSMEs, and others.

In general, donations to the construction of facilities and infrastructure are in the form of goods and services, i.e. the beneficiary receives a donation in the form of goods (buildings, equipment and other infrastructure) while the construction work is carried out by vendors.

AI implements its CSR programs and activities by optimizing the role of the community in order to improve their sustainability.

### Settlement of Public Complaints

[MM6, MM8, MM9, MM10, MM11]

Before and during mining operations, AI considers mitigation of the risk of disputes with surrounding communities as a high priority. Implementation of the activities is stated in the AMDAL document and must be anticipated and evaluated regularly by AI.

The Adaro Group also provides a mechanism for the resolution of public complaints which implementation is adjusted to the rules of the subsidiaries, as the responsible entity, as follows:

- AI: Mechanism of community complaints/input to the company is regulated by SOP-AI-SEC-01 regarding the handling of community complaints.
- SIS: Conducting discussion in order to find solutions from the problems encountered

One of the ways to handle public complaints is by establishing a mechanism for community complaints submission and a standard operating procedures for resolving the complaints. Details of the implementation of policy, procedures and the mechanism for complaints handling are the authority of the subsidiary as manager of the work area.

### Dampak Ekonomi [203-1, 203-2]

AE memperhitungkan dampak ekonomi dan sosial dari program CSR-nya menggunakan analisis social mapping maupun community action plan (CAP) dari masing-masing area yang penyusunannya melibatkan konsultan dan interaksi intensif dengan tokoh masyarakat sekitar maupun pemerintah daerah setempat, sehingga AE dapat merealisasikan berbagai program yang bermanfaat. Program-program tersebut meliputi pengembangan sarana dan prasarana dasar, maupun prasarana yang berkaitan dengan kegiatan ekonomi masyarakat atau UMKM, dan lainnya.

Pada umumnya bentuk bantuan di bidang pembangunan sarana dan prasarana tersebut adalah berupa barang/jasa. Artinya penerima manfaat menerima bantuan berupa barang (bangunan, peralatan dan prasarana lainnya), sedangkan pekerjaan dilaksanakan oleh pihak lain.

Program dan kegiatan CSR AI dalam pelaksanaannya senantiasa mengoptimalkan peran masyarakat dengan tujuan untuk meningkatkan keberlanjutan dari program dan kegiatan tersebut.

### Penyelesaian Pengaduan Masyarakat

[MM6, MM8, MM9, MM10, MM11]

Sebelum dan selama menjalankan kegiatan operasional pertambangan, AI menempatkan mitigasi risiko perselisihan dengan masyarakat sekitar sebagai prioritas yang harus diantisipasi dan dievaluasi pelaksanaannya. Hal ini juga telah dituangkan dalam dokumen AMDAL.

Grup Adaro juga menyediakan mekanisme penyelesaian pengaduan masyarakat yang pelaksanaannya disesuaikan dengan aturan anak usaha sebagai pelaksana di lapangan, seperti contoh berikut:

- AI: Mekanisme keluhan/masukan masyarakat ke perusahaan diatur SOP-AI-SEC-01 tentang penanganan keluhan masyarakat.
- SIS: Mekanisme yang dijalankan adalah musyawarah/diskusi agar ditemukan solusi dari permasalahan yang dihadapi

Salah satu cara untuk mengatasi pengaduan masyarakat adalah dengan membuat mekanisme penyampaian keluhan masyarakat dan juga SOP penyelesaiannya. Detail pelaksanaan kebijakan, SOP dan mekanisme penyelesaian keluhan masyarakat tersebut menjadi kewenangan dari anak usaha sebagai pengelola area kerja.

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AE manages and mitigates interaction risk with the community before and during mining operations. Potential social impacts from the operations of the Adaro Group are managed in accordance with the approved AMDAL documents.

As a result of the well-maintained relationship and community coaching, there is no illegal mining activities in the vicinity of our mining areas.

During the course of operations there has been no resettlement activities, be it in AI, SIS, MSW or MBP operational areas.

AI's mine closure plan (RPT) and post-mining reclamation plan are carried out with regards to Law No. 4 of 2009 on Mineral and Coal Mining and Government Regulation No. 78 of 2010 on reclamation and post-mining and is regularly adjusted according to the circumstances.

All mining operations, implementation of CSR programs and preparation of the RPT are carried out in compliance with the applicable laws and regulations. Hence, AE has not been sanctioned or fined during the reporting year or in previous years.

#### **Policy Basis**

AE formulates the implementation of its CSR Programs based on Laws and regulations on CSR, as follows.

1. Law Number 40 of 2007 on limited liability companies
2. Law Number 4 of 2009 on mineral and coal mining
3. Government Regulation Number 23 of 2010 last amended with Government Regulation Number 8 of 2018 on the Fifth Revision to Government Regulation Number 23 of 2010 on the Implementation of Mineral and Coal Mining Business Activities
4. Government Regulation No. 47 of 2012 on social and environmental responsibilities of limited liability companies
5. Decision of the Minister of Energy and Mineral Resources No. 1824K/30/MEM/2018
6. *Sustainable Development Goals*
7. ISO 26000
8. UN *Global Impact Corporate Sustainability in the World Economy*
9. *International Finance Corporation Performance Standards on Environmental and Social Sustainability*

AE melakukan mitigasi dan pengelolaan risiko interaksi dengan masyarakat sekitar sebelum maupun selama menjalankan kegiatan penambangan. Pengelolaan potensi dampak sosial dari kegiatan operasi Grup Adaro dilakukan sesuai dengan dokumen AMDAL yang telah disetujui.

Berkat interaksi yang harmonis dan pembinaan masyarakat, tidak ada kegiatan penambangan liar di sekitar wilayah pertambangan.

Selama menjalankan kegiatan, tidak ada kegiatan pemindahan pemukiman penduduk setempat (*resettlement*), baik di area operasional AI, SIS, MSW, maupun MBP.

Rencana Penutupan Tambang (RPT) dan reklamasi pasca tambang AI dilakukan berdasarkan ketentuan UU No.4 Tahun 2009 Tentang Penambangan Mineral & Batubara dan PP Nomor 78 Tahun 2010 tentang Reklamasi dan Pasca Tambang dan senantiasa disesuaikan dari waktu ke waktu sesuai keadaan.

Seluruh kegiatan operasional penambangan, realisasi program-program CSR dan penyusunan RPT dijalankan dengan senantiasa mematuhi ketentuan peraturan perundangan yang berlaku, sehingga tidak ada sanksi maupun denda terhadap AE selama tahun pelaporan, maupun tahun-tahun sebelumnya.

#### **Dasar Kebijakan**

Dasar penyusunan kebijakan pelaksanaan Program CSR AE adalah Undang-Undang, peraturan dan kaidah pelaksanaan program terkait CSR sebagai berikut.

1. UU Nomor 40 Tahun 2007 tentang Perseroan Terbatas;
2. UU Nomor 4 Tahun 2009 tentang Pertambangan Mineral dan Batubara;
3. PP Nomor 23 Tahun 2010 sebagaimana diubah terakhir kali dengan PP Nomor 8 Tahun 2018 tentang Perubahan Kelima atas Peraturan Pemerintah Nomor 23 Tahun 2010 tentang Pelaksanaan Kegiatan Usaha Pertambangan Mineral dan Batubara
4. PP Nomor 47 Tahun 2012 tentang Tanggung Jawab Sosial dan Lingkungan Perseroan Terbatas
5. Kepmen ESDM No 1824K/30/MEM/2018
6. *Sustainable Development Goals*
7. ISO 26000
8. UN *Global Impact Corporate Sustainability in the World Economy*
9. *International Finance Corporation Performance Standards on Environmental and Social Sustainability*

**PROGRAM SETTING** [413-1, 413-2]

AE's community empowerment program refers to the *social mapping* and *community action plan* (CAP) in each ring 1 village. Our CSR programs cover economic, education, health, socio-cultural and environmental programs. Each subsidiary selects priority programs to be implemented in their area.

**CSR Programs and Investment**

AE has five areas of focus for its CSR programs, integrated under the "Adaro Nyalakan Perubahan" (Adaro Ignites Change) program, as shown in the following chart.



Adhering to the principle of inclusion, Adaro Ignites Change is a platform for the Adaro Group to spread positive energy to empower the surrounding communities and to Indonesia.

**PENYUSUNAN PROGRAM** [413-1, 413-2]

Program pemberdayaan masyarakat yang dijalankan oleh AE mengacu pada *social mapping* dan *community action plan* (CAP) yang ada di masing-masing desa ring 1. Jenis program CSR yang dijalankan meliputi program ekonomi, pendidikan, kesehatan, sosial budaya dan lingkungan. Pemilihan program prioritas yang akan dilaksanakan menjadi kewenangan dari anak usaha yang mengelola wilayah kerja tersebut.

**Program dan Investasi CSR**

AE memiliki lima area yang menjadi fokus program CSR, yang seluruhnya menjadi satu kesatuan program "Adaro Nyalakan Perubahan", seperti tampak pada bagan berikut.

Memegang prinsip inklusi, Adaro Nyalakan Perubahan menjadi platform bagi Grup Adaro untuk menyebarkan energi positif untuk memberdayakan masyarakat sekitar hingga bagi Indonesia.

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The ultimate goal of Adaro Ignites Change is to help build smart, prosperous and independent communities in a sustainable environment. Adaro Ignites Change consists of five different programs, each of which represent the focused area:

### 1) Adaro Ignites Education

Adaro Group's commitment and dedication to education in Indonesia is implemented through Adaro Ignites Education, which focuses on developing education and improving the quality of human resources by integrating knowledge, skills and character.

Some of Adaro Ignites Education's programs are Indonesia Bright Future Leaders Scholarship Program, early childhood character building, vocational program for vocational schools and Islamic boarding schools, the development of quality teachers, program to increase interest in reading in the community and the development of science education through Adaro Community-Based Education (ACBE) in Adaro Group's operational areas.

### 2) Adaro Ignites Welfare

Adaro Ignites Welfare focuses on developing economic potential of the community and improving human resource skills by integrating with the local culture and expertise.

Some programs run are Adaro Tani Sejahtera program, through which local farmers are encouraged to develop superior rubber plantations, improve the quality of rubber products, and develop organic agriculture. Adaro Wirausaha Berdaya program which targets MSMEs to develop quality products and marketing strategies, and Bina Insan Sejahtera program which provides support for surrounding villages to develop business units and become empowered and independent villages.

### 3) Adaro Ignites Wellbeing

Adaro Ignites Wellbeing focuses on increasing awareness on sanitation, improving access to clean water, and prevention of blindness due to cataracts.

Through the Adaro Clean Water and Sanitation program, the Adaro Group strives to improve access to clean water, increase community's awareness of sanitation and hygiene. AE also offers free cataract surgeries for surrounding communities to overcome cataract blindness.

Tujuan akhir dari Adaro Nyalakan Perubahan adalah turut membangun masyarakat yang cerdas, sejahtera dan mandiri dalam lingkungan yang lestari. Adaro Nyalakan Perubahan terdiri dari lima program, yang masing-masing mewakili bidang fokusnya:

### 1) Adaro Nyalakan Ilmu

Komitmen dan dedikasi Grup Adaro bagi pendidikan Indonesia dijalankan melalui pilar Adaro Nyalakan Ilmu dengan fokus pada pengembangan pendidikan dan peningkatan kualitas sumber daya manusia dengan memadukan pengetahuan, keterampilan serta pendidikan karakter.

Program-program dalam Adaro Nyalakan Ilmu antara lain adalah Beasiswa Indonesia Bright Future Leaders, Program Pendidikan Karakter bagi anak usia dini, Program Vokasi bagi sejumlah sekolah kejuruan dan pesantren, Pengembangan Guru Berkualitas, Program peningkatan minat baca bagi masyarakat serta pengembangan pendidikan sains melalui Adaro Community Based Education (ACBE) di wilayah operasional Grup Adaro.

### 2) Adaro Nyalakan Sejahtera

Adaro Nyalakan Sejahtera fokus pada pengembangan potensi ekonomi masyarakat dan peningkatan keterampilan sumber daya manusia dengan memadukan potensi dan pengetahuan yang dimiliki masyarakat lokal.

Beberapa program yang dijalankan antara lain Program Adaro Tani Sejahtera yang merangkul petani lokal untuk mengembangkan kebun karet unggul dan meningkatkan kualitas hasil karet serta pengembangan pertanian organik. Program Adaro Wirausaha Berdaya yang menasar UMKM untuk mengembangkan produk berkualitas dan strategi pemasaran serta Program Bina Insan Sejahtera yang memberikan support bagi desa di sekitar wilayah kerja grup untuk mengembangkan unit usaha yang dimiliki dan menjadi desa berdaya dan mandiri

### 3) Adaro Nyalakan Raga

Adaro Nyalakan Raga fokus pada peningkatan kesadaran masyarakat kepada sanitasi dan peningkatan akses air bersih serta kegiatan penanggulangan kebutaan akibat katarak.

Melalui Program Adaro Air Bersih dan Sanitasi, AE berupaya untuk meningkatkan akses air bersih dan kepedulian masyarakat terhadap kebersihan dan sanitasi. Selain itu, AE melakukan Penanggulangan Buta Katarak dengan memberikan operasi katarak gratis bagi masyarakat di wilayah operasional Grup Adaro.



**4) Adaro Ignites Diversity**

Adaro Ignites Diversity aims at cultural preservation through mentoring and developing the skills of local communities in promoting local culture and wisdom while maintaining their ancestral beliefs and values.

Through Adaro Bina Komunitas program, a number of art studios receive mentoring to preserve local dances and carving as well as the preservation of local weave pattern, Sasirangan, so that they can be passed on to the next generation.

**5) Adaro Ignites Life**

Adaro Ignites Life aims to increase environmental awareness among the community, to produce agents of change who will become the initiators of environmental preservation.

Through the Adaro Energi Bersih, Adaro Flona Lestari, Adaro Bekantan Lestari and Adaro Bangun Lestari programs, the Adaro Group strives to preserve the environment by directly involving the community, increasing awareness and encouraging the protection of and love for the environment.

**Investment in the Company's CSR Programs**

AE designs and budgets its CSR investments in accordance with the results of the social mapping and community action plan (CAP) while taking into account the social conditions in each of its operational areas. AE's CSR investments through AI, SIS and Yayasan Adaro Bangun Negeri (Adaro Bangun Negeri Foundation or YABN) in 2019 was US\$4.1 million, 7.8% higher compared to 2018 of US\$3.8 million.

**PROGRAM REALIZATION**

The following are AE's CSR programs conducted in accordance with the objectives in "Adaro Ignites Change" is implemented by each subsidiary and YABN.

**4) Adaro Nyalakan Budaya**

Adaro Nyalakan Budaya bertujuan untuk melestarikan kebudayaan Indonesia dengan memberikan pendampingan dan pengembangan keterampilan masyarakat lokal dalam mempromosikan potensi budaya dan kearifan lokal yang dimiliki dengan tetap mempertahankan nilai-nilai leluhur.

Melalui Program Adaro Bina Komunitas, sejumlah sanggar seni mendapat pendampingan untuk melestarikan tari dan kerajinan ukir lokal serta pelestarian Sasirangan, kain tenun tradisional, sehingga dapat diwariskan bagi generasi berikutnya.

**5) Adaro Nyalakan Lestari**

Adaro Nyalakan Lestari bertujuan untuk meningkatkan kesadaran lingkungan di kalangan masyarakat sehingga melahirkan agen-agen perubahan yang menjadi penggerak pelestarian lingkungan.

Melalui Program Adaro Energi Bersih, Adaro Flona Lestari, Adaro Bekantan Lestari dan Adaro Bangun Lestari berupaya untuk menjaga kelestarian lingkungan dengan melibatkan masyarakat secara langsung sehingga tumbuh kesadaran untuk menjaga dan mencintai lingkungan.

**Investasi Program CSR Perseroan**

AE merancang dan menganggarkan investasi CSR sesuai dengan hasil *social mapping* dan *community action plan* (CAP) dengan mempertimbangkan kondisi sosial kemasyarakatan di masing-masing wilayah operasionalnya. Total investasi CSR AE melalui AI, SIS dan Yayasan Adaro Bangun Negeri (YABN) di tahun 2019 adalah senilai AS\$4,1 juta, meningkat 7,8% dari tahun 2018 sebesar AS\$3,8 juta.

**REALISASI PROGRAM**

Berikut ini adalah realisasi program-program CSR AE sesuai dengan tujuan dari program "Adaro Nyalakan Perubahan" yang dikerjakan oleh masing-masing entitas anak usaha dan YABN.

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**Realization of the Adaro Ignites Education Program**

**Realisasi Program Adaro Nyalakan Ilmu**

No.	Company	Adaro Ignites Education Program
1.	PT Adaro Indonesia	<p><b>Indonesia Bright Future Leaders (IBFL)</b></p> <ul style="list-style-type: none"> <li>· Regular S1 scholarships, with a total of <b>100</b> people from Tabalong Regency and Balangan Regency.</li> <li>· Tahfidz scholarships, with a total of <b>14</b> people from Tabalong Regency and Balangan Regency</li> <li>· Scholarship of PL ABK Taman Mutiara Therapist, with <b>1</b> person from Tabalong</li> <li>· UPN Veteran Yogyakarta Mining Engineering scholarships, with a total of <b>14 people</b> from Tabalong Regency and Balangan Regency</li> <li>· IPB Regional Envoy scholarships with a total of <b>57</b> people, from Tabalong Regency, Balangan Regency, Bartim Regency, Barel Regency, Hulu Sungai Utara Regency and Batola Regency.</li> <li>· Specialist Doctor scholarship with <b>1</b> person from Bartim Regency</li> </ul>
2.	PT Saptaindra Sejati	<p><b>Indonesia Bright Future Leaders (IBFL) Scholarship Program</b></p> <ul style="list-style-type: none"> <li>· Elementary school/equivalent scholarship = 100 people</li> <li>· SIS Foster Children scholarship program = 50 people</li> <li>· Quran Tahfidz scholarship = 30 people</li> <li>· High School/equivalent scholarship = 124 people</li> </ul> <p>The scholarship program is implemented by PT. SIS</p>
3.	PT Makmur Sejahtera Wisesa	<p>Procurement of Supporting Facility and Infrastructure Equipment Services for Al-Huda Karim Pre-School</p>
4.	PT Adaro Logistics	<ol style="list-style-type: none"> <li>1. Pre-School Development Program (PHBK) in 2019: 3 Pre-Schools in Banjar District, 1 Pre-School in Banjarmasin, carried out together with YABN,</li> <li>2. Construction of 1 Pre-School Podok Village, Banjar Regency (done by themselves)</li> </ol>
5.	YABN	<p><b>Adaro PAUD Berkarakter</b>                      This program has been implemented using the Character-Based Holistic Education (PHBK) method in Tabalong, Balangan and East Barito Regency since 2011. In the 2019 period, <b>289</b> assisted Pre-School teachers have received training to gain PHBK knowledge, and <b>3,416</b> children in the golden age have benefited from the PHBK program.</p> <p><b>Adaro Santri Sejahtera (PASS)</b>                      The Adaro Santri Sejahtera program was implemented with the aim of providing knowledge to a number of students from various Islamic boarding schools in order to learn about the entrepreneurial world so that they can become economically independent after graduating from boarding schools. This program was implemented in <b>6 (six)</b> boarding schools. Types of businesses developed as Santri's learning tools in managing businesses include fisheries, agriculture, animal husbandry, bee honey cultivation, clothes convection, automotive.</p> <p><b>Adaro Vokasi Mandiri</b>                      This program targets Vocational High Schools (SMK) in developing a <i>teaching factory</i> culture and preparing students to be ready to face the challenges of industry after graduating from school. A total of <b>6 (six)</b> skills programs were developed in <b>4 (four)</b> SMKs developed in this program, carried out in collaboration with the ATMI P Polytechnic.</p> <p><b>Indonesia Bright Future Leaders (IBFL)</b>                      This scholarship program has been running since 2018 with the aim of providing opportunities for students of high achievement in the regions to obtain higher education. Through 2019, 128 students received scholarship coaching in character building. Scholarships were provided in the form of tuition fees, coaching fees, medical expenses, living expenses, and/or accommodation costs.</p>

Realization of the Adaro Ignites Welfare Program | Realisasi Program Adaro Nyalakan Sejahtera

No.	Perusahaan Company	Adaro Nyalakan Sejahtera Adaro Ignites Welfare Program
1.	PT Adaro Indonesia	<p><b>Pengembangan UMKM</b></p> <ul style="list-style-type: none"> <li>• Pengembangan UMKM Lapas Tanjung di Kabupaten Tabalong</li> <li>• Pengembangan UMKM Kalangan Disabilitas Desa Hayaping Kabupaten Barito Timur</li> <li>• Pembinaan lanjutan peternakan lebah Madu kelulut di Desa Haur Batu</li> <li>• Bina Desa di Kabupaten Tabalong dan Balangan</li> <li>• Pertanian Organik desa Lamida Bawah Kabupaten Balangan</li> <li>• Pembangunan Pembangkit Listrik Tena BioGas (PLTBG Kelompok Lembu Sejati Desa Jaro</li> </ul> <p><b>Adaro Tani Sejahtera – Pengembangan Agribisnis Pertanian &amp; Perkebunan</b></p> <ul style="list-style-type: none"> <li>• Pengembangan Peternakan Sapi Masyarakat di Desa Masingai dan Desa Kambitin Kabupaten Tabalong.</li> </ul> <p><b>MSMEs Development</b></p> <ul style="list-style-type: none"> <li>• Development of Tanjung Lapas MSMEs in Tabalong Regency</li> <li>• Development of MSMEs for people with disabilities in Hayaping village, East Barito Regency</li> <li>• Advanced training for kelulut honey beekeeping in Haur Batu village</li> <li>• Bina Desa in Tabalong and Balangan Regency</li> <li>• Organic agriculture in Lamida Bawah village, Balangan Regency</li> <li>• Development of bio-gas power plant (PLTBG) of the Lembu Sejati Group Jaro village</li> </ul> <p><b>Adaro Tani Sejahtera - Agriculture &amp; Plantation Agribusiness Development</b></p> <ul style="list-style-type: none"> <li>• Development of community cattle farming in Masingai village and Kambitin village, Tabalong Regency.</li> </ul>
2.	PT Saptaindra Sejati	<p><b>Pengembangan UMKM</b></p> <ul style="list-style-type: none"> <li>• UMKM Sasirangan &amp; Batik Tabalong, dijalankan di desa Warukin, Padang Panjang dan Pangelak yang beranggotakan masing-masing 10 orang</li> <li>• UMKM Kerajinan Rotan Lok Batu, dijalankan di desa Lok Batu Kec. Haruai Kab. Tabalong yang beranggotakan 15 orang</li> <li>• UMKM Anyaman Bambu Warukin yang dijalankan di desa Warukin Kec. Tanta Kab. Tabalong yang beranggotakan 10 orang</li> <li>• UMKM Olahan Bayam Harus, dijalankan di desa Harus Kec. Muara Harus Kab. Tabalong yang beranggotakan 10 orang.</li> </ul> <p><b>MSMEs Development</b></p> <ul style="list-style-type: none"> <li>• Sasirangan &amp; Batik Tabalong MSME, conducted in the villages of Warukin, Padang and Pangelak, each consisting of 10 members</li> <li>• Lok Batu Rattan Craft MSME, conducted in Lok Batu village, Haruai District, Tabalong Regency, with 15 members</li> <li>• Warukin Woven Bamboo MSME, conducted in Warukin village, Tanta District, Tabalong Regency, with 10 members</li> <li>• Processed Spinach Harus MSME, conducted in Harus village, Muara Harus District, Tabalong Regency, with 10 members.</li> </ul>
3.	YABN	<p><b>Adaro Tani Sejahtera – Pengembangan Agribisnis Pertanian &amp; Perkebunan</b></p> <ul style="list-style-type: none"> <li>• Program ini dijalankan sejak tahun 2011 bertujuan untuk meningkatkan taraf hidup masyarakat melalui pengembangan pertanian karet dan hortikultura di Kabupaten Tabalong dan Kabupaten Balangan. Selama periode 2011 – 2019, sebanyak 359 hektar area lahan pertanian milik petani lokal telah dibina dalam pengembangan budidaya tanaman karet dan hortikultura; dan sebanyak 505 orang petani mendapat manfaat dari program ini.</li> <li>• Khusus pada Tahun 2019, Koperasi Sungai Kihung Lestari sebagai koperasi binaan telah memiliki unit usaha simpan pinjam, jual beli bahan olahan karet, asap cair dan bibit karet. Petani karet binaan telah berhasil diproduksi sebagai bahan pembeku karet berkualitas dengan nilai 80% untuk kandungan K3 pada karet.</li> </ul> <p><b>Adaro Tani Sejahtera - Agriculture &amp; Plantation Agribusiness Development</b></p> <ul style="list-style-type: none"> <li>• The program has been running since 2011, with the aim of increasing the community's standard of living through the development of rubber and horticultural agriculture in Tabalong and Balangan Regency. During the period of 2011 - 2019, a total of 359 hectares of agricultural land owned by local farmers has been cultivated for the development of rubber and horticultural cultivation. As many as 505 farmers have benefited from this program.</li> <li>• Specifically, in 2019, the Sungai Kihung Lestari cooperative as an assisted cooperative already has a saving and loan business unit, sells and purchases processed rubber materials, liquid smoke and rubber seeds. Assisted rubber farmers have succeeded in producing quality rubber freezing agents with a value of 80% for K3 content in rubber.</li> </ul>

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## Realization of the Adaro Ignites Wellbeing Program | Realisasi Program Adaro Nyalakan Raga

No.	Perusahaan Company	Adaro Nyalakan Raga Adaro Ignites Wellbeing Program
1.	PT Adaro Indonesia	<p><b>Adaro Air Bersih &amp; Sanitasi</b></p> <ul style="list-style-type: none"> <li>Development of clean water facilities for Ring 1 village in Tabalong Regency</li> <li>Provision of clean water in Paran, Lok Batung and Mihu villages, with a total of 2,383 beneficiaries.</li> </ul> <p><b>Sehat Bersama Adaro - Darlan Class and Dart Class</b></p> <ul style="list-style-type: none"> <li>In Tabalong Regency, Tanta District, Murung Pudak District, Upau District, Tanjung District, Haruai District</li> <li>In Balangan Regency, Paringin District, Juai District, Pirsus District, Halong District</li> </ul> <p><b>Sehat Bersama Adaro - Integrated Posyandu Ambahai</b></p> <p>The Integrated Posyandu Development in Ambahai Village, Hulu Sungai Utara Regency was carried out to create easy and inexpensive access to health and PAUD services as well as to care for the environment.</p> <p><b>Adaro Aksa Terang - Cataract Blindness Prevention Program</b></p> <ul style="list-style-type: none"> <li>This program has been conducted as an effort to overcome cataract blindness for the community in Tabalong, Balangan, East Barito, Barito Kuala and Hulu Sungai Utara Regency through free operating health services since 2013.</li> <li>From 2013 to 2019, 6,374 eyes were successfully operated on and as many as 445 spectacles were distributed to the public with refractive disorders.</li> <li>Specifically, in the 2019 period, 265 free cataract eye operations and 240 spectacles were given to people with refractive eye disorders.</li> </ul> <p><b>Adaro Air Bersih &amp; Sanitasi</b></p> <ul style="list-style-type: none"> <li>Pengembangan Sarana Air Bersih Desa Ring 1 di Kabupaten Tabalong</li> <li>Penyediaan Air Bersih di Desa Paran, Lok Batung dan Mihu dengan jumlah penerima manfaat sebanyak 2.383 orang.</li> </ul> <p><b>Sehat Bersama Adaro - Kelas Darlan dan Kelas Dart</b></p> <ul style="list-style-type: none"> <li>Di Kabupaten Tabalong Kecamatan Tanta, Murung Pudak, Upau, Tanjung, Haruai</li> <li>Di Kabupaten Balangan Kecamatan Paringin, Juai, Pirsus, Halong</li> </ul> <p><b>Sehat Bersama Adaro - Posyandu Integrasi Ambahai</b></p> <p>Pengembangan Posyandu Integrasi di Desa Ambahai, Kabupaten Hulu Sungai Utara dilakukan untuk menciptakan akses pelayanan kesehatan dan PAUD yang mudah dan murah serta peduli lingkungan.</p> <p><b>Adaro Aksa Terang - Program Penanggulangan Buta Katarak</b></p> <ul style="list-style-type: none"> <li>Program ini dijalankan sebagai upaya penanggulangan buta katarak bagi masyarakat di Kabupaten Tabalong, Balangan, Barito Timur, Barito Kuala dan Hulu Sungai Utara melalui layanan kesehatan operasi gratis sejak Tahun 2013.</li> <li>Sejak Tahun 2013 hingga 2019, 6.374 mata berhasil dioperasi dan sebanyak 445 kacamata dibagikan kepada masyarakat dengan gangguan refraksi.</li> <li>Khusus untuk periode 2019, sebanyak 265 mata telah mendapatkan operasi mata katarak gratis dan 240 kacamata diberikan kepada masyarakat dengan gangguan mata refraksi.</li> </ul>
2.	PT Saptaindra Sejati	<p><b>Adaro Air Bersih &amp; Sanitasi</b></p> <ul style="list-style-type: none"> <li>Well drilling in Al Islam Kambitin Islamic Boarding School in Tanjung District, Tabalong Regency</li> <li>Processed Spinach Harus MSME, conducted in Harus village, Muara Harus District, Tabalong Regency, with 10 members.</li> </ul> <p><b>Adaro Air Bersih &amp; Sanitasi</b></p> <ul style="list-style-type: none"> <li>Pembuatan Sumor Bor di Pondok Pesantren Al Islam Kambitin Kec. Tanjung Kab. Tabalong</li> <li>UMKM Olahan Bayam Harus, dijalankan di desa Harus Kec. Muara Harus Kab. Tabalong yang beranggotakan 10 orang.</li> </ul>
3.	YABN	<p><b>Community Based Total Sanitation (STBM)</b></p> <ul style="list-style-type: none"> <li>The STBM program has been running since 2013 with 3 (three) target areas, namely Tabalong Regency, Balangan Regency and East Barito Regency. During the 2013-2019 period, 117 villages in the assisted areas have become Open Defecation Free (ODF) and 14,732 families have access to healthy toilets.</li> <li>Especially in 2019, 34 villages in the assisted areas have been free from ODF.</li> </ul> <p><b>Anti-Drug Campaign</b></p> <ul style="list-style-type: none"> <li>This program has been running since 2014 and is aimed at junior high school and senior high school students in Tabalong and Balangan Regency.</li> </ul> <p><b>Sanitasi Total Berbasis Masyarakat (STBM)</b></p> <ul style="list-style-type: none"> <li>Program STBM telah dijalankan sejak Tahun 2013 dengan 3 (tiga) wilayah sasaran yaitu Kabupaten Tabalong, Kabupaten Balangan dan Kabupaten Barito Timur. Selama periode 2013-2019, 117 Desa di wilayah binaan telah menjadi Open Defecation Free (ODF) atau bebas dari perilaku Buang Air Besar Sembarangan (BABS) dan 14.732 keluarga telah mengakses WC sehat.</li> <li>Khusus untuk Tahun 2019, 34 Desa di wilayah binaan telah bebas BABS atau ODF.</li> </ul> <p><b>Kampanye Anti Narkoba</b></p> <ul style="list-style-type: none"> <li>Program ini dijalankan sejak tahun 2014 dengan sasaran program pelajar Sekolah Menengah Pertama (SMP) dan Sekolah Menengah Atas (SMA) di Kabupaten Tabalong dan Balangan.</li> </ul>

## Realization of the Adaro Ignites Diversity Program | Realisasi Program Adaro Nyalakan Budaya

No.	Company Perusahaan	Adaro Ignites Diversity Program Program Adaro Nyalakan Budaya	
1.	PT Adaro Indonesia	a) Establishment of Dayak Deah Cultural Village. b) Establishment of Dayak Pitap Cultural Village. c) Balangan Regency Dayak Cultural Tourism Exhibition. d) Support for Tabalong Ethnic Festival. a) Peresmian Desa Budaya Dayak Deah. b) Peresmian Desa Budaya Dayak Pitap. c) Pameran Pariwisata Kebudayaan Dayak Kabupaten Balangan. d) Mendukung penyelenggaraan <i>Tabalong Ethnic Festival</i> .	SUSTAINABLE PERFORMANCE HIGHLIGHTS MULTIBUDAYA DAN KEBERLANJUTAN WELCOME NOTES FROM PRESIDENT DIRECTOR & CEO PRESIDEN & CEO ABOUT THIS REPORT TENTANG LAPORAN
2.	PT Saptaindra Sejati	a) Support for Tabalong Ethnic Festival. b) Renovation of places of worship. c) Improvement of facilities and infrastructure at Kasih Ibu Mabu'un Orphanage and Husnul Khuluq Maburai Orphanage. d) Madihin Assistance in Tamiyang Village, Tanta District, Tabalong Regency. a) Mendukung penyelenggaraan <i>Tabalong Ethnic Festival</i> . b) Renovasi rumah ibadah. c) Perbaikan sarana dan prasarana Panti Asuhan Kasih Ibu Mabu'un dan Panti Asuhan Husnul Khuluq Maburai. d) Pendampingan Madihin di Desa Tamiyang, Kelurahan Tanta, Kabupaten Tabalong.	COMPANY PROFILE PROFIL PERUSAHAAN FRAMEWORK AND STRATEGY OF ACHIEVING SUSTAINABILITY GOALS KERANGKA DAN STRATEGI PENYEBERLANJUTAN
3.	PT Adaro Logistics	a) Material donation for the construction of Al Khuluqul - Hasan Islamic Boarding School Handil Baru Manarap, Banjar Regency. b) Donation of seven cows for Eid al-Adha in AL's operational area. a) Donasi bahan bangunan untuk pembangunan Pesantren Al Khuluqul - Hasan di Handil Baru Manarap, Kabupaten Banjar. b) Donasi tujuh ekor sapi untuk Idul Adha di wilayah operasional AL.	ENVIRONMENTAL MANAGEMENT PENGELOLAAN LINGKUNGAN OCCUPATIONAL HEALTH AND SAFETY KESELAMATAN DAN KESEHATAN KERJA

## Realization of the Adaro Ignites Life Program | Realisasi Program Adaro Nyalakan Lestari

No.	Company Perusahaan	Adaro Ignites Life Program Program Adaro Nyalakan Lestari	
1.	PT Adaro Indonesia	a. Development of Maburai and Mabu'un integrated waste disposal site (TPST). b. Development of waste bank. c. Assistance for Kampung Asri program. d. Assistance for Adiwiyata School program. a. Pembangunan Tempat Pembuangan Sampah Terpadu (TPST) di Maburai dan Mabu'un. b. Pembangunan bank sampah. c. Pendampingan untuk program Kampung Asri. d. Pendampingan untuk program Sekolah Adiwiyata.	EMPOWERING AND BUILDING COMMUNITY WELFARE MEMBERDAYAKAN DAN MEMBANGUN KESEHATAN KOMUNITAS
2.	PT Saptaindra Sejati	Assistance for Adiwiyata School program in Tabalong and Balangan Regency. Pendampingan untuk program Sekolah Adiwiyata di Kabupaten Tabalong dan Balangan.	PROVIDING ENERGY FOR NATIONAL DEVELOPMENT MENYEDIAKAN ENERGI BAGI PEMBANGUNAN NEGERI
3.	PT Makmur Sejahtera Wisesa	a. Training on and assistance for local waste management facility (TOSS). b. Training on development of local fruit plants in collaboration with the Ministry of Agriculture in Tabalong. a. Pelatihan mengenai Tempat Olah Sampah Setempat (TOSS) serta pendampingan. b. Pelatihan mengenai pengembangan buah-buahan lokal bekerjasama dengan Kementerian Pertanian di Tabalong.	DEVELOPING THE COMPETENCY OF ADARO PERSONNEL MENINGKATKAN KOMPETENSI INSAN ADARO
4.	PT Adaro Logistics	Teacher training for the 2019 Environmental Green Leader (Eco Camp) Batch V. Pelatihan guru untuk <i>Environmental Green Leader</i> (Eco Camp) Angkatan V tahun 2019.	SUSTAINABILITY GOVERNANCE TATA KELOLA KEBERLANJUTAN

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### BENEFIT FROM THE COMPANY'S CSR PROGRAM

AE's CSR activities bring various benefits according to the purpose and focus of the activity. The following table summarizes the impact of AE's CSR programs.

### MANFAAT PROGRAM CSR PERUSAHAAN

Kegiatan CSR AE membawa berbagai manfaat sesuai dengan tujuan dan fokus kegiatan tersebut. Tabel berikut menyajikan ringkasan dampak program CSR yang dijalankan oleh AE.

No.	Perusahaan Company	Dampak yang diharapkan Expected impact
1.	PT Adaro Indonesia	<p>AI measured the community satisfaction index (IKM) of the CSR program beneficiaries with a result of 80% satisfaction, i.e. "Good". In addition, periodically (every 3 years), measurement of the community development index (IPM) in Ring 1 villages was carried out with the results:</p> <ul style="list-style-type: none"> <li>Balangan : 72.35% "High" IPM</li> <li>Tabalong: 78.61%, "High" IPM</li> <li>Bartim 85.42% "Very High" IPM</li> <li>Barsel "Average" IPM</li> <li>HSU: 58.76% "Low" IPM</li> <li>Batola: 62.69% "Average" IPM</li> </ul> <p>The IKM and IPM measurements were carried out by independent consultants.</p> <p>AI melakukan pengukuran indeks kepuasan masyarakat (IKM) kepada penerima manfaat program CSR dengan hasil 80% atau kategori "Baik". Selain itu, secara periodik (3 tahun sekali) dilakukan pengukuran Indeks Pembangunan Masyarakat (IPM) Desa Ring 1 dengan hasil:</p> <ul style="list-style-type: none"> <li>Desa Ring 1 Balangan: 72.35, kategori IPM "Tinggi"</li> <li>Desa Ring 1 Tabalong: 78.61, kategori IPM "Tinggi"</li> <li>Desa Ring 1 Bartim: 85.42, kategori IPM "Sangat Tinggi"</li> <li>Desa Ring 1 Barsel: 68.58, kategori IPM "Sedang"</li> <li>Desa Ring 1 HSU: 58.76, kategori IPM "Rendah"</li> <li>Desa Ring 1 Batola: 62.69, kategori IPM "Sedang"</li> </ul> <p>Pengukuran IKM dan IPM dilakukan oleh konsultan independen.</p>
2.	PT Saptaindra Sejati	<ul style="list-style-type: none"> <li>Empowering communities in an inclusive manner based on local potentials and needs towards a productive and vibrant society.</li> <li>Supporting ADARO's business sustainability by building and strengthening community-based institutions</li> <li>Memberdayakan masyarakat secara inklusif berbasis potensi dan kebutuhan lokal menuju masyarakat yang berkarakter, produktif.</li> <li>Mendukung keberlanjutan usaha ADARO dengan membangun dan memperkuat institusi berbasis masyarakat</li> </ul>
3.	PT Makmur Sejahtera Wisesa	<p>Support from the community and regional government. There are no conflicts with the community.</p> <p>Dukungan dari masyarakat dan Pemerintah Daerah serta tidak ada konflik dengan masyarakat.</p>
4.	PT Maritim Barito Perkasa	<p>Impact of the program:</p> <ul style="list-style-type: none"> <li>Smooth company operations</li> <li>Improvement of community welfare (through horticultural garden economic programs)</li> <li>Increasing the level of community education (through the Pre-School program)</li> <li>Improving maternal and child health as well as the health of the elderly (through Posyandu program)</li> <li>Establishing good relations with the community (through social infrastructure assistance programs)</li> </ul> <p>Dampak program :</p> <ul style="list-style-type: none"> <li>Kelancaran operasional perusahaan</li> <li>Peningkatan kesejahteraan masyarakat (melalui program ekonomi kebun hortikultura)</li> <li>Peningkatan tingkat pendidikan masyarakat (melalui program PAUD)</li> <li>Peningkatan kesehatan ibu dan anak serta lansia (melalui program Posyandu)</li> <li>Terciptanya hubungan yang baik dengan masyarakat (melalui program bantuan infrastruktur sosial)</li> </ul>

AE believes that the implementation of its CSR programs are in line with the sustainable development goals stated in the SDGs, specifically Goal 1 - No poverty, Goal 2 - Zero hunger, Goal 3 - Good health and well-being, Goal 4 - Quality education, Goal 6 - Clean water and sanitation, Goal 8 - Decent work and economic growth and Goal 15 - Life on land. **(note: In accordance with Adro's ESG Presentation "Energy for Change")**

AE meyakini bahwa secara keseluruhan, program-program CSR yang dijalankan tersebut telah selaras dengan pencapaian berbagai tujuan pembangunan keberlanjutan dalam SDGs, khususnya Tujuan Ke 1 - Tanpa Kemiskinan, Tujuan 2 - Tanpa Kelaparan, Tujuan ke 3 - Kesehatan dan Kesejahteraan, Tujuan ke 4 - Pendidikan Berkualitas, Tujuan ke 6 - Air Bersih dan Sanitasi, Tujuan ke 8 - Pertumbuhan Ekonomi dan Pekerjaan yang Layak dan Tujuan ke 15 - Kehidupan di Darat. **(catatan : Sesuai materi Adro's ESG Presentation "Energy For Change")**



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# DEVELOPING THE COMPETENCY OF ADARO PERSONNEL

## MENGEMBANGKAN KOMPETENSI INSAN ADARO

### GENERAL COMMITMENT, POLICY AND STRATEGY

[103-1, 103-2, 103-3]

In line with the development of the Adaro Group's business, which now includes eight business pillars, i.e. Adaro Mining, Adaro Services, Adaro Power, Adaro Logistics, Adaro Land, Adaro Water, Adaro Capital and Adaro Foundation, the Human Resources (HR) Division of PT Adaro Energy Tbk (AE) has plays a more significant role in recruiting, developing and retaining the right people for the company.

The Adaro Group's business sustainability and growth depend on HR Division's ability to recruit and retain a pool of qualified talents to perform their relevant job with a growth mindset to constantly challenge and upgrade themselves so that they are able to keep up with the company's development, and ready to assume greater responsibilities when the opportunity is presented to them.

To that end, AE's HR Division has formulated several thorough and comprehensive strategies, starting from recruiting the right people, placing them in the right position, and providing well-defined career paths that drive the employees to reach their greatest potential, so that the company will have a pool of potential leaders for its succession plan. In developing these strategies, AE is committed to provide equal opportunity for all employees to participate in a development program, obtain a performance review and receive appreciation for their contribution to the company.

Through this process, the company demonstrates its commitment in talent development program as a way to improve employees' competency and leadership skills through participation in relevant training programs, fire tests (testing the employees with more challenging jobs), group-wide job rotations, mentoring and other programs. AE instills its corporate culture of integrity, meritocracy, openness, respect and excellence, through workshops, management messages, banners and other medias as part of its employees' development program.

### KOMITMEN, KEBIJAKAN DAN STRATEGI UMUM [103-1, 103-2, 103-3]

Seiring dengan perkembangan skala usaha Grup Adaro, yang kini meliputi delapan pilar bisnis, yakni: Adaro Mining, Adaro Services, Adaro Power, Adaro Logistics, Adaro Land, Adaro Water, Adaro Capital dan Adaro Foundation, peran dari Divisi Human Resources (HR) PT Adaro Energy, Tbk (AE) semakin penting dalam merekrut, mengembangkan, dan mempertahankan orang-orang yang tepat bagi perusahaan.

Keberlangsungan bisnis dan pertumbuhan Grup Adaro bergantung pada kemampuan Divisi HR untuk mendapatkan dan mempertahankan *talent* yang mumpuni untuk melaksanakan pekerjaan mereka saat ini, yang memiliki *growth mindset* untuk senantiasa menantang dan meningkatkan kemampuan diri agar dapat mengejar pertumbuhan perusahaan, dan siap mengemban tanggung jawab yang lebih besar ketika kesempatan itu tersedia.

Untuk itu, Divisi HR AE telah menyusun strategi yang lengkap dan menyeluruh untuk memenuhi peran tersebut, mulai dari merekrut orang-orang yang tepat dan menempatkan mereka di posisi yang tepat pula, sampai menyediakan jenjang karir yang jelas – yang dapat mendorong karyawan untuk meraih potensi tertinggi mereka, sehingga pada akhirnya perusahaan akan memiliki calon-calon pemimpin dalam jumlah yang memadai bagi rencana suksesnya. Dalam penyusunan strategi ini, AE memberi kesempatan setara pada seluruh karyawan untuk mengikuti program pengembangan, mendapatkan penilaian kinerja dan mendapatkan imbal hasil sesuai kontribusi dan kinerjanya.

Dalam proses ini, perusahaan menunjukkan komitmen penuh untuk merealisasikan program pengembangan manusia sebagai cara untuk meningkatkan kompetensi dan kemampuan kepemimpinan karyawan melalui pelaksanaan program pelatihan yang relevan, *fire test* (menguji karyawan dengan pekerjaan yang lebih menantang), rotasi karyawan di tingkat grup, mentoring, dan program lainnya. AE menanamkan budaya perusahaan - *integrity, meritocracy, openness, respect* dan *excellence* – melalui *workshop*, pesan-pesan manajemen, spanduk, dan media lainnya, sebagai bagian dari langkah pengembangan para karyawan.

## INDUSTRIAL RELATIONS [407-1]

Each company in the Adaro Group is committed to establish constructive, dynamic and balanced industrial relations. Several companies within the group have labor unions and their activities are supported and facilitated by the respective company. The following list shows Labor Unions in Adaro Group.

- PT Adaro Indonesia's Workers Organization
- PT Saptaindra Sejati's Independent Labor Union
- PT Saptaindra Sejati's SPKEP KSPI Labor Union
- PT Saptaindra Sejati's SPKEP SPSI Labor Union
- PT Makmur Sejahtera Wisesa's Labor Union

The aforementioned labor unions represent employees from the respective company. The unions reserve the right to represent the employees in negotiations with the management to agree on rules that will be set forth in the Collective Labor Agreement (PKB). [102-41]

Each company provides financial support for the employees' sports, social and spiritual activities, and also provides the opportunity for the labor union to hold meetings during work hours.

As part of the effort to build a harmonious relationships, AE encourages each company in the Adaro Group to communicate operational changes, such as change in working hours and organizational changes that result in the termination of employment as stipulated in the Collective Labor Agreement of PT Adaro Indonesia, PT Saptaindra Sejati and PT Makmur Sejahtera Wisesa. [402-1]

The proof of AE's success in fostering strong industrial relations with employees of the Adaro Group was that there were no labor strikes during the year. [MM4]

## HUMAN RESOURCES MANAGEMENT

The Adaro Group implements the principle of equal opportunity in its recruitment process and in considering career paths. Selection process for the recruitment of new employees is based on the requirements needed in a position as set forth by AE's HR Division. Meanwhile, job promotion is conducted in accordance with organizational needs, where performance evaluation and competency become the main consideration.

The Adaro Group is firmly committed to the principle of equal opportunity, which resulted in zero discrimination cases in all companies within Adaro Group during the reporting year. [406-1]

## HUBUNGAN INDUSTRIAL [407-1]

Setiap perusahaan dalam Grup Adaro memiliki komitmen untuk membangun hubungan industrial yang harmonis, dinamis dan berkeadilan. Untuk beberapa perusahaan yang memiliki serikat pekerja, perusahaan mendukung dan memfasilitasi kegiatan-kegiatan serikat pekerja tersebut. Adapun Serikat Pekerja yang ada di Grup Adaro adalah:

- Organisasi Pekerja Adaro PT Adaro Indonesia
- Serikat Pekerja Mandiri PT Saptaindra Sejati
- Serikat Pekerja SPKEP KSPI PT Saptaindra Sejati
- Serikat Pekerja SPKEP SPSI PT Saptaindra Sejati
- Serikat Pekerja PT Makmur Sejahtera Wisesa

Seluruh serikat pekerja tersebut mewakili karyawan dari masing-masing perusahaan terkait, dan berhak mewakili karyawan saat melakukan pembicaraan dan perundingan dengan manajemen masing-masing perusahaan dalam menetapkan butir-butir kesepakatan bersama untuk dituangkan dalam Perjanjian Kerja Bersama (PKB). [102-41]

Masing-masing perusahaan memberikan bantuan dana untuk kegiatan pekerja seperti olahraga, sosial, rohani, juga memberikan kesempatan bagi serikat pekerja untuk menyelenggarakan pertemuan dan kegiatan lainnya.

Sebagai bagian dari upaya membangun hubungan industrial yang harmonis, AE mendorong setiap perusahaan dalam Grup Adaro untuk melakukan komunikasi terkait dengan perubahan operasional seperti perubahan waktu kerja dan perubahan organisasi yang berakibat PHK yang diatur dalam PKB PT Adaro Indonesia, PT Saptaindra Sejati, dan PT Makmur Sejahtera Wisesa. [402-1]

Sebagai wujud keberhasilan dalam membina hubungan industrial yang baik dengan para karyawan Grup Adaro, selama tahun pelaporan tidak ada kejadian pemogokan kerja yang dilakukan karyawan. [MM4]

## PENGELOLAAN SUMBER DAYA MANUSIA

Grup Adaro menerapkan asas kesetaraan kesempatan dalam rekrutmen dan penetapan jenjang karir. Seleksi penerimaan karyawan baru dilakukan berdasarkan kualifikasi yang dibutuhkan dari jabatan tersebut, sesuai perencanaan Divisi HR. Sedangkan kenaikan golongan/jabatan disesuaikan dengan kebutuhan organisasi, berdasarkan penilaian kinerja dan kesesuaian kompetensi.

Grup Adaro memegang teguh komitmen asas kesetaraan kesempatan tersebut, sehingga selama tahun pelaporan, tidak ada kasus diskriminasi yang dijumpai di seluruh perusahaan dalam Grup Adaro. [406-1]

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### Recruitment [401-1]

The recruitment and selection of new employees is facilitated by HR by taking into consideration the company's man power planning. The selection process is carried out based on the qualifications of the job requirements and conducted through selection stages in accordance with the group's standards and policies.

Recruitment of foreign workers will only happen after local hiring effort has been maximized. Composition in recruiting local employees in each job site will be in compliant with local government regulations.

In 2019, the Adaro group recruited 741 new employees with the following detail.

Company	New Hire Employee	
	2018	2019
PT Adaro Energy	29	18
PT Adaro Indonesia	76	51
PT Maritim Barito Perkasa	25	6
PT Makmur Sejahtera Wisesa	0	2
PT Saptaindra Sejati	1.618	664
<b>Total</b>	<b>1.738</b>	<b>741</b>

In the same year, 295 employees resigned from the Adaro Group with the following detail.

Company	Out Employee	
	2018	2019
PT Adaro Energy	15	20
PT Adaro Indonesia	26	18
PT Maritim Barito Perkasa	3	16
PT Makmur Sejahtera Wisesa	1	3
PT Saptaindra Sejati	309	238
<b>Total</b>	<b>354</b>	<b>295</b>

### Training and Development [404-1, 404-2]

The Adaro Group also provides equal opportunity for all employees to attend education and training programs which include technical, leadership, managerial, and certification required for employees to perform their job.

The average number of training hours per employee in 2019 was 44 hours. The type of training given was in line with the specific business unit. Leadership training is organized by AE's HR Division in coordination with the subsidiaries' HR Division.

### Rekrutmen [401-1]

Semua proses rekrutmen dan seleksi karyawan baru difasilitasi oleh Divisi HR, dengan mempertimbangkan kebutuhan organisasi yang dituangkan dalam *man power planning*. Proses seleksi dilakukan berdasarkan kualifikasi dari persyaratan jabatan yang dibutuhkan melalui tahapan-tahapan seleksi sesuai dengan standar dan kebijakan yang berlaku di Grup Adaro.

Perekrutan tenaga kerja asing hanya akan dilakukan apabila upaya perekrutan tenaga kerja lokal sudah dijalankan secara maksimal. Komposisi dalam perekrutan karyawan lokal di masing-masing lokasi kerja akan mengikuti peraturan daerah setempat.

Pada tahun 2019, Grup Adaro melakukan rekrutmen terhadap 741 orang karyawan baru dengan perincian sebagai berikut:

Pada tahun yang sama terdapat 295 orang karyawan yang mengundurkan diri dari Grup Adaro dengan perincian sebagai berikut.

### Pelatihan dan Pengembangan [404-1, 404-2]

Grup Adaro juga memberikan kesempatan yang sama bagi seluruh karyawan dalam mengikuti program-program pendidikan dan pelatihan. Program pelatihan mencakup teknis, kepemimpinan, manajerial, dan sertifikasi yang diperlukan untuk pekerjaan.

Untuk tahun 2019, rata-rata jam pelatihan per karyawan adalah 44 jam, sedangkan jenis pelatihan yang diberikan disesuaikan dengan bidang usaha perusahaan dalam Grup Adaro. Untuk kegiatan pelatihan kepemimpinan di Grup Adaro dikelola oleh Divisi HR AE bekerja sama dengan Divisi HR anak perusahaan.

In addition, the Adaro Group is committed to provide certification training required for specific jobs in accordance with applicable regulations, including:

- PT Adaro Indonesia: First Operational Supervisors (POP), Associate Operational Supervisors (POM).
- PT Maritim Barito Perkasa: basic safety training, Genset Operator and Rigger.
- PT Makmur Sejahtera Wisesa: Power plant technical personnel certification, mobile crane operator certification, general OHS certification, confined space certification, first industry hygiene certification, Rigger certification, genset operator certification, air pollution responsible person certification, water pollution responsible person certification.
- PT Saptaindra Sejati: Mine Supervisor Certification (POP, POM, POU); lifting equipment OHS Certification; Working at Height Certification; Electrical OHS; General OHS Expert; Electrical OHS Expert; HIMU Junior Expert; Assessor & Trainer of Trainer.

In addition to the aforementioned technical and leadership trainings, the Adaro Group also provides managerial training for managers to meet their job requirements.

Considering that AE's main business is in the mining sector, we ensure that our security staffs are adequately trained and knowledgeable in the aspects of human rights. Thus, in performing their duties, security personnel will always take measured actions in accordance with human rights principles. AE employs third party companies to provide security services and they hold regular training sessions. [410-1, 412-2]

### Performance Evaluation and Career Path [404-3]

The Adaro Group instils one of its corporate values, meritocracy, in conducting performance evaluation and in determining employees' career path. The meritocracy value requires leader to assess their subordinates objectively based on the subordinates' achievement.

The employee performance evaluation system consists of three main stages:

#### 1. Job Goals Formulation

At the beginning of the year, employees plan the targets to achieve in the coming year. These targets will then be approved by their direct supervisor.

#### 2. Performance Monitoring

Halfway throughout the year, employees review the achievement of targets for the year, what went well, areas for improvement and the support needed for the employee to achieve their target and job goals. Should there be a change in target, employees have to revise their job goals which requires approval from their direct supervisor and subsequent supervisor.

Selain itu Grup Adaro berkomitmen untuk memberikan program pelatihan sertifikasi untuk semua pekerjaan yang mewajibkan adanya sertifikasi khusus sesuai dengan regulasi yang berlaku, antara lain:

- PT Adaro Indonesia: Pengawas Operasional Pertama (POP), Pengawas Operasional Madya (POM)
- PT Maritim Barito Perkasa : Basic Safety Training, Genset Operator dan Rigger
- PT Makmur Sejahtera Wisesa : Sertifikasi Tenaga Teknis PLTU, Sertifikasi Operator Mobile Crane, Sertifikasi Ahli K3 Umum, Sertifikasi Confined Space, Sertifikasi Higiene Industri Muda, Sertifikasi Rigger, Sertifikasi Operator PLTD, Sertifikasi Penanggung jawab Pencemaran Udara, Sertifikasi Penanggung Jawab Pencemaran Air.
- PT Saptaindra Sejati: Sertifikasi Pengawas Tambang (POP, POM, POU), Sertifikasi K3 alat angkut angkut, Sertifikasi Bekerja di Ketinggian, Teknisi K3 Listrik, Ahli K3 Umum, Ahli K3 Listrik, Ahli Muda HIMU, Assessor & Train of The Trainer.

Selain pelatihan teknis dan kepemimpinan di atas, Grup Adaro juga menyelenggarakan program pelatihan manajerial untuk para karyawan di level manager agar dapat memenuhi tuntutan pekerjaannya.

Mengingat salah satu bisnis utama perusahaan adalah di bidang pertambangan, maka perusahaan mensyaratkan bagian keamanan untuk mendapatkan pelatihan dan pengetahuan yang memadai mengenai aspek-aspek hak asasi manusia sehingga saat menjalankan tugas, mereka senantiasa menerapkan tindakan yang terukur sesuai prinsip HAM. Perusahaan bekerja sama dengan pihak ketiga untuk menyediakan jasa keamanan dan secara regular dilakukan pelatihan bagi mereka. [410-1, 412-2]

### Penilaian Kinerja dan Jenjang Karir [404-3]

Grup Adaro menerapkan salah satu nilai perusahaan dalam melakukan proses penilaian kinerja dan menetapkan jenjang karir karyawan, yakni *meritocracy*. Dengan nilai *meritocracy*, setiap atasan memberikan penilaian kepada anak buahnya secara objektif berdasarkan kinerja yang telah dicapai.

Sistem penilaian kinerja karyawan terdiri dari tiga tahapan utama yaitu :

#### 1. Penyusunan Job Goals

Pada tahap ini karyawan menyusun target yang akan dicapai pada tahun berjalan di awal tahun dan kemudian disetujui oleh atasan langsung.

#### 2. Pemantauan Kinerja

Pada tahap ini karyawan bersama dengan atasan berdiskusi mengenai pencapaian yang sudah dicapai oleh karyawan sepanjang tahun, apa yang telah dilakukan dengan baik, apa yang masih harus ditingkatkan dan dukungan apa yang diperlukan oleh karyawan dalam mencapai job goals-nya. Apabila terdapat perubahan target, maka karyawan harus melakukan revisi job goals dengan persetujuan atasan langsung dan atasan berikutnya.

### 3. Performance Evaluation

At the end of the year, the employees' achievements will be assessed or evaluated by their direct supervisor and subsequent supervisor.

This annual performance evaluation system applies to permanent employees. The maximum number of targets that can be included in the Performance Evaluation form is three.

In addition to the performance evaluation, employees will also be evaluated in relation to their implementation of the corporate values (Adaro Values). Violation of corporate values results in demerit points for employees' Performance Rating. Demerit points exist to encourage each employee to apply the corporate values to support the company's interests.

Demerit point given to an employee who violates the corporate values must be based on factual data. The supervisor is expected to conduct coaching & counselling process ahead of issuing the demerit point so that the subordinate can recognize and amend their mistakes.

For Division Head level and above, there is an additional assessment criterion, i.e. Succession Planning. Each Division Head must prepare successors to sustain organizational continuity. In addition, the Division Heads are also expected to take firm action against subordinates who have performed unsatisfactorily or have severely violated the corporate values. Division Heads who do not comply with these provisions will obtain a reduction in their own Performance Rating.

The final value of the Performance Rating should follow the normal curve according to the company's established provisions: this is to ensure a fair and equal assessment so that every employee will be evaluated in accordance with their performance over one year.

The Performance Evaluation result is categorised into four, i.e. Very Good, Good, Fair, and Poor. Employees with a "Poor" classification must participate in the PIP (Performance Improvement Plan) program. This program is conducted to re-evaluate the past performance of the employee and identify the cause of their sub-optimal performance. The employees are therefore given an opportunity to improve and enhance their performance.

Employee promotion are based on business needs and fulfillment of positions within the company's organizational structure by taking into account employees' competencies and performance track records. The process of determining employee promotions is through submission by superiors in accordance with the authority matrix, aptitude and

### 3. Penilaian Kinerja

Pada tahap ini pencapaian karyawan terhadap keseluruhan target kinerja yang ditetapkan akan dinilai atau dievaluasi oleh atasan langsung dan atasan berikutnya di akhir tahun.

Sistem penilaian kinerja tahunan ini berlaku bagi karyawan dengan status permanen. Adapun target yang akan dimasukkan ke dalam form penilaian kinerja adalah maksimal tiga target utama.

Selain penilaian kinerja, karyawan juga akan dievaluasi terkait implementasi nilai-nilai perusahaan (*Adaro Values*). Pelanggaran terhadap nilai-nilai perusahaan akan mengakibatkan pengurangan nilai (*demerit point*) pada total *Performance Rating* karyawan tersebut. Pemberian demerit point bertujuan agar setiap karyawan menerapkan nilai-nilai perusahaan yang sejalan dengan kepentingan perusahaan.

Pemberian *demerit point* terhadap pelanggaran nilai-nilai perusahaan harus berdasarkan data yang faktual, bukan dimaksudkan untuk mencari-cari kesalahan bawahan. Atasan diharapkan telah melakukan proses *coaching & counselling* sebelum memberikan demerit point sehingga bawahan dapat mengetahui kesalahan mereka dan melakukan perbaikan atas pelanggaran yang telah mereka lakukan.

Khusus untuk level Division Head ke atas, terdapat kriteria penilaian tambahan yaitu *Succession Planning*. Setiap Division Head ke atas harus mempersiapkan suksesor sehingga keberlangsungan organisasi dapat tetap terjaga. Selain itu, para Division Head juga diharapkan untuk mengambil tindakan tegas terhadap bawahan yang memiliki kinerja tidak memuaskan atau melakukan pelanggaran berat terhadap nilai-nilai perusahaan. Division Head yang tidak menjalankan ketentuan tersebut akan mendapatkan pengurangan nilai pada total *Performance Rating*.

Nilai akhir dari penilaian kinerja harus mengikuti kurva normal sesuai dengan ketentuan yang telah ditetapkan oleh perusahaan. Hal ini bertujuan agar diperoleh sebaran penilaian yang adil sehingga setiap karyawan diberikan apresiasi sesuai dengan kinerja masing-masing selama satu tahun.

Nilai akhir dari penilaian kinerja dibagi dalam empat kategori yaitu *Very Good*, *Good*, *Fair*, dan *Poor*. Karyawan dengan predikat *Poor* akan mengikuti program PIP (*Performance Improvement Plan*). Program ini bertujuan untuk mengevaluasi kembali kinerja karyawan sebelumnya dan mengidentifikasi penyebab tidak tercapainya kinerja yang telah ditetapkan. Dengan demikian, karyawan diberikan kesempatan untuk memperbaiki dan meningkatkan kinerja mereka.

Promosi karyawan mengikuti kebijakan yang didasarkan pada kebutuhan bisnis dan pemenuhan posisi di dalam struktur organisasi perusahaan dengan mempertimbangkan kompetensi dan rekam jejak penilaian kinerja karyawan. Proses penetapan promosi karyawan dilakukan dengan melalui proses pengajuan promosi oleh atasan sesuai

competency assessment, presentations to the People Committee and or interviews by Directors (for employee of certain level). With this mechanism, the promotion process is expected to run fairly, consistently and applies equally to all business units in the Adaro Group.

The following tables show the number of employees that was promoted in the past two years in each of the companies covered in this report. [404-3]

#### PT Adaro Energy

Gender	Jumlah Promotion 2018	Jumlah Employee 2018	% 2018	Jumlah Promotion 2019	Jumlah Employee 2019	% 2019
Male	20	154	13%	9	117	8%
Female	24	116	21%	12	117	10%
<b>Total</b>	<b>44</b>	<b>270</b>	<b>16%</b>	<b>21</b>	<b>234</b>	<b>9%</b>

Level	Jumlah Promotion 2018	Jumlah Employee 2018	% 2018	Jumlah Promotion 2019	Jumlah Employee 2019	% 2019
Director		6	0%		5	0%
GM	1	30	3%		28	0%
Manager	7	45	16%	3	44	7%
Superintendent	9	36	25%	3	41	7%
Supervisor	21	110	19%	13	75	17%
Staff	6	43	14%	2	41	5%
Non Staff	0	0	-	0	0	-
<b>Total</b>	<b>44</b>	<b>270</b>	<b>16%</b>	<b>21</b>	<b>234</b>	<b>9%</b>

#### PT Adaro Indonesia

Gender	Jumlah Promotion 2018	Jumlah Employee 2018	% 2018	Jumlah Promotion 2019	Jumlah Employee 2019	% 2019
Male	352	1,076	33%	319	1,092	29%
Female	38	160	24%	39	160	24%
<b>Total</b>	<b>390</b>	<b>1,236</b>	<b>32%</b>	<b>358</b>	<b>1,252</b>	<b>29%</b>

Level	Jumlah Promotion 2018	Jumlah Employee 2018	% 2018	Jumlah Promotion 2019	Jumlah Employee 2019	% 2019
Director		6	0%		5	0%
General Manager	0	14	0%	0	14	0%
Manager	7	45	16%	9	48	19%
Superintendent	32	101	32%	36	105	34%
Supervisor	89	291	31%	52	315	17%
Staff	94	260	36%	89	255	35%
Assistant	0	0	0	0	0	0%
<b>Total</b>	<b>390</b>	<b>1,236</b>	<b>32%</b>	<b>358</b>	<b>1,252</b>	<b>29%</b>

matriks kewenangan, proses asesmen potensi dan kompetensi, presentasi kepada komite promosi dan atau wawancara oleh direksi (untuk golongan karyawan tertentu). Dengan mekanisme ini, proses promosi diharapkan dapat berjalan secara adil, konsisten dan berlaku sama di seluruh unit bisnis di Grup Adaro.

Berikut adalah tabel jumlah karyawan yang mendapatkan promosi di dua tahun terakhir, pada masing-masing perusahaan yang tercakup dalam laporan ini. [404-3]

#### PT Maritim Barito Perkasa

Gender	Jumlah Promotion 2018	Jumlah Employee 2018	% 2018	Jumlah Promotion 2019	Jumlah Employee 2019	% 2019
Male	0	172	0%	11	154	7%
Female	0	41	0%	3	38	8%
<b>Total</b>	<b>0</b>	<b>213</b>	<b>0%</b>	<b>14</b>	<b>192</b>	<b>7%</b>

Level	Jumlah Promotion 2018	Jumlah Employee 2018	% 2018	Jumlah Promotion 2019	Jumlah Employee 2019	% 2019
General Manager	0	4	0	1	4	25%
Manager	0	8	0	0	5	0%
Superintendent	0	13	0	0	13	0%
Supervisor	0	41	0	1	43	2%
Staff	0	118	0	12	98	12%
Non Staff	0	29	0	0	29	0%
<b>Total</b>	<b>0</b>	<b>213</b>	<b>0</b>	<b>14</b>	<b>192</b>	<b>7%</b>

#### PT Makmur Sejahtera Wisesa

Gender	Jumlah Promotion 2018	Jumlah Employee 2018	% 2018	Jumlah Promotion 2019	Jumlah Employee 2019	% 2019
Male	94	127	74%	6	125	5%
Female	3	9	33%	0	12	0%
<b>Total</b>	<b>97</b>	<b>136</b>	<b>71%</b>	<b>6</b>	<b>137</b>	<b>4%</b>

Level	Jumlah Promotion 2018	Jumlah Employee 2018	% 2018	Jumlah Promotion 2019	Jumlah Employee 2019	% 2019
General Manager	0	2	0%	0	1	0%
Manager	1	3	33%	2	5	40%
Superintendent	1	13	8%	3	11	27%
Supervisor	4	12	33%	1	18	6%
Staff	2	14	14%	0	29	0%
Senior Assistant	64	92	70%	0	73	0%
<b>Total</b>	<b>72</b>	<b>136</b>	<b>53%</b>	<b>6</b>	<b>137</b>	<b>4%</b>

#### PT Saptaindra Sejati

Level	Jumlah Promotion 2018	Jumlah Employee 2018	% 2018	Jumlah Promotion 2019	Jumlah Employee 2019	% 2019
General Manager	0	2	0%	0	8	0%
Manager	8	39	21%	6	42	14%
Superintendent	43	130	33%	32	147	22%
Supervisor	150	471	32%	114	479	24%
Staff	885	1,519	58%	508	1,543	33%
Non Staff	2,310	6,963	33%	1,334	6,848	19%
<b>Total</b>	<b>3,396</b>	<b>9,124</b>	<b>37%</b>	<b>1,994</b>	<b>9,067</b>	<b>22%</b>

## WELFARE PACKAGE [103-1, 103-2, 103-3]

### Remuneration [405-2]

AE provides a competitive remuneration package which is regularly reviewed and take into account the company's financial capabilities. The remuneration components in Adaro Group consist of a base salary and benefits adjusted to employees' rank and position.

In determining the remuneration package, AE also adheres to equal opportunity rights, without discrimination, and regardless of gender. This is demonstrated in the comparison of the base salary between male and female employees at different job levels, as follows:

#### PT Adaro Energy Tbk

Level	Desember 2018		Desember 2019	
	Pria	Wanita	Pria	Wanita
Non Staff	N/A	N/A	N/A	N/A
Staff	1	1.10	1	1.10
Supervisor	1	1.02	1	1.14
Superintendent	1.10	1	1.08	1
Manager	1.05	1	1.06	1
General Manager	1.02	1	1	1

#### PT Adaro Indonesia

Level	Desember 2018		Desember 2019	
	Pria	Wanita	Pria	Wanita
Non Staff	1.11	1	1.11	1
Staff	1	1.02	1	1.19
Supervisor	1.14	1	1.13	1
Superintendent	1	1	1	1.01
Manager	1	1	1.09	1
General Manager	1	N/A	1	N/A

#### PT Maritim Barito Perkasa

Level	Desember 2018		Desember 2019	
	Pria	Wanita	Pria	Wanita
Non Staff	1	N/A	1	N/A
Staff	1	1.01	1	1
Supervisor	1	1	1.11	1
Superintendent	1.13	1	1.18	1
Manager	1.10	1	1	1.22
General Manager	1	N/A	1	N/A

## PAKET KESEJAHTERAAN [103-1, 103-2, 103-3]

### Remunerasi [405-2]

AE memberikan paket remunerasi yang kompetitif yang senantiasa ditinjau secara berkala, dengan memperhitungkan kemampuan keuangan perusahaan. Pada dasarnya komponen remunerasi di Grup Adaro terdiri atas gaji pokok, dan tunjangan-tunjangan yang disesuaikan dengan grade, jabatan dan lokasi dari masing-masing karyawan.

Dalam menetapkan paket remunerasi tersebut, AE juga tetap berpegang teguh pada asas persamaan hak, tanpa adanya diskriminasi dan tanpa adanya pengaruh gender. Hal ini ditunjukkan dalam perbandingan gaji pokok antara karyawan laki-laki dibandingkan dengan karyawan wanita, pada berbagai level jabatan, sebagai berikut.

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**PT Makmur Sejahtera Wisesa**

Level	Desember 2018		Desember 2019	
	Pria	Wanita	Pria	Wanita
Non Staff	1	1	1	N/A
Staff	1	1	1.07	1
Supervisor	1.07	1	1	1
Superintendent	1	N/A	1	N/A
Manager	1	1.04	1	1.07
General Manager	1	N/A	1	N/A

**PT Saptaindra Sejati**

Level	Desember 2018		Desember 2019	
	Pria	Wanita	Pria	Wanita
Non Staff	1.05	1	1.09	1
Staff	1.11	1	1.03	1
Supervisor	1.13	1	1.10	1
Superintendent	1	1.12	1	1.19
Manager	1	1.06	1	1.03
General Manager	1	N/A	1	N/A

The Adaro Group is committed to provide a competitive remuneration package in order to attract new employees and retain them. Therefore we pay our lowest level employees at an equal or even slightly better rate than the Government's minimum wage requirement, as shown in the following tables. [202-1]

Grup Adaro berkomitmen untuk memberikan paket remunerasi yang bersaing, demi mendapatkan dan mempertahankan para karyawan baru sejak saat mereka pertama kali bergabung dengan perusahaan. Untuk itu Grup Adaro menetapkan standar gaji karyawan dengan level terendah sama, atau bahkan sedikit lebih baik dari ketentuan upah minimum regional yang ditetapkan oleh Pemerintah, sebagaimana ditunjukkan pada tabel-tabel berikut. [202-1]

Area	Ratio of local minimum wage to company basic salary	
	Rasio UMR terhadap gaji dasar perusahaan	
AI (Site)	1 : 1.0012	
AI (Jakarta)	1 : 1.12	

Area	Ratio of local minimum wage to company basic salary Rasio UMR terhadap gaji dasar perusahaan
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MBP (Banjarmasin)	1 : 1.006
MBP (Jakarta)	1 : 1.08

Area	Ratio of local minimum wage to company basic salary Rasio UMR terhadap gaji dasar perusahaan
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MSW (Jakarta)	1 : 1.048
MSW (Tanjung)	1 : 1.08

Area	Ratio of local minimum wage to company basic salary Rasio UMR terhadap gaji dasar perusahaan
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JAHO & NARO	1 : 1.007
ADMO	1 : 1
SAMO	1 : 1
BIMO	1 : 1
MACO	1 : 1.0002
SERA	1 : 1
BORO	1 : 1

In addition to offering a satisfactory remuneration package, the company also provides coverage for leaves. The rights of leaves and the amount of coverage they are entitled to are regulated in the Collective Labor Agreement and company regulations. [401-3]

#### Retirement Program [201-3, 404-2]

The Adaro Group provides pension plan according to prevailing regulations. Several subsidiaries also provide retirement preparation training for its employees to prepare them mentally and financially. The Adaro Group supports and facilitates participation in this program, which is in accordance with the applicable law and regulations.

As a rule the retirement package is provided only for permanent employees and not for contract employees. As for other salary components, there are no significant differences between a permanent employee and a contract employee. [401-2]

Selain memberikan paket remunerasi yang memadai, Grup Adaro juga memiliki kebijakan pemberian cuti dalam tanggungan perusahaan. Hak cuti yang diberikan oleh Grup Adaro diatur dalam Perjanjian Kerja Bersama dan peraturan perusahaan. [401-3]

#### Program Pensiun [201-3, 404-2]

Grup Adaro memberikan program pensiun sesuai dengan ketentuan yang berlaku dan beberapa anak perusahaan memberikan pelatihan masa persiapan pensiun guna mempersiapkan karyawan secara mental dan finansial. Grup Adaro turut memberikan kontribusi tertentu untuk mendukung karyawan dalam mengikuti program pensiun sesuai dengan ketentuan perundangan yang berlaku.

Pada umumnya pesangon karena pensiun diberikan kepada karyawan dengan status karyawan tetap. Adapun komponen gaji lainnya sama, tidak ada perbedaan signifikan antara karyawan tetap dengan karyawan purna waktu. [401-2]

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**DEMOGRAPHICS AND NUMBER OF EMPLOYEES [102-8, 405-1]**

As the scale of business grows, the total number of employees increases. In 2019, however, the total number of AE employees was 10.882, a slight decrease from the 10.955 people in the previous year. The following is the composition of the company's employees according to position, age and educational level.

**Employee demographic based on gender and position  
Demografi karyawan menurut Gender dan Jabatan.**

Gender	2018		2019	
	Total	%	Total	%
Male	10,439	95%	10,346	95%
Female	540	5%	536	5%
<b>Total</b>	<b>10,979</b>	<b>100%</b>	<b>10,882</b>	<b>100%</b>

Jabatan	2018		2019	
	Total	%	Total	%
Direktur	6	0%	5	0%
General Manager	49	0%	51	0%
Manager	143	1%	148	1%
Superintendent	293	3%	317	3%
Supervisor	926	8%	930	9%
Staf	1,953	18%	1,966	18%
Senior Assistant	7,609	70%	7,465	69%
<b>Total</b>	<b>10,979</b>	<b>100%</b>	<b>10,882</b>	<b>100%</b>

**Demografi karyawan menurut Gender dan Kelompok Umur  
Employee demographic based on gender and age**

Usia	2018		2019	
	Total	%	Total	%
Below 20	314	3%	274	3%
21 - 25	2,178	20%	1,944	18%
26 - 30	2,768	25%	2,722	25%
31 - 35	2,225	20%	2,256	21%
36 - 40	1,588	14%	1,659	15%
41 - 45	1,129	10%	1,173	11%
46 - 50	586	5%	636	6%
51 - 55	176	2%	203	2%
56 & Above	15	0%	15	0%
<b>Total</b>	<b>10,979</b>	<b>100%</b>	<b>10,882</b>	<b>100%</b>

**DEMOGRAFI DAN JUMLAH PEKERJA [102-8, 405-1]**

Seiring dengan perkembangan skala usaha, total karyawan mengalami perubahan. Untuk tahun 2019, total karyawan AE adalah 10.882 orang, sedikit menurun dari jumlah 10.979 orang di tahun sebelumnya. Berikut adalah gambaran komposisi karyawan Perseroan menurut Jabatan, Usia dan Tingkat Pendidikan.

**Demografi karyawan menurut Tingkat Pendidikan**  
**Employee demographic based on educational level**

Education	2018		2019	
	Total	%	Total	%
Doctorate	1	0%	1	0%
Master	100	1%	102	1%
Bachelor	1,471	13%	1,446	13%
Diploma	1,412	13%	1,368	13%
Non-Academic	7,995	73%	7,965	73%
<b>Total</b>	<b>10,979</b>	<b>100%</b>	<b>10,882</b>	<b>100%</b>

**Demografi karyawan menurut Gender**  
**Employee demographic based on gender**

Jabatan	2018				2019			
	Male	%	Female	%	Male	%	Female	%
Direktur	6	0%	0	0%	5	0%	0	0%
General Manager	38	0%	11	2%	41	0%	10	2%
Manager	112	1%	31	6%	116	1%	32	6%
Superintendent	249	2%	44	8%	271	3%	46	9%
Supervisor	779	7%	147	27%	779	8%	151	28%
Staf	1,760	17%	193	36%	1,779	17%	187	35%
Senior Assistant	7,495	72%	114	21%	7,356	71%	109	20%
<b>Total</b>	<b>10,439</b>	<b>100%</b>	<b>540</b>	<b>100%</b>	<b>10,347</b>	<b>100%</b>	<b>535</b>	<b>100%</b>

**Employee Engagement**

The Adaro Group believes that a high employee engagement in a company will result in higher levels of productivity compared to companies with lower employee engagement level. This has further emphasized the importance of employee engagement for the company's growth.

For the Adaro Group, developing harmonious, dynamic and fair industrial relations is one of the ways to ensure a high employee engagement index. On top of that, to improve employee engagement, every leader in the Adaro Group is expected to do the following measures:

• **Get to know them**

Leaders must get to know their subordinates. This means that they must not simply know them as subordinates at work, but also get to know them personally, understand the things that motivate their subordinates, their goals, health, hobbies, family and other aspects of their lives that they need to know about.

**Employee Engagement**

Grup Adaro meyakini bahwa perusahaan dengan tingkat *employee engagement* yang tinggi akan mencapai tingkat produktivitas yang lebih tinggi daripada perusahaan dengan tingkat *engagement* lebih rendah. Hal ini semakin menekankan pentingnya *engagement* karyawan bagi kemajuan perusahaan.

Bagi Grup Adaro upaya pembangunan hubungan industrial yang harmonis, dinamis dan berkeadilan merupakan salah satu jalan yang dapat ditempuh untuk memastikan tingginya indeks *employee engagement*. Selain itu untuk meningkatkan indeks *employee engagement* setiap pemimpin di Grup Adaro diharapkan untuk melakukan hal-hal berikut:

• **Get to know them**

Seorang pemimpin harus mengenal bawahannya – yang artinya pemimpin tidak dapat hanya sekedar kenal dengan mereka sebagai bawahan di tempat kerja, melainkan mengenal setiap karyawan secara pribadi sampai mengetahui hal-hal mengenai bagaimana motivasi karyawan tersebut, tujuannya, kondisi kesehatannya, hobinya, kondisi keluarganya dan hal-hal lain yang perlu diketahui seorang atasan.

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- **Delegate More.**

Leaders must be able to delegate duties and authority to their subordinates or team members. Delegation of duties and authority is part of an employee or subordinate's development process.

- **Show appreciation to employees' contribution**

Leaders must express their appreciation to subordinates who contribute to the company. This appreciation does not have to be in material form, it can also be expressed as gratitude, praise, attention, support and assistance, or in other ways.

- **Create tough love working environment**

Adaro Group is engaged in a highly competitive and highly regulated industry, hence the work environment is tougher. As a result, a "tough love" work environment is very important for the company. Tough love refers to a tough working environment but is full of love.

To generate feedback for the improvement of human resource management in all subsidiaries, the Adaro Group hired an independent and competent consultant to conduct an Employee Engagement Survey (EES) in 2019. This survey involved **12,482** respondents (**95%** of total employees). The survey produced a Sustainability Engagement index of **86%** and showed an increase in 15 categories compared to similar survey held in 2014.

Referring to the results of this survey, the Adaro Group has begun to compile follow-up steps such as disseminating results to leaders in each business unit and conducting discussions to develop improvements to maintain and increase the level of employee engagement.

- **Delegate More.**

Seorang leader harus mampu mendelegasikan tugas dan wewenang kepada bawahannya atau setiap anggota timnya. Pendelegasian tugas dan wewenang merupakan salah satu bagian dari proses pengembangan karyawan atau bawahan.

- **Recognize your team who contributes**

Seorang pemimpin harus mengungkapkan apresiasi kepada karyawan atau bawahan yang berkontribusi kepada perusahaan, tidak harus dalam bentuk materi, namun juga dapat diwujudkan dalam bentuk lainnya seperti ucapan terima kasih, pujian, perhatian, bantuan yang diperlukan atau hal-hal lainnya.

- **Create tough love working environment**

Grup Adaro beroperasi dalam sektor bisnis yang sangat kompetitif dan diatur oleh banyak peraturan hukum sehingga lingkungan kerjanya juga lebih keras. Dengan demikian, iklim kerja tough love sangat penting bagi perusahaan. Iklim kerja tough love adalah situasi lingkungan kerja yang keras tetapi penuh kasih sayang.

Untuk mendapatkan umpan balik bagi dilakukannya perbaikan kualitas pengelolaan sumber daya manusia di seluruh entitas anak perusahaan, Grup Adaro kembali melakukan Employee Engagement Survey (EES) di tahun 2019 yang dilaksanakan oleh konsultan independen dan kompeten. Survei ini melibatkan **12.482** responden (**95%** total karyawan). Dari hasil survei tersebut diperoleh indeks Sustainability Engagement sebesar **86%** dimana 15 kategori yang digunakan mengalami peningkatan dibandingkan dengan survei di tahun 2014.

Merujuk pada hasil survei ini, Grup Adaro juga mulai menyusun langkah-langkah tindak lanjut seperti melakukan sosialisasi hasil kepada para pimpinan perusahaan di setiap unit bisnis serta melakukan diskusi untuk menyusun beberapa usulan perbaikan untuk mempertahankan dan meningkatkan tingkat engagement karyawan.



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# 11

## TATA KELOLA KEBERLANJUTAN **SUSTAINABILITY GOVERNANCE**

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# TATA KELOLA KEBERLANJUTAN SUSTAINABILITY GOVERNANCE

## COMMITMENT TO AND PURPOSE OF THE IMPLEMENTATION OF THE BEST GCG PRACTICES [103-1, 103-2, 103-3]

The commitment of PT Adaro Energy Tbk (AE) to consistently implement good corporate governance (GCG) principles, i.e. transparency, accountability, responsibility, independence and fairness, is reflected in all its business processes and activities, as well as in the decision-making process.

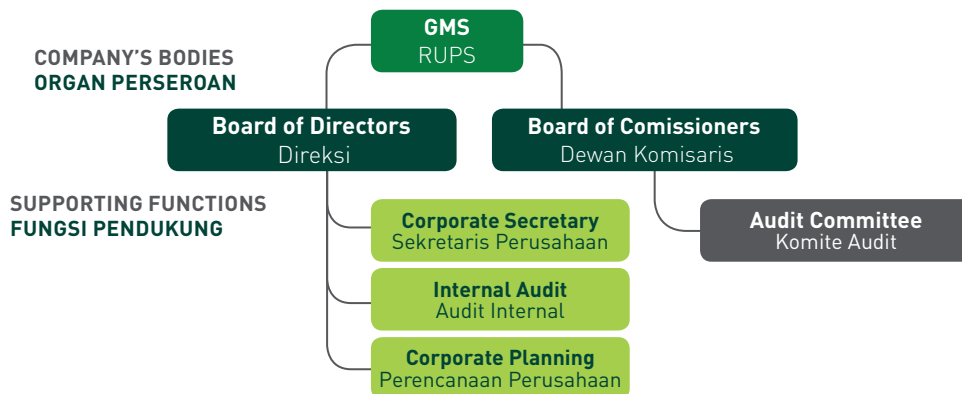
AE is controlled by Indonesian business families who have established a good reputation in the Indonesian business world. While they collectively hold approximately 65% of AE's shares, none of them has full control over AE. This creates a checks-and-balances system which ensures that all decisions are made in the best interests of AE and its stakeholders.

The current implementation of GCG in AE is based on the GCG principles as stipulated in the Financial Services Authority (OJK) circular letter No. 32/SEOJK.04/2015 on the code of corporate governance for public companies, the provisions of Law No. 40/2007 on limited liability companies, Law no. 8/1995 on capital market, OJK regulation No. 21/POJK.04/2015 on the implementation of the code of corporate governance for public companies and Indonesia corporate governance roadmap issued by OJK in January 2014. In addition, AE's GCG implementation is also based on the ASEAN CG scorecard parameters.

To ensure the implementation of effective GCG principles, AE periodically examines and assesses aspects that need to be improved in the future.

## GCG STRUCTURE AND MECHANISM [102-18]

Chart of AE's GCG Structure



## KOMITMEN DAN TUJUAN PENERAPAN TATA KELOLA TERBAIK [103-1, 103-2, 103-3]

Komitmen PT Adaro Energy Tbk (AE) untuk senantiasa melaksanakan prinsip tata kelola perusahaan yang baik (GCG), yaitu transparansi, akuntabilitas, tanggung jawab, independensi, dan keadilan tercermin pada seluruh proses dan aktivitas bisnisnya, serta dalam proses pengambilan keputusan.

AE dikendalikan oleh keluarga pengusaha Indonesia yang telah membangun reputasi baik di arena bisnis Indonesia. Walaupun secara bersama-sama mereka memiliki sekitar 65% saham AE, tidak ada dari mereka yang memiliki kendali penuh atas perusahaan. Hal ini menciptakan sistem *checks-and-balances* yang memastikan bahwa seluruh keputusan dibuat untuk kepentingan terbaik AE dan pemangku kepentingannya.

Implementasi GCG di AE saat ini mengacu pada prinsip-prinsip Tata Kelola Perusahaan sebagaimana yang ditentukan pada Surat Edaran OJK no. 32/SEOJK.04/2015 tentang Pedoman Tata Kelola Perusahaan Terbuka, ketentuan UU no. 40/2007 tentang Perseroan Terbatas, UU no. 8/1995 mengenai Pasar Modal, Peraturan OJK no. 21/POJK.04/2015 tentang Penerapan Pedoman Tata Kelola Perusahaan Terbuka dan Indonesia Corporate Governance Roadmap yang diterbitkan OJK pada bulan Januari 2014. Selain itu, implementasi GCG AE juga didasarkan pada Parameter Scorecard CG ASEAN.

Untuk menjamin implementasi prinsip-prinsip GCG yang efektif, AE secara berkala menilai dan mengkaji implementasi tersebut untuk menginvestigasi aspek-aspek yang harus diperbaiki.

## STRUKTUR DAN MEKANISME TATA KELOLA [102-18]

Bagan Struktur Tata Kelola AE

AE's GCG structure consists of three main bodies, i.e. the General Meeting of Shareholders (GMS), the Board of Commissioners and the Board of Directors, supported by the Chief Financial Officer, and other functions such as Audit Committee, Internal Audit, and Corporate Secretary.

In accordance with the GCG structure, the highest monitoring body is the GMS, the Board of Commissioners as the supervisory body, and the Board of Directors, which is responsible for to manage the company. In implementing their duties and responsibilities, they are assisted by other bodies and equipped with the applicable GCG instruments in AE, including the Code of Conduct, Corporate Values, the Board of Commissioners Charter, the Board of Directors Charter, the Audit Committee Charter, in addition to other operational policies.

### General Meetings of Shareholders (GMS)

The GMS is the Company shareholders' highest decision-making forum and is their platform to obtain information, voice opinions, ask questions and cast votes in relation to the Company's business interests. For public companies, the arrangement of GMS is regulated by the Company's Articles of Association, Law No.40 of 2007 concerning Limited Liability Company, OJK Regulation No.15/POJK.04/2020 concerning the Planning and Holding General Meetings of Shareholders of Public Limited Companies and OJK Regulation No.16/POJK.04/2020 concerning the Electronic General Meetings of Shareholders of Public Limited Companies.

Depending on the appropriate time or need for urgency, two types of GMS are held:

1. The Annual GMS is held once a year, within 6 (six) months of the end of the fiscal year at the latest.
2. The Extraordinary GMS can be held at any time based on Company needs. Implementation of the GMS is in line with the Company's articles of association and applicable laws and regulations.

In order to set the direction of business development and determine the Company's strategic target, in 2019 the shareholders held **1 (one)** GMS, i.e. an Annual GMS.

Struktur tata kelola AE terdiri atas organ utama, yakni Rapat Umum Pemegang Saham (RUPS), Dewan Komisaris, dan Direksi yang didukung oleh jajaran organ pendukung, seperti Chief Financial Officer, serta fungsi pendukung lain seperti Komite Audit, Internal Audit, dan Sekretaris Perusahaan.

Sesuai dengan struktur tata kelola tersebut, Organ pengawasan tertinggi adalah Rapat Umum Pemegang Saham (RUPS), kemudian Dewan Komisaris sebagai pengawas dan Direksi sebagai pengurus perusahaan. Dalam menjalankan tugas dan kewajibannya mereka didukung oleh organ pendukung dan dilengkapi oleh perangkat tata kelola yang berlaku di AE termasuk Kode Etik, Nilai-nilai Perusahaan, Piagam Dewan Komisaris, Piagam Direksi, Piagam Komite Audit, serta didukung oleh berbagai kebijakan operasional lainnya.

### Rapat Umum Pemegang Saham (RUPS)

Rapat Umum Pemegang Saham merupakan forum pengambilan keputusan yang tertinggi untuk pemegang saham. RUPS merupakan platform pemegang saham untuk mendapatkan informasi, mengemukakan pendapat, dan memberikan suara (voting) terkait kepentingan bisnis perusahaan. Untuk perusahaan publik, penyelenggaraan RUPS saat ini mengacu pada Anggaran Dasar, UU No.40 Tahun 2007 tentang Perseroan Terbatas, Peraturan OJK No.15/POJK.04/2020 tentang Rencana dan Penyelenggaraan Rapat Umum Pemegang Saham Perusahaan Terbuka, dan Peraturan OJ No.16/POJK.04/2020 tentang Pelaksanaan Rapat Umum Pemegang Saham Perusahaan Terbuka Secara Elektronik.

Sesuai dengan waktu dan urgensi penyelenggaraannya, terdapat dua kelompok besar RUPS, yakni:

1. RUPS Tahunan, wajib diselenggarakan satu kali dalam setahun, selain wajib diselenggarakan dalam jangka waktu paling lambat 6 (enam) bulan setelah tahun buku berakhir.
2. RUPS Luar Biasa, dapat diselenggarakan setiap waktu berdasarkan kebutuhan untuk kepentingan Perusahaan. Pelaksanaan RUPS mengacu kepada anggaran dasar Perseroan dan peraturan perundang-undangan yang berlaku.

Dalam rangka memastikan arah pengembangan usaha dan menetapkan target strategis Perusahaan, pada tahun 2019, para pemegang saham menyelenggarakan **1 (satu)** kali RUPS, yakni satu kali RUPST.

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### Board of Commissioners

The Board of Commissioners is responsible for monitoring the Company's policies and activities carried out by the Board of Directors and ensuring that execution is conducted in accordance with GCG principles.

The Board of Commissioners must carry out its duties and responsibilities in good faith, with full responsibility and prudence, putting PT Adaro Energy Tbk's best interests above other interests, as stipulated in the Board of Commissioners charter.

The Board of Commissioners is authorized to temporarily discharge members of the Board of Directors stating the reasons, and to perform executive functions of the Company for a certain period in accordance with the Company's articles of association. The Board of Commissioners is also authorized to establish an audit committee and other committees if necessary and to evaluate their performance at the end of the year.

The Board of Commissioners is elected, appointed and held accountable for the implementation of its duties through the GMS. AE's Board of Commissioners composition for the reporting period consists of one President Commissioner, one Vice President Commissioner, one commissioner, and two Independent Commissioners. Members of the Board of Commissioners are elected periodically through the GMS. The Board of Commissioners' duties are implemented in line with the Board of Commissioners charter.

The composition of the Company's Board of Commissioners for the reporting period is as follows:

Position	Name   Nama	Jabatan
President Commissioner	Edwin Soeryadjaya	Presiden Komisaris
Vice President Commissioner	Ir. Theodore Permadi Rachmat	Wakil Presiden Komisaris
Commissioner	Arini Saraswaty Subianto	Komisaris
Independent Commissioner	Raden Pardede	Komisaris Independen
Independent Commissioner	Mohammad Effendi	Komisaris Independen

### The Board of Commissioners' Committee

In carrying out its duties, the Board of Commissioners is supported by the the Audit Committee and the Nomination and Remuneration Committee.

The audit committee was formed in 2009 to assist the Board of Commissioners in carrying out its supervisory function and to ensure that the Company management is in accordance with GCG principles and the Capital Market Supervisory Agency (Bapepam) Decree No. 29-PM/2004, which was superseded by OJK Regulation No. 55/POJK.04/2015, on the formation and guidelines for the work of the audit committee.

### Dewan Komisaris

Dewan Komisaris bertanggung jawab untuk mengawasi kebijakan dan aktivitas perusahaan yang dijalankan oleh Direksi dan memastikan bahwa eksekusi dilakukan sesuai prinsip-prinsip GCG.

Dewan Komisaris harus menjalankan tugas dan tanggung jawab dengan itikad baik, penuh tanggung jawab dan kehati-hatian serta selalu menempatkan kepentingan terbaik PT Adaro Energy Tbk di atas kepentingan lainnya sebagaimana yang ditentukan dalam Piagam Dewan Komisaris.

Dewan Komisaris berwenang memberhentikan sementara anggota Direksi dengan menyebutkan alasannya dan melaksanakan fungsi kepengurusan perusahaan untuk jangka waktu tertentu sesuai Anggaran Dasar perusahaan. Dewan Komisaris juga berwenang untuk membentuk Komite Audit dan komite lainnya jika diperlukan dan mengevaluasi kinerja mereka pada akhir tahun.

Dewan Komisaris dipilih, diangkat dan mempertanggung jawabkan pelaksanaan tugasnya melalui RUPS. Komposisi Dewan Komisaris AE pada periode pelaporan terdiri atas satu orang Presiden Komisaris, satu orang Wakil Presiden Komisaris, satu orang Komisaris, dan dua orang Komisaris Independen. Dewan Komisaris dipilih melalui RUPS secara periodik. Pelaksanaan tugas Dewan Komisaris dijalankan dengan berpedoman kepada Piagam Dewan Komisaris.

Susunan Dewan Komisaris Perseroan sampai dengan periode pelaporan adalah sebagai berikut:

### Komite Dewan Komisaris

Dalam menjalankan tugasnya, Dewan Komisaris didukung oleh Komite Audit serta Komite Nominasi dan Remunerasi

Komite Audit dibentuk pada tahun 2009 untuk membantu Dewan Komisaris dalam melaksanakan fungsi pengawasannya dan memastikan bahwa pengelolaan perusahaan sesuai dengan prinsip-prinsip *good corporate governance* (GCG) dan Keputusan Bapepam No.29-PM/2004 yang digantikan dengan Peraturan OJK No. 55/POJK.04/2015 mengenai Pembentukan dan Pedoman Pelaksanaan Kerja Komite Audit.

AE's audit committee consists of three members: one independent commissioner as the chairman, and two experts, one for accounting and one legal. As stipulated in AE's audit committee charter, the duties and responsibilities of the audit committee include the following:

1. The review of AE's financial information;
2. The appointment of independent auditor and the monitoring of their performance;
3. Effectiveness of internal control;
4. Compliance with laws and regulations;
5. The implementation of risk management; and
6. The implementation of the audit committee's self-assessment mechanism.

The Audit Committee Charter was established in 2009. The charter was amended in 2017 in response to the development of the Company and to laws and regulations.

The Nomination and Remuneration Committee functions are carried out by the Board of Commissioners and its main task is to determine compensation or salaries and other benefits for AE's Board of Commissioners and Directors for each fiscal year, taking into account the company's financial condition.

### Board of Directors

The Board of Directors responsibility is to manage and lead the Company's activities in order to achieve its business goals, to carry out the Company's day-to-day operations, to formulate general policies and strategic objectives and to ensure that all activities are in line with the Company's vision and mission, GCG principles and the current laws and regulations. Although each director is authorized to set policies for the relevant divisions, the execution of these policies remains a mutual responsibility.

The composition of PT Adaro Energy Tbk's Board of Directors in the reporting year is:

Position	Name   Nama	Jabatan
President Director	Garibaldi Thohir	Presiden direktur
Vice President Director	Christian Ariano Rachmat	Wakil Presiden Direktur
Director	Chia Ah Hoo	Direktur
Director	Mohammad Syah Indra Aman	Direktur
Director	Julius Aslan	Direktur

The board is also assisted by one chief financial officer, Lie Luckman, who was appointed on December 1, 2018. In managing AE's business activities, the Board of Directors has an important role and the authority to make decisions in the Company's interests, based on the objectives, purpose and principles of GCG. The Board of Directors also represents the Company both inside and outside the courts in accordance with the articles of association, the applicable laws and regulations, and the Board of Directors charter. The Board of Directors has the authority to form committees that support the Company's day-to-day operations.

Komite Audit AE terdiri dari tiga anggota: satu komisaris independen, yang bertindak sebagai Ketua, dan dua ahli, masing-masing untuk bidang ekonomi dan hukum. Sebagaimana diatur dalam Piagam Komite Audit AE, tugas dan tanggung jawab Komite Audit meliputi hal-hal berikut:

1. Kajian terhadap informasi keuangan AE;
2. Penunjukan auditor independen dan pengawasan terhadap kinerjanya ;
3. Efektivitas pengendalian internal;
4. Kepatuhan terhadap peraturan perundang-undangan;
5. Implementasi manajemen risiko; dan
6. Implementasi mekanisme penilaian mandiri Komite Audit.

Komite Audit AE telah memiliki piagam Komite Audit sejak tahun 2009, Piagam ini kemudian diubah pada tahun 2017 untuk menanggapi perkembangan perusahaan dan peraturan perundang-undangan.

Komite Nominasi dan Remunerasi fungsinya dijalankan oleh Dewan Komisaris perusahaan dengan tugas utama menentukan kompensasi atau gaji dan fasilitas lainnya bagi anggota Dewan Komisaris dan Direksi AE untuk setiap tahun fiskal, dengan mempertimbangkan kondisi keuangan perusahaan.

### Direksi

Direksi bertanggung jawab atas pengurusan perusahaan untuk memimpin aktivitas perusahaan untuk mencapai sasaran bisnis, menjalankan operasi sehari-hari perusahaan, menyusun kebijakan umum dan tujuan strategis, dan memastikan bahwa seluruh aktivitas selaras dengan visi dan misi perusahaan, prinsip-prinsip Tata Kelola Perusahaan, dan peraturan perundang-undangan. Walaupun masing-masing Direktur diberi wewenang untuk menentukan kebijakan di divisi terkait, pelaksanaan kebijakan tersebut tetap menjadi tanggung jawab bersama.

Susunan Direksi PT Adaro Energy Tbk pada Tahun Pelaporan adalah

Direksi juga dibantu oleh satu orang Chief Financial Officer, Lie Luckman, yang ditunjuk pada 1 Desember 2018. Dalam mengelola aktivitas bisnis AE, Direksi memiliki peran dan wewenang penting dalam membuat keputusan untuk kepentingan perusahaan, berdasarkan tujuan, sasaran dan prinsip-prinsip GCG. Direksi juga mewakili perusahaan di dalam maupun di luar pengadilan menurut Anggaran Dasar, peraturan perundang-undangan yang berlaku dan Piagam Direksi. Direksi juga berwenang membentuk komite yang mendukung aktivitas operasional sehari-hari perusahaan.

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The duties and responsibilities of each member of the Board of Directors are determined collectively by all its members and consist of a process to review, monitor and oversee the implementation of corporate strategies, internal control, organizational development, human resources and risk management. In carrying out its duties, the Board of Directors is supervised and instructed by the Board of Commissioners. Certain policies require approval from the Board of Commissioners or GMS.

#### **Performance Assessment of the Board of Commissioners**

The performance evaluation of the Board of Commissioners is conducted independently as an instrument to assess its performance during the previous year, with a high level of accountability. An assessment is conducted by every member of the Board to assess their performance collectively rather than individually. The members were given a questionnaire prepared by the Board of Commissioners with questions that cover a number of criteria as required by the applicable laws and regulations, such as:

1. The fulfilment of the criteria as a member of the Board of Commissioners;
2. GCG implementation;
3. The provision of concurrent position;
4. The duties and responsibilities of the Board of Commissioners; and
5. The Board of Commissioners Meeting.

No assessment criteria in the field of social and environmental matters were included in the self-assessment.

#### **Performance Assessment of the Board of Directors**

The assessment was conducted by every member of the Board of Directors to assess their performance collectively rather than individually.

Each member was given a questionnaire prepared by the Board of Directors with questions that cover a number of criteria as required by the applicable laws and regulations, such as:

1. The fulfilment of the criteria as a member of the Board of Directors;
2. GCG implementation;
3. The provision of concurrent position;
4. The duties and responsibilities of the Board of Directors; and
5. The Board of Directors Meeting.

However, given the number of specific tasks that need to be carried out, the directorate of certain directors performs specific functions and responsibilities, as follows:

- The Directorate of Finance and Marketing is responsible for decision-making in the economic field related to selling price.
- The Directorate of Operations through the Health, Safety and Environment Division is responsible for decision-making in the environmental field.
- The President Director through the Corporate Social Responsibility Division and Adaro Foundation pillar through the Adaro Bangun Negeri Foundation is responsible for the social field.

Tugas dan tanggung jawab setiap anggota Direksi ditentukan secara kolektif oleh seluruh anggota Direksi, yang terdiri dari proses untuk mengkaji, memantau dan mengawasi implementasi strategi perusahaan, pengendalian internal, pengembangan organisasi, sumber daya manusia, dan manajemen risiko. Dalam menjalankan tugasnya, Direksi mendapat supervisi dan arahan dari Dewan Komisaris. Kebijakan tertentu membutuhkan persetujuan Dewan Komisaris atau RUPS.

#### **Penilaian Kinerja Dewan Komisaris**

Pengukuran kinerja Dewan Komisaris dilakukan secara mandiri sebagai alat untuk menilai sendiri kinerja mereka pada tahun sebelumnya dengan tingkat akuntabilitas yang tinggi. Penilaian tersebut dilakukan oleh setiap anggota Dewan Komisaris untuk menilai kinerja mereka secara kolektif, bukan secara individual. Setiap anggota Dewan Komisaris diberikan kuesioner yang disiapkan oleh Dewan Komisaris, dengan pertanyaan-pertanyaan yang meliputi sejumlah kriteria yang dipersyaratkan peraturan perundang-undangan yang berlaku, misalnya:

1. Pemenuhan kriteria sebagai anggota Dewan Komisaris;
2. Implementasi GCG;
3. Ketentuan posisi ganda;
4. Tugas dan tanggung jawab Dewan Komisaris; dan
5. Rapat Dewan Komisaris.

Dalam penilaian mandiri yang dilaksanakan belum ada kriteria penilaian di bidang sosial dan lingkungan.

#### **Pengukuran Kinerja Direksi**

Penilaian Kinerja Direksi dilakukan secara mandiri, dengan setiap anggota Direksi untuk menilai kinerja mereka secara kolektif, bukan secara individual.

Setiap anggota Direksi diberikan kuesioner yang disiapkan oleh Direksi, dengan pertanyaan yang mencakup sejumlah kriteria sebagaimana yang dinyatakan dalam peraturan yang berlaku, misalnya:

1. pemenuhan kriteria sebagai anggota Direksi;
2. implementasi GCG;
3. ketentuan posisi ganda;
4. tugas dan tanggung jawab Direksi; dan
5. rapat Direksi.

Namun demikian, mengingat adanya tugas-tugas spesifik yang harus dijalankan, maka tiap-tiap Direktorat dari Direksi tertentu, menjalankan fungsi dan tanggung jawab yang spesifik, seperti berikut.

- Direktorat yang bertanggung jawab dalam pengambilan keputusan di bidang ekonomi adalah Direktorat Keuangan dan Direktorat Pemasaran terkait harga penjualan.
- Direktorat yang bertanggung jawab dalam pengambilan keputusan di bidang lingkungan adalah Direktorat Operasi melalui Divisi Health, Safety and Environment.
- Presiden Direktur bertanggung jawab dalam pengambilan keputusan di bidang sosial melalui Divisi Corporate Social Responsibility dan pilar Adaro Foundation melalui Yayasan Adaro Bangun Negeri.

## PREVENTION AND ERADICATION OF CORRUPTION AND FRAUD [205-2, 205-3]

AE is fully committed to continuously strengthen and enhance overall internal control of the Company in order to carry out detection, investigation, reporting, evaluation and action to prevent fraud and corruption.

In line with its corporate value of integrity, all personnel in Adaro Group are obliged to prevent insider trading, corruption and fraud. This obligation is included in AE's code of conduct and the charters of the Board of Commissioners and Board of Directors.

AE does not have a formal whistleblowing mechanism yet. While AE's formal whistleblowing mechanism is still being finalized, all employees are expected to proactively file a report to their direct supervisor in the event that they find any case of fraud or violation of the company's business ethics, regulations, articles of association, laws or confidential information.

AE has not carried out anti-corruption training during the reporting year or the previous year. However, through the existing mechanism, the Company has not recorded any cases of fraud or corruption [205-3]

## VALUES, CODE OF CONDUCT AND INTEGRITY [102-16]

Adaro's corporate values are included in the IMORE tagline, which consists of:

### 1. Integrity:

1. Protect the Company assets from misuse, theft, and unauthorized use
2. Prioritize the Company's interests over personal interests
3. Only provide factual data and information

### 2. Meritocracy:

1. Compete fairly and ethically by building competence and delivering the best performance
2. Support subordinates' growth by giving equal opportunity
3. Appraise subordinates' performance objectively

### 3. Openness:

1. Dare to express different opinions in the best interest of the company
2. Dare to admit mistakes and wrongdoings
3. Open to constructive feedback from others

### 4. Respect:

1. Demonstrate good manners and avoid using offensive language
2. Treat everyone with respect and appreciate differences
3. Show respect to others by listening to them attentively

## PENCEGAHAN DAN PEMBERANTASAN KORUPSI dan FRAUD [205-2, 205-3]

AE berkomitmen penuh untuk senantiasa melengkapi dan menyempurnakan penyelenggaraan pengendalian internal Perseroan secara keseluruhan dan berkesinambungan guna melakukan deteksi, investigasi, pelaporan dan evaluasi serta penindakan untuk mencegah terjadinya tindak pidana *Fraud* maupun korupsi.

Sejalan dengan salah satu nilai perusahaan yaitu "Integrity", seluruh personil dalam Grup Adaro diwajibkan untuk mencegah terjadinya transaksi orang dalam, korupsi dan kecurangan. Kewajiban ini telah dituangkan ke dalam Kode Etik AE dan Piagam Dewan Komisaris dan Direksi.

AE belum memiliki mekanisme pelaporan pelanggaran, sementara mekanisme pelaporan pelanggaran AE sedang difinalisasi, seluruh karyawan diminta untuk secara proaktif melaporkan kepada atasan langsung mereka jika menemukan kecurangan atau pelanggaran terhadap etika bisnis, peraturan perusahaan, Anggaran Dasar, Undang-Undang atau informasi yang bersifat rahasia.

AE juga belum pernah melaksanakan pelatihan anti korupsi selama tahun pelaporan maupun tahun sebelumnya. Namun demikian melalui mekanisme yang tersedia, Perseroan tidak pernah mencatatkan adanya kasus *Fraud* ataupun *Korupsi*. [205-3]

## TATA NILAI , KODE ETIK, DAN INTEGRITAS [102-16]

Nilai-Nilai Perusahaan Adaro dituangkan dalam tagline IMORE, yang terdiri dari:

### 1. Integrity:

1. Melindungi aset perusahaan dari penyalahgunaan, pencurian, dan penggunaan yang tidak sah
2. Memprioritaskan kepentingan perusahaan diatas kepentingan pribadi
3. Hanya memberikan data dan informasi yang berdasarkan fakta

### 2. Meritocracy:

1. Bersaing dengan adil dan beretika dengan membangun kompetensi dan memberikan kinerja yang terbaik
2. Mendukung pengembangan bawahan dengan memberikan peluang yang sama
3. Menilai kinerja bawahan secara objektif

### 3. Openness:

1. Berani menyampaikan pendapat yang berbeda demi kepentingan perusahaan
2. Berani mengakui kesalahan
3. Terbuka terhadap masukan yang membangun dari orang lain

### 4. Respect:

1. Berperilaku baik terhadap orang lain dan menghindari penggunaan bahasa yang kasar
2. Memperlakukan semua orang dengan rasa hormat dengan menghargai perbedaan yang ada
3. Menunjukkan rasa hormat kepada orang lain dengan mendengarkan mereka dengan penuh perhatian

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#### 5. Excellence:

1. Execute PDCA (Plan, Do, Check, Action) consistently to achieve the Company's objectives
2. Make the best effort to achieve the optimal balance between quality and efficiency
3. Strive to exceed customer expectations

These corporate values were introduced in 2013. The internalization process of the corporate values is implemented sustainably and integrated with all Adaro Group's subsidiaries through various events and activities. The purpose of the internalization process is to ensure that every employee can comprehend and behave in accordance with the Company values in order that the values form an essential part of the corporate culture, which supports the improvement of the Company's performance.

AE has issued an official code of conduct applicable to the Board of Commissioners, the Board of Directors, supporting organs, top management and to all employees without exception. This code of conduct is presented on AE's website [www.adaro.com](http://www.adaro.com).

#### Code of Conduct

The code of conduct sets forth the principles and behaviours that must be upheld when interacting with stakeholders in a fair and balanced manner. This guideline covers:

1. Adaro's Values;
2. How the Company and every individual within the Company must comply with the applicable laws and regulations as well as GCG principles;
3. How every individual within the company must interact with various stakeholders, including shareholders, customers, suppliers, communities, creditors, and other employees.

The Company promulgated its code of conduct in September 2018 in an event which was attended by the executives in charge ("EIC") of the Company's subsidiaries. Thereafter the EIC will continue to disseminate its code of conduct to all Adaro Group employees.

Since the corporate values were introduced as criteria for employees' performance evaluation, non-compliance or violation of the corporate values receives a *demerit point* or point deducted.

This policy has proved successful: throughout 2019 there has been no case of violation of code of conduct. If such a violation should occur, the violator will be sanctioned in accordance with the degree of seriousness of the violation, whilst their performance assessment rating will be reduced, as indicated above.

#### 5. Excellence:

1. Melaksanakan PDCA secara konsisten demi mencapai tujuan perusahaan
2. Memberikan upaya yang terbaik untuk mencapai keseimbangan yang optimal antara kualitas dan efisiensi
3. Berusaha semaksimal mungkin untuk melampaui harapan pelanggan

Nilai-nilai perusahaan ini diperkenalkan pada tahun 2013. Proses internalisasi terhadap nilai-nilai perusahaan dilaksanakan secara berkesinambungan dan terintegrasi dengan seluruh anak perusahaan di bawah Grup Adaro melalui berbagai kegiatan dan aktivitas. Tujuan dari proses internalisasi adalah agar setiap karyawan dapat menghayati dan berperilaku sesuai dengan nilai-nilai yang telah ditentukan sehingga pada akhirnya dapat menjadi budaya perusahaan yang mendukung peningkatan kinerja perusahaan.

AE mengesahkan Kode Etik resminya yang diberlakukan terhadap Dewan Komisaris, Direksi, organ pendukung, manajemen puncak, dan seluruh karyawan tanpa terkecuali. Kode Etik ini ditampilkan pada situs AE [www.adaro.com](http://www.adaro.com).

#### Kode Etik

Kode Etik Perusahaan mengatur prinsip-prinsip dan perilaku yang harus diterapkan dalam berinteraksi dengan pemangku kepentingan dengan cara yang adil dan seimbang. Panduan ini meliputi:

1. nilai-nilai Adaro;
2. bagaimana perusahaan dan setiap individu di dalamnya harus mematuhi undang-undang dan peraturan yang berlaku serta prinsip-prinsip GCG;
3. bagaimana setiap individu di dalam perusahaan harus berinteraksi dengan berbagai pemangku kepentingan, termasuk pemegang saham, pelanggan, pemasok, masyarakat, kreditur, dan sesama karyawan;

Perusahaan telah mensosialisasikan Kode Etik ini pada bulan September 2018, yang dihadiri oleh Executives in Charge ("EIC") anak-anak perusahaannya. Setelah sosialisasi tersebut, para EIC akan senantiasa menyebarkan Kode Etik ini kepada seluruh karyawan di Grup Adaro.

Sejak nilai-nilai perusahaan diperkenalkan di Grup Adaro, dalam setiap evaluasi kinerja karyawan ketidakpatuhan atau pelanggaran terhadap nilai-nilai perusahaan menjadi *demerit point* atau poin pengurang.

Oleh karena kebijakan ini, hampir setiap tahun tidak terdapat pelanggaran terhadap kode etik. Demikian pula, selama tahun 2019 tidak ada kasus pelanggaran kode etik yang terjadi. Jika terdapat pelanggaran, maka mereka yang melanggar akan dijatuhi sanksi sesuai dengan tingkat pelanggaran, sementara rating penilaian kinerjanya dikurangi.

## RISK MANAGEMENT SYSTEM [102-11]

AE has implemented risk management since 2014 through its risk management policy established by the Committee of Sponsors of Adaro's Enterprise Risk Management (ERM). This policy is applied in AE and business units. The risk management unit (RMU) reports directly to the Committee of Sponsors of the ERM at corporate level and assigns risk champions from mining, logistics, services, power, land and water who report to the Committee of Sponsors of the ERM at industry group level.

Risk management, the role of which is to define objectives, assess risks, formulate mitigation and synchronize plans, is implemented by the subsidiaries and coordinated by each risk champion.

As of December 2019, the Adaro Group had a total of 132 risk champions spread throughout its subsidiaries. Each subsidiary and division have had at least two risk champions who have attended two-day Enterprise Risk Management training. They are responsible for facilitating the risk assessment process, for aligning risk profiles with annual plans and budgets, and for raising matters in the relevant management meetings. These activities are to ensure that the key risks in their respective organization are mitigated, in addition to evaluating the effectiveness of the mitigation that is implemented.

In order to evaluate the effectiveness of the implementation of the risk management, semi-annually the RMU will aggregate and consolidate the risk profile delivered from all business units and conduct risk assessment at corporate level with AE's Board of Directors.

### Roles and Responsibilities of Risk Management

Risk management in Adaro Group is the role and responsibility of all functions and levels in the Adaro Group, including the Board of Commissioners and the Board of Directors of PT Adaro Energy Tbk, the Board of Directors of business units, division heads of business units and corporate functions, the ERM, the RMU, risk champions, Internal Audit, Corporate Planning and all employees of the Adaro Group.

The Adaro Group adopts the three lines of defense approach, with an emphasis on the first line of defense i.e. risk owners/process/kpi, which needs to be strong and implemented. The second line of defense, i.e. the RMU along with other corporate functions, will support the first line of defense. The function of the third line of defense is assurance granting, comprising of Internal Audit and External Audit (only for the financial statements of Adaro Group).

## SISTEM MANAJEMEN RISIKO [102-11]

AE telah mengimplementasikan manajemen risiko sejak tahun 2014, seiring dengan ditetapkannya Kebijakan Manajemen Risiko oleh Komite Sponsor Enterprise Risk Management (ERM) Adaro. Kebijakan ini ditetapkan untuk diterapkan di AE dan unit bisnis. Berdasar kebijakan ini, maka dibentuklah Risk Management Unit (RMU) yang melapor langsung kepada Komite Sponsor ERM di tingkat korporasi dan penugasan Risk Champion pada tingkat kelompok industri (seperti mining, logistic, services, power, land dan water) yang melapor kepada Komite Sponsor ERM tingkat kelompok industri.

Pelaksanaan Manajemen risiko mulai dari penetapan tujuan, penilaian risiko, perumusan mitigasi dan penyetaraan perencanaan, dilakukan oleh setiap unit bisnis dan dikoordinasikan oleh masing-masing Risk Champion.

Sampai dengan Desember 2019, Grup Adaro telah memiliki 132 Risk Champion tersebar di seluruh unit bisnis. Setiap unit bisnis dan divisi memiliki sedikitnya dua Risk Champion yang telah menjalani pelatihan Enterprise Risk Management selama 2 hari. Mereka bertanggung jawab memfasilitasi proses penilaian risiko, menyelaraskan profil risiko dengan rencana dan anggaran tahunan, mendiskusikan dalam pertemuan rutin manajemen untuk memastikan adanya mitigasi atas risiko-risiko utama di masing-masing organisasinya serta mengevaluasi efektivitas tindakan mitigasi yang dilakukan.

Untuk mengevaluasi efektivitas pengelolaan risiko yang dijalankan, RMU dalam 2x/tahun akan meng-agregasi dan mengkonsolidasi Risk Profile yang disampaikan dari seluruh unit bisnis dan melakukan asesmen risiko di tingkat korporat dengan BOD AE.

### Peran dan Tanggung Jawab Manajemen Risiko

Peran dan tanggung jawab manajemen risiko di Grup Adaro dilaksanakan oleh seluruh fungsi dan level dalam Grup Adaro, mulai dari Dewan Komisaris dan Direksi PT Adaro Energy Tbk, Direksi unit bisnis, Kepala Divisi unit bisnis dan Fungsi Korporasi, Komite Sponsor ERM, Risk Management Unit, Risk Champion, Internal Audit, Corporate Planning dan semua karyawan Grup Adaro.

Grup Adaro mengadopsi pendekatan three lines of defense dengan penekanan lini pertahanan pertama yaitu pemilik risiko/proses/kpi, dimana lini pertahanan ini perlu dibangun dan dilaksanakan dengan sangat kuat. Lini pertahanan kedua termasuk Risk Management Unit berikut fungsi-fungsi korporat lainnya akan mendukung pertahanan lini pertama. Sedangkan lini pertahanan ketiga berfungsi untuk pemberian assurance yaitu internal audit dan eksternal audit (hanya untuk laporan keuangan Grup Adaro).

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## Adaro's Three Lines of Defense Tiga Lini Pertahanan di Adaro

Risk  
Risiko

### 1<sup>st</sup>: Business Unit (Risk Owner) | Unit Bisnis (Pemilik Risiko)

Main responsibility for identifying and managing risk lies with line management and staffs  
Tanggung jawab utama untuk mengidentifikasi dan mengelola risiko terletak pada manajemen lini dan staf

### 2<sup>nd</sup>: Risk Management - HSE Compliance - Legal Compliance Manajemen Risiko - Kepatuhan K3LH - Kepatuhan Hukum

The Risk Management Unit supports management in their role by providing guidance, assistance, advice, and insight as needed  
Risk Management Unit mendukung manajemen dalam peran mereka dengan memberikan panduan, bantuan, saran, dan wawasan sebagaimana diperlukan

### 3<sup>rd</sup>: Internal Audit | Audit Internal

Internal Audit and other assurance providers (for example External Audit) conduct independent reviews of the effectiveness of controls and treat risks to mitigate risks  
Internal Audit dan penyedia asuransi lainnya (misalnya External Audit) melakukan tinjauan independen terhadap efektivitas pengendalian dan perlakukan risiko untuk memitigasi risiko

#### Preventive Approach or Principle [102-11]

AE established a crisis management policy in 2015 with the aim of ensuring that all business units in the Adaro Group are sufficiently prepared to face crises (events that have a catastrophic impact on the survival of the business) and have the capacity to continue to operate as they did prior to the crisis event.

The crisis management team (CMT) has identified 3 (three) major events that may have catastrophic impacts on the Adaro Group's business activities. CMT, which was formed in 2015, has also prepared an optimum planning program to handle catastrophic events. The CMT has prepared a crisis management plan for all Company business units and a drill program for the next 5 (five) years. The drill will be conducted regularly to improve the Company's readiness to deal with any crisis situation.

Crisis Management Building Block acts as a guideline and a comprehensive approach to how the business unit in Adaro formulates a crisis management plan (CMP)

#### Pendekatan Atau Prinsip Pencegahan [102-11]

AE juga telah menetapkan Kebijakan Crisis Management pada tahun 2015 yang bertujuan untuk memastikan semua unit bisnis dalam Grup Adaro memiliki kesiapsiagaan yang memadai untuk menghadapi peristiwa krisis (peristiwa yang berdampak katastrofik kepada kelangsungan bisnis) dan memiliki kemampuan untuk melanjutkan operasi sebagaimana keadaan sebelum krisis.

Crisis Management Team (CMT) Adaro telah mengidentifikasi 3 (tiga) peristiwa utama yang dapat berdampak katastrofik kepada kegiatan bisnis di Grup Adaro. CMT yang dibentuk di tahun 2015 telah menyiapkan program perencanaan yang optimal untuk menghadapi situasi katastrofik tersebut di atas. CMT Adaro di semua unit bisnis telah membuat program Rencana Penanganan Krisis dan drill untuk 5 (lima) tahun ke depan dan melakukan drill yang berkelanjutan setiap tahunnya guna selalu meningkatkan kesiapan dalam menghadapi setiap ancaman krisis.

Crisis Management Building Block dibuat sebagai panduan dan pendekatan komprehensif mengenai bagaimana unit bisnis di Adaro menyusun Crisis Management Plan (CMP)



Management Commitment and Leadership  
Komitmen dan Kepemimpinan Manajemen

Crisis Management Standar - developed by CMT AE  
Standar Manajemen Krisis- dikembangkan oleh CMT AE

Crisis Management Plan - developed by CMT SBUs referring Crisis Management Standard  
Crisis Management Plan - dikembangkan oleh CMT anak perusahaan, mengacu pada Standar Manajemen Krisis

Developed by Corporate Communication AE  
Dikembangkan oleh Corporate Communication AE

**MEMBERSHIP IN ASSOCIATIONS AND COMMITMENT IN EXTERNAL INITIATIVES [102-12, 102-13]**

AE actively adopts several external initiatives as a response to recent developments, such as actively supporting the achievement of various goals of the global scale sustainable development concept in the sustainable development goals (SDGs).

The Company is therefore actively involved in cooperation with various global institutions and associations, either as members or as partners of cooperation, as seen in the following table:

**KEANGGOTAAN PADA ASOSIASI SEJENIS DAN KOMITMEN PRAKARSA EKSTERNAL [102-12, 102-13]**

AE aktif mengadopsi beberapa prakarsa eksternal sebagai respons terhadap perkembangan terkini, seperti turut aktif mendukung pencapaian beragam tujuan konsep pembangunan berkelanjutan skala global dalam *Sustainable Development Goals* (SDGs).

Untuk itu, Perseroan aktif terlibat menjalin kerjasama dengan berbagai lembaga maupun asosiasi global terkait, baik sebagai anggota maupun sebagai mitra kerjasama, sebagaimana tampak pada tabel berikut:

Association/Initiative Name Nama Asosiasi/Inisiatif	Position Jabatan
Indonesian Issuers Association	Member
Indonesian Mining Services Association - ASPINDO	Member
Indonesian Coal Mining Association - ICMA Asosiasi Pertambangan Batubara Indonesia – APBI	Member
Indonesian Mining Association – IMA Asosiasi Pertambangan Indonesia – API	Member
The Indonesian Chamber of Commerce and Industry Kamar Dagang dan Industri Indonesia – KADIN	Member
Indonesia Global Compact Network	Member
Indonesian Philanthropy Association Perhimpunan Filantropi Indonesia	Member

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## STAKEHOLDERS MANAGEMENT

The sustainability of long-term business depends on success in fostering a harmonious relationship with all stakeholders. AE has therefore carefully identified the stakeholder groups that have a significant impact on business sustainability and strives to meet their expectations in accordance with the available resources.

These stakeholders are shareholders and investors, customers, employees, communities, partners/suppliers, Government/regulators, and community leaders/local officials.

Based on the results of the mapping of impact, influence and identification of stakeholder groups, the following table is a summary of the management of relationships with the aforementioned stakeholders, conducted by AE.

### Summary of Stakeholder Management

[102-40, 102-42, 102-43, 102-44]

List of Stakeholders Daftar Pemangku Kepentingan [102-40]	Appointment/ Identification Basis Basis Penetapan/ Identifikasi [102-42]	Topics/Problems that Arise Topik/Masalah yang Muncul [102-44]	Methods of Engagement & Frequency Metode Pelibatan & Frekuensi [102-43]	Functions of the Highest Governance Management Fungsi Manajemen Tata Kelola Tertinggi
Shareholders and Investors Pemegang Saham dan Investor	Dependence, Influence and Responsibility Ketergantungan, Pengaruh, dan Tanggung Jawab	<ul style="list-style-type: none"> <li>Organizational Governance</li> <li>Economic performance achievement</li> <li>Tata Kelola Organisasi</li> <li>Pencapaian kinerja ekonomi</li> </ul>	<ul style="list-style-type: none"> <li>Provide information on AE's achievements through GMS, quarterly reports and annual report.</li> <li>Direct communication and analysis in order to ensure the delivery of material information.</li> <li>According to needs</li> <li>Menyediakan informasi pencapaian AE melalui RUPS, Laporan Quartalan dan penerbitan Laporan Tahunan.</li> <li>Komunikasi langsung maupun melalui analisis guna memastikan penyampaian informasi material.</li> <li>Sesuai Kebutuhan</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Secretary</li> <li>Investor Relations</li> <li>Sekretaris Perusahaan</li> <li>Hubungan Investor</li> </ul>
Customers Pelanggan	Dependence Responsibility Influence Ketergantungan Tanggung Jawab Pengaruh	<ul style="list-style-type: none"> <li>Customer protection</li> <li>Sustainable relationship</li> <li>Perlindungan nasabah</li> <li>Hubungan berkelanjutan</li> </ul>	<ul style="list-style-type: none"> <li>Provision of products and services in accordance with applicable regulations.</li> <li>Timely, adequate, clear and accurate provision of information on products and services</li> <li>Development of highquality services for customer satisfaction.</li> <li>Advertising and media promotion</li> <li>According to needs</li> <li>Penyediaan produk dan jasa sesuai peraturan yang berlaku.</li> <li>Pemberian informasi produk dan jasa dengan tepat waktu, memadai, jelas dan akurat.</li> <li>Pengembangan layanan berkualitas prima demi kepuasan nasabah.</li> <li>Iklan dan media promosi</li> <li>Sesuai kebutuhan</li> </ul>	<ul style="list-style-type: none"> <li>Line of Business</li> <li>Corporate Secretary</li> <li>Marketing</li> <li>Bidang Usaha</li> <li>Sekretaris Perusahaan</li> <li>Pemasaran</li> </ul>

## MANAJEMEN PEMANGKU KEPENTINGAN

Keberlanjutan usaha jangka panjang bergantung pada keberhasilan dalam membina hubungan harmonis dengan seluruh pemangku kepentingan. Untuk itu, AE telah mengidentifikasi dengan seksama grup pemangku kepentingan yang berpengaruh signifikan terhadap keberlangsungan usaha serta berupaya memenuhi harapannya sesuai dengan sumber daya yang tersedia.

Para pemangku kepentingan tersebut adalah: pemegang saham dan investor, pelanggan, karyawan, komunitas, mitra kerja/pemasok, Pemerintah/Regulator, tokoh masyarakat/pejabat setempat.

Sesuai hasil pemetaan dampak, pengaruh, dan identifikasi kelompok pemangku kepentingan, berikut adalah tabel ringkasan pengelolaan hubungan dengan para pemangku kepentingan dimaksud, yang dilakukan oleh AE.

### Ringkasan Pengelolaan Pemangku Kepentingan

[102-40, 102-42, 102-43, 102-44]

List of Stakeholders Daftar Pemangku Kepentingan [102-40]	Appointment/ Identification Basis Basis Penetapan/ Identifikasi [102-42]	Topics/Problems that Arise Topik/Masalah yang Muncul [102-44]	Methods of Engagement & Frequency Metode Pelibatan & Frekuensi [102-43]	Functions of the Highest Governance Management Fungsi Manajemen Tata Kelola Tertinggi
Employees Pegawai	Dependence Responsibility Concern Influence Geographical Proximity Ketergantungan Tanggung Jawab Perhatian Pengaruh Kedekatan Geografis	<ul style="list-style-type: none"> <li>• Employment relationship</li> <li>• Protection and working conditions</li> <li>• Competition development</li> <li>• Career development and self-actualization</li> <li>• Hubungan ketenagakerjaan</li> <li>• Perlindungan dan kondisi kerja</li> <li>• Pengembangan kompetensi</li> <li>• Pengembangan Karir dan aktualisasi diri</li> </ul>	<ul style="list-style-type: none"> <li>• Objective, transparent, fair and equal management of the Company's personnel</li> <li>• Constructing a conducive working environment to optimize productivity.</li> <li>• Career development talent management system and assessment center.</li> <li>• Meetings in accordance with needs</li> <li>• Pengelolaan insan Perseroan secara objektif, transparan, adil dan setara.</li> <li>• Membangun lingkungan kerja kondusif demi optimalisasi produktivitas.</li> <li>• Pengembangan karir talent management system, dan assessment center.</li> <li>• Pertemuan sesuai kebutuhan</li> </ul>	Human Resources Sumber Daya Manusia
Communities Komunitas	Dependence Responsibility Difference of Opinions Influence Geographical Proximity Ketergantungan Tanggung Jawab Perbedaan Pendapat Pengaruh Kedekatan Geografis	<ul style="list-style-type: none"> <li>• Education and culture</li> <li>• Technology and infrastructure access</li> <li>• Welfare and income</li> <li>• Pendidikan dan budaya</li> <li>• Teknologi dan akses infrastruktur</li> <li>• Kesejahteraan dan pendapatan</li> </ul>	<ul style="list-style-type: none"> <li>• Intensifying involvement in community activities with a program that covers the fields of: education, empowerment, culture and religion, humanity and the environment.</li> <li>• Meetings in accordance with needs</li> <li>• Intensifikasi keterlibatan dalam kegiatan komunitas dengan program yang men- cakup bidang: pendidikan, pemberdayaan, budaya dan agama, kemanusiaan serta lingkungan.</li> <li>• Pertemuan sesuai kebutuhan</li> </ul>	Corporate Secretary Sekretaris Perusahaan Sumber Daya Manusia
Partners/ Suppliers Mitra Kerja/ Pemasok	Dependence Responsibility Difference in Interests Influence Ketergantungan Tanggung Jawab Perbedaan Kepentingan Pengaruh	<ul style="list-style-type: none"> <li>• Sustainable relationship</li> <li>• Economy Fairness</li> <li>• Hubungan berkelanjutan</li> <li>• Ekonomi Fairness</li> </ul>	<ul style="list-style-type: none"> <li>• Clear terms of cooperation</li> <li>• Transparent performance assessment</li> <li>• Regular assessment.</li> <li>• Meetings in accordance with needs</li> <li>• Syarat kerja sama yang jelas</li> <li>• Penilaian kinerja yang transparan</li> <li>• Penilaian rutin.</li> <li>• Pertemuan sesuai kebutuhan.</li> </ul>	Procurement Pengadaan
Government Pemerintah	Dependence Responsibility Difference of Opinions Influence Geographical Proximity Ketergantungan Tanggung Jawab Perbedaan Pendapat Pengaruh Kedekatan Geografis	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Commitment to the Company's regulations</li> <li>• Clear, accurate, comprehensive and timely communication and reporting</li> <li>• Kepatuhan terhadap peraturan perundang-undangan</li> <li>• Komitmen terhadap regulasi perPerseroan</li> <li>• Komunikasi dan pelaporan yang jelas, akurat, komprehensif, dan tepat waktu</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement of the current GCG manual.</li> <li>• The implementation of GCG principles throughout the work units.</li> <li>• Periodical meetings to discuss the level of the Company's health</li> <li>• Penyempurnaan Manual GCG terkini.</li> <li>• Implementasi prinsip GCG diseluruh unit kerja.</li> <li>• Pertemuan berkala untuk membahas tingkat Kesehatan Perseroan</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Management Group</li> <li>• Internal Audit</li> <li>• Corporate Secretary</li> <li>• Kelompok Manajemen Risiko</li> <li>• Audit Internal</li> <li>• Sekretaris Perusahaan</li> </ul>
Community leaders/ Local Officials Tokoh Masyarakat/ Pejabat setempat	Dependence Responsibility Difference of Opinions Influence Ketergantungan Tanggung Jawab Perbedaan Pendapat Pengaruh	<ul style="list-style-type: none"> <li>• Business development</li> <li>• Progress of local area</li> <li>• Pengembangan usaha</li> <li>• Kemajuan daerah setempat</li> </ul>	<ul style="list-style-type: none"> <li>• Direct visits</li> <li>• Official meetings and development planning discussion (Musrenbang)</li> <li>• Periodical meetings in accordance with needs</li> <li>• Kunjungan langsung</li> <li>• Pertemuan resmi dan Musrenbang</li> <li>• Pertemuan berkala sesuai kebutuhan</li> </ul>	<ul style="list-style-type: none"> <li>• Line of Business</li> <li>• Corporate Secretary</li> <li>• External Relations</li> <li>• Bidang Usaha</li> <li>• Sekretaris Perusahaan</li> <li>• Hubungan Eksternal</li> </ul>

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