



**AGINCOURT**  
RESOURCES  
MEMBER OF ASTRA



# Unity in Diversity

2019  
Sustainability Report



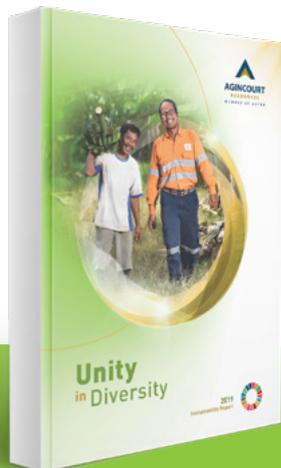


Sri Dewi, a member of Karya Mulia Bakti cooperative, is harvesting the local dent corn in Aek Sirara Hamlet.

Diversity represents the power of PT Agincourt Resources (PTAR) to build togetherness as a key to achieving unity. Being located in an area with diverse backgrounds and cultures, PTAR's existence embraces this diversity within a societal framework.

We empower diversity, especially by providing training to local communities and women to achieve equal employment opportunities. At present, 74% of PTAR's workers are from the surrounding area, namely South Tapanuli, Padangsidempuan, Central Tapanuli, and Sibolga, and 7% of them have succeeded in achieving senior manager and higher positions. As many as 13% of our suppliers are from the 15 villages surrounding the operational area. 27% of our workers are women and 28% of the Management Team are woman.

We believe this diversity is the foundation for us to grow and create value for our stakeholders through safe, efficient and responsible business performance. This value creation builds on economic aspects, as well as environmental, social, and governance aspects too.



Suyadi, a banana farmer whose farm is developed under PTAR's Agriculture Development Program, harvesting Pisang Barangan with Broto Suwarso (Community Development Department).

# 2019 ◀

## Unity in Diversity

# Continuity of the Theme



## 2018

### CONTINUOUS IMPROVEMENT FOR FUTURE GROWTH

Since 2013, the Company has implemented its continuous improvement process called the Martabe Improvement Program (MIP). The program has been very successful over the years, primarily measured by increased production and reduced unit costs. During this period we have increased our mill production from 3.6 million tonnes per year (280,000 ounces of gold) to 5.6 million tonnes per year (412,200 ounces of gold) and reduced All-in Sustaining Cost (AISC) from USD799 per ounce to USD367 per ounce, representing a 54% reduction. This remarkable outcome has been achieved without compromising other important operational outcomes such as safety and protection of the environment.

A more efficient operation provides a platform to identify further possible improvements in the business. We are well positioned to exploit these opportunities for future growth. The exploration program continues to be a strong and successful investment in discovering more gold. We are also commencing a pre-feasibility study on options to treat sulphide ore, effectively to increase the life of the mine.

Economic performance, alongside environmental and social, is one of the three pillars of sustainable development. The improvements in efficiency delivered by the Martabe Improvement Program (MIP) directly support sustainable development by maximising resource utilization and extending mine life, and will provide greater benefits over additional years for all key stakeholders, including investors, employees, government and local communities.

## 2017

### DELIVERING GROWTH

Since before commencement of operations at the Martabe Gold Mine, the Company has maintained a very active exploration program, targeting the discovery of additional Ore Reserves close to the mine. By international industry standards, this program has been remarkably successful. By the close of 2017, 43.1 million tonnes had been added to Martabe's Ore Reserves since operations commenced, an increase of 48% and equivalent to nearly eight additional years of production.

This ongoing growth in reserves will deliver greater benefits over a longer period of time for all our key stakeholders, including investors, employees, government and local communities. The potential for further significant discoveries remains high due to the size of the mineralised system and the large remaining area left to be explored. PTAR is committed to maximising the potential of the Martabe Gold Mine in full alignment with the Company's core values, especially Growth, Excellence and Action.



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Salma Masti and Ardiansyah Marbun (Exploration Department) are conducting inspection and core checking at PMC Rig 719 Purnama Pit.

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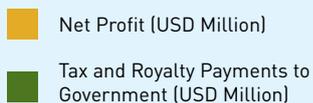
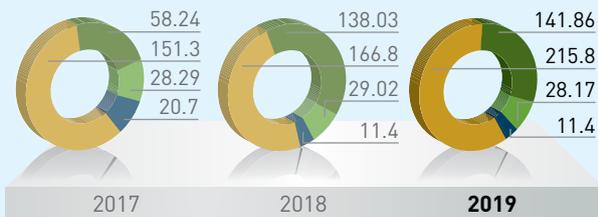
# Sustainability Performance Overview



## Operational Performance (Output)



## Economic Performance



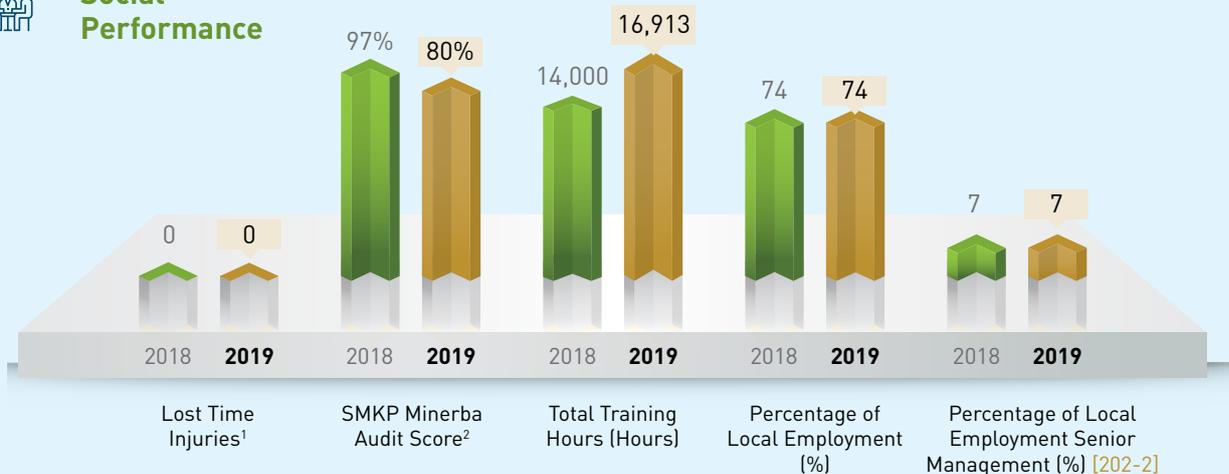
## Environmental Performance



\*1) Energy used data shown is PTAR's electricity usage. 2017 electricity usage is still generated with a 32MW generator. PTAR converted into electricity source provided by PLN starting from October 2017.



## Social Performance



1 Lost Time Injury Frequency Rate (per one million man-hours).

2 SMKP Minerba is the government standard for mine safety management systems.



*“We have maintained a very strong commitment to increase employment of local workers and developing their skills and experience. In 2019 our workforce employed 74% of people from the local area.”*



## Message from the Director [102-14]



### **Dear respected stakeholders,**

On behalf of the Board of Directors, I am pleased to introduce the seven-year journey of the 2019 PT Agincourt Resources (PTAR) Sustainability Report, which shows our Company’s commitment to sustainability. In this sustainability report, we begin to map our support for Sustainable Development Goals (SDGs). We support these SDGs in accordance with the company’s strategy in managing impacts from the economic, social and environmental aspects of the Martabe Gold Mine’s operation. I invite and encourage all stakeholders to read this report.

### **Environmental Performance**

The mining operations are situated in an area very close to natural flora and fauna. The mining activities cause impacts to the environment, and therefore the Company takes very seriously it’s responsibility and obligation to managing these impacts. PTAR is committed to comply with all laws and regulations



as required. We are committed to consistently maintaining the sustainability of the operations until planned mine closure in 2034 and the post-mining period up to 2037.

There were no significant environmental incidents during 2019. The high annual rainfall and steep topography in the Martabe mining area, combine to provide challenges to water management as a key component of our environmental management plan. We fully complied with all environmental requirements, including the treatment of water discharged into the Batangtoru River. Our environmental compliance with water discharge is monitored by an independent team consisting of stakeholder representatives to ensure that our water discharge process operates within the regulations.

### Social Performance

There is no operational outcome at Martabe Gold Mine more important than worker safety, and the Company's goal in this regard is the elimination of workplace accidents. There were no Lost Time Injuries (LTI) during 2019. This performance was achieved through the support of a robust Occupational Health and Safety (OHS) system, training program, and leadership accountability. This achievement is in line with the zero fatality and zero Lost Time Injury targets.

We also convey our commitment to work with, support and enhance communities surrounding the mining area as we grow together.



The company maintains a community development program by ensuring that local stakeholders continue to benefit directly from the existence of mining operations. The company provided USD1.09 million to support corporate social responsibility programs in health, education, infrastructure and economic development. The company also purchases goods and services from local vendors or contractors to the value of USD11.4 million.

We continue to lead a gender diversity program which creates more opportunities for women, and a workforce which practices respect and dignity for all employees. In 2019 our workforce at the Martabe Gold Mine consisted of 27% female. For PTAR employees, we achieved 25% female employees, while 28% of our management team (consisting of superintendent level and above) were female.

### Economic Performance

The economic performance of the Martabe Gold Mine was achieved from the strong operational performance. In 2019, PTAR milled 6.0 Mt of ore to produce 383koz of gold, while maintaining a low unit cost of USD450/ounce. This resulted in strong financial results for the year with recorded a net profit after tax (NPAT) of USD215.8 million. The financial results made a significant financial contribution to stakeholders, including to the government through tax and royalty payments of USD108.8 million.



▲ **USD215.8 million**

**Net profit after tax**



### Strategy to Achieve Targets

The Board is confident that the strategy for Company's growth will continue to achieve its targets. Our operational performance remains strong with clearly demonstrated year on year improvements. We have a strong and committed team capable of taking the business forward and our growth strategies are clearly oriented to achieve every future growth opportunity.

We express our gratitude and appreciation to our all stakeholders for their cooperation. We hope that the information we disclose in this report will meet the stakeholders' expectations.

Jakarta, April 2020

**Muliady Sutio**  
President Director



SUSTAINABILITY  
PERFORMANCE OVERVIEW



MESSAGE FROM  
THE DIRECTOR



COMPANY PROFILE



SUSTAINABILITY  
GOVERNANCE

Laydown area, at which Sopo Nauli (management centre) and some office buildings are located.



## Company Profile



PT Agincourt Resources (PTAR) is an Indonesian mining company engaged in mineral exploration and the mining and processing of gold and silver. The Company's sole operating site is the Martabe Gold Mine in Sumatra. Corporate functions are managed from a headquarters in Jakarta.

PTAR's majority shareholder (95%) is PT Danusa Tambang Nusantara, owned by PT United Tractors Tbk (60%) and PT Pamapersada Nusantara (40%). The remaining 5% of shares is owned by the Governments of South Tapanuli Regency and North Sumatra Province through ownership of PT Artha Nugraha Agung. During 2019, there were no significant changes in the Company's operational area, nor supply chain. [102-10]

**PT Agincourt Resources (PTAR) [102-1]****Legal Basis of Incorporation**

[102-5] [102-10]

Deed No. 281 dated 14 April 1997, made before Notary H.M. Afdal Gazali, SH. This Deed has been amended several times, the last being Deed No. 19, dated 26 November 2019, made before Moeliana Santoso, S.H., M.Kn., Notary at Tangerang Regency. The latest amendment was related to the change in ownership of PTAR by ASTRA since December 2018.

**Year of Establishment**

14 April 1997

**Business Activities**

[102-2]

Gold and Silver mining

**Shareholders [102-5]**

- PT Danusa Tambang Nusantara (95%)
- PT Artha Nugraha Agung (5%)

**Corporate Office [102-3]**

Pondok Indah Office Tower,  
Suite 1201  
Jl. Sultan Iskandar Muda  
Kav. V-TA Pondok Indah,  
Jakarta, 12310 Indonesia  
(t) +6221 8067 2000  
(f) +6221 7592 2818

**Operational Area [102-4]**

PTAR operates in one country. Specifically, the Martabe Gold Mine is located at Jl. Merdeka Barat Km 2.5 Kelurahan Aek Pining Kecamatan Batangtoru, Kabupaten Tapanuli Selatan, Sumatra Utara, Indonesia 22738



## Scale of Organization [102-7]

Description	Unit	> 2019	2018
Number of Operations	State	1	1
Number of Direct Employees		858	814
Number of Contractor Employees	People	2,448	1,833
Total Workforce		3,306	2,647
Gold Poured	Ounce	391,031	410,387
Silver Poured		2,340,707	2,895,380
Total Sales		560.9	574.2
Gold	Million USD	525	522
Silver		35	52
Total Capitalisation		575	579
Total Assets		767.4	709.8

## Business Process [102-2]

### Exploration

Exploration activities in the field are generally limited to small drill pads in addition to several camps for workers. Material movement to the drill pads is normally by helicopter, minimising disturbance due to ground travel. The pads are rehabilitated following completion of drilling.

### Mining

Mining activities in the field include clearing, surveying, drilling, blasting, grade control sampling, digging and trucking of waste rock and ore, ore stockpiling and pit dewatering. Waste rock from the pits is placed in the Tailings Storage Facility (TFS) embankment rather than in waste rock dumps as is done at most mines. Mining is conducted by a mining service contractor, currently, PT Macmahon Mining Services, utilising their own equipment.

### Processing

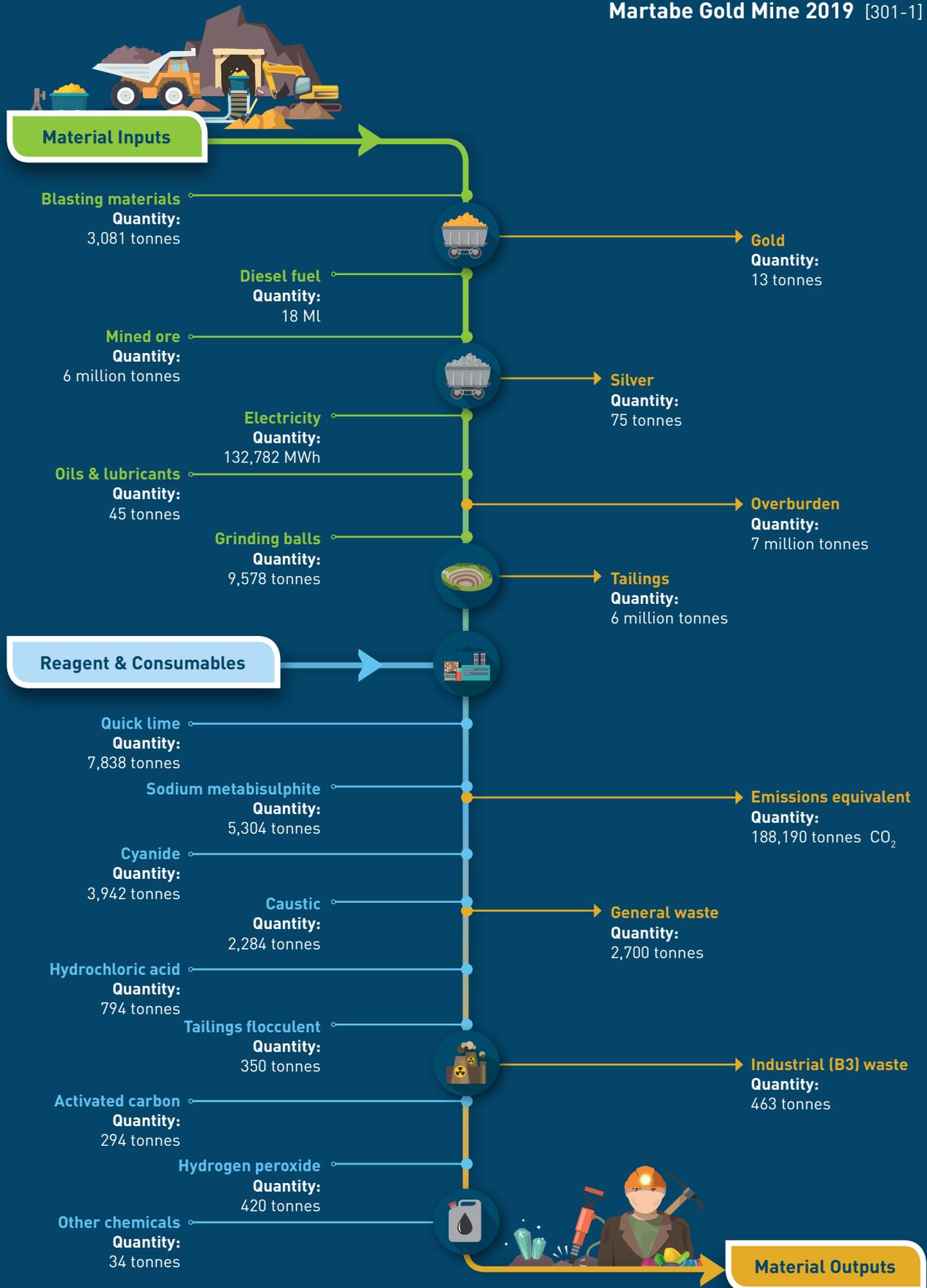
The process plant at the Martabe Gold Mine is a conventional Carbon-in-Leach (CIL) plant with a capacity in excess of 5.6 million tonnes of ore per annum. The plant operates continuously except for maintenance shutdowns.

Compared with some other methods of mineral processing, the process of gold and silver extraction from the ore is relatively simple with the main steps being: crushing, grinding, leaching, adsorption, recovery of gold and silver, and smelting to produce dore bullion bars ready for shipment.

Production at the Martabe Gold Mine requires utilisation of a wide range of inputs and yields a range of outputs in addition to gold and silver. All of these inputs and outputs require careful management across various activities such as transport, storage, handling, utilisation, collection, and disposal. The successful management of these activities without significant incident since commencement of operations reflects the systematic application of operational controls at the Martabe Gold Mine for risk mitigation.



### Key Material Inputs and Outputs Martabe Gold Mine 2019 [301-1]





## Supply Chain [102-9]

Numerous suppliers and service providers support the operation of Martabe Gold Mine. Important examples of work done for PTAR include:

- The transport of goods purchased nationally and internationally is managed by a logistics services contractor.
- Other major site contractors are involved in the provision of medical, laboratory, site security, camp administration and catering, geotechnical engineering and drilling services.
- The transport of bullion from site to a refinery in Jakarta and subsequent delivery of gold and silver to buyers is handled by a security contractor.
- Specialist advice and technical studies are provided by various consulting companies.
- Important contracts for the purchase of goods include those for bulk chemicals, grinding media, fuel, lubricants and spare parts.



### Local Suppliers

PTAR has four supplier categories, these are:

1. Local-local; suppliers from 15 Directly Affected Villages (DAVs).
2. Local; suppliers from South Tapanuli, Padangsidempuan, Central Tapanuli, and Sibolga.
3. National; suppliers from other areas within Indonesia.
4. International; suppliers from overseas.

Suppliers mentioned in this report specifically means suppliers from 15 DAVs.

PTAR also has a policy to support local suppliers through preferentially purchasing goods and services from local contractors subject to appropriate cost and quality criteria. At the end of 2019, the Company had 638 active suppliers, of which 471 or 74% are local and national.

## Market Served [102-2] [102-6]

PTAR is a mining company which operates exploration, mining, as well as gold and silver processing activities. Martabe Gold Mine, the main mining site, is located in North Sumatra. Martabe Gold Mine bullion is refined in Jakarta by a state-owned refinery and then exported by the Company and sold. Gold and silver are commodities, and as such the Company does not brand or advertise its product. Percent purity and physical form granules are the primary customer purchase specifications and therefore instances of out-of-specification products are extremely rare. The main customers are banks located in Singapore.

## National Association Membership [102-13]

Association	Role
Association of Indonesian Mining Professionals (PERHAPI) North Sumatra	Chairman
Indonesia Mining Association	Member



Roy Ginting, Fidelis Sidauruk, Slamet Riyanto, Tarida Nasution, and Bonni Simanjuntak from Mining Department at a preliminary weekly planning meeting for the week ahead.



## Sustainability Governance



*“We have a Steering Committee that has the task of coordinating and directing each function in paying attention to certain risk areas or operational opportunities.”*

The Board of Commissioners, as the highest governance body, delegates the authority to manage all economic, environmental, and social topics to the Board of Directors collectively. All directors have responsibilities in maintaining the economic, social and environmental performance delegating this performance to functional areas. The official responsible for decisions and impacts regarding economic, environmental, and social topics is the Vice President Director & Chief Executive Officer (CEO). The official reports regularly and are directly responsible to the highest governance body. [102-19] [102-20]



Several PTAR departments are also accountable for Company-level sustainability: Community Relations, Occupational Health and Safety, Environment, External Relations, and Training and Development. Employees in these departments comprised 18% of the entire Company workforce in 2019. To enhance the knowledge of those related officials, training is conducted on a regular basis. Throughout 2019, all of the Board of Commissioners of PTAR have participated in training activities to increase collective knowledge on economic, social, and environmental topics. The Board of Commissioners is the independent body which evaluates the performance of the Vice President Director & CEO in a regular meeting. The information of the regular meeting is disclosed in the PTAR's 2019 Annual Report page 94. The chair of the highest governance body is not an executive officer in PTAR. In accordance with regulations in Indonesia, the nomination and election process for Directors and Commissioners

is carried out by shareholders and determined through a General Meeting of Shareholders (GMS). [102-23] [102-24] [102-27] [102-28]

The due diligence process for managing the economic, environmental, and social topics is conducted by internal control and audited by the independent related parties depending on the topics under consideration. The economic performance is audited by an independent auditing firm, while for the social and environmental performance, the community, independent verifiers, and local government are involved in managing the impacts surrounding PTAR's location. The highest governance body does not directly engage in identifying economic, environmental, and social topics. [102-29]

To support our commitment to sustainable development, the Company conducts business at the corporate level and at all sites in accordance with the following guiding principles, including: [102-20]



PTAR's guiding principles ensure that conflicts of interest are avoided or at least well managed, including cross-board membership, cross-shareholding with suppliers and stakeholders, controlling shareholders, and related parties. [102-25]



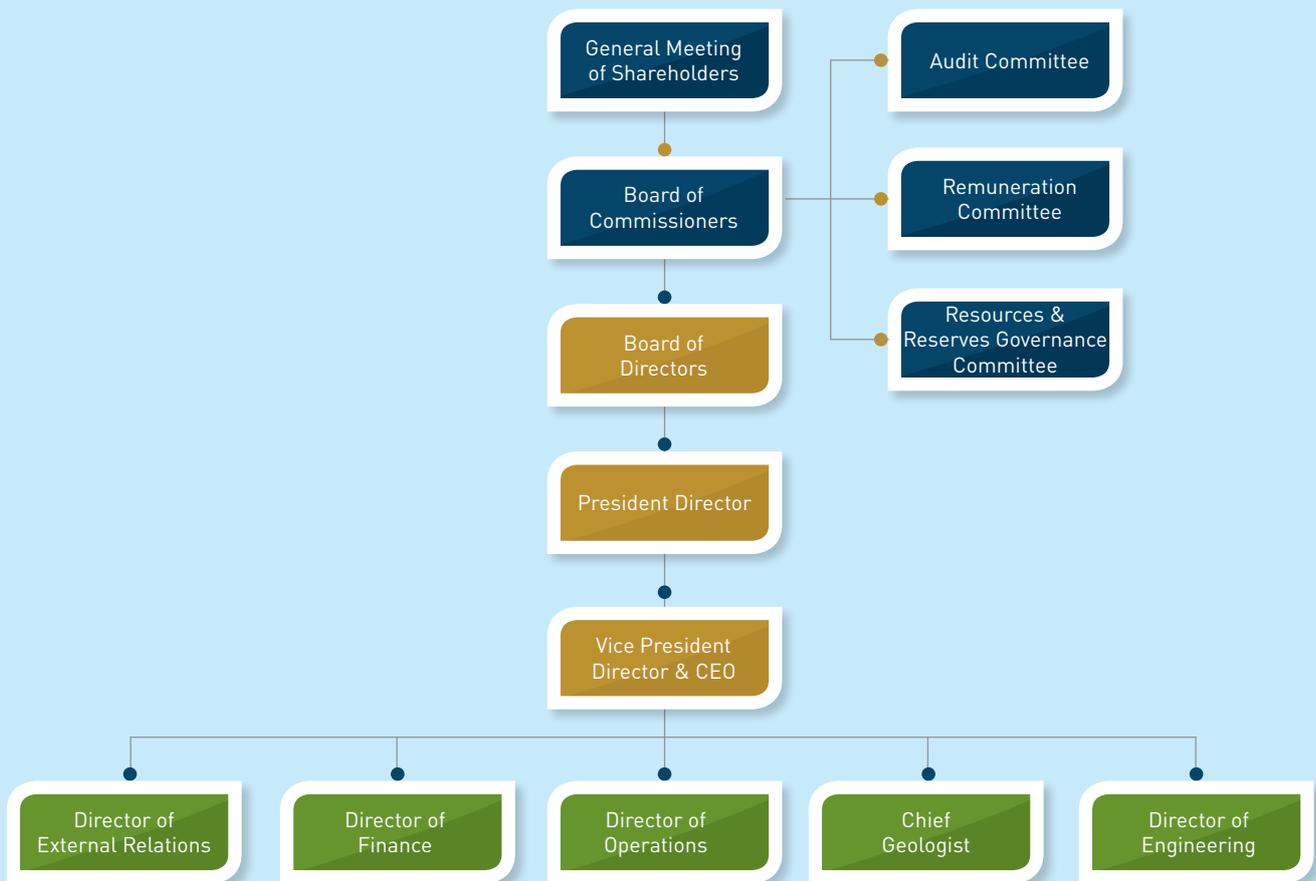
### Steering Committee [102-22]

Contributions from a range of technical specialists and team leaders across a number of departments are required to manage sustainability outcomes at the Martabe Gold Mine. A number of steering committees are therefore used to coordinate and direct efforts; each targeting a specific area of operational risk or opportunity. These include:

- Acid Mine Drainage Management Steering Committee
- Life of Mine Approvals Steering Committee
- Risk Management Committee Steering Committee
- Safety and Chief Mine Officer (KTT) Steering Committee
- Site Water Management Steering Committee
- Tailings Storage Facilities (TSF) Safety Committee

These committees are responsible to the Directors and are selected through a process determined by the highest governance body, considering diversity and expertise, as well as approval at the Annual General Meeting of Shareholders (AGMS).

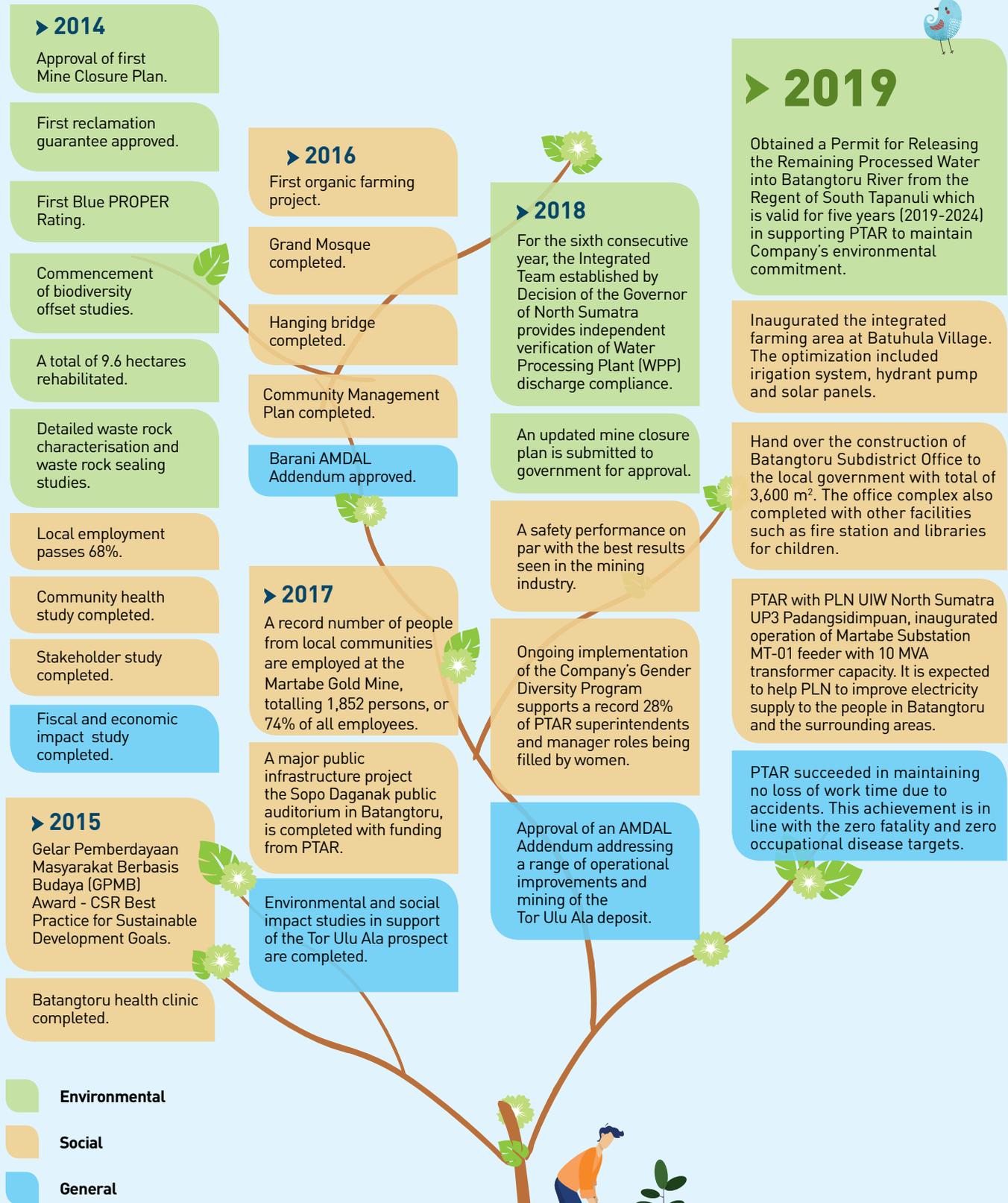
### Sustainability Governance Structure [102-18] [102-22]





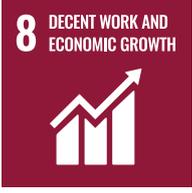
## Sustainability Roadmap and Milestones

We have a road map for sustainability and these are our milestones:





## Our Priority Support to Sustainable Development Goals (SDGs)

SDGs Priority	Key Action	Achievement
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> <li>Continual improvement of health and safety performance at our operations</li> <li>Continual improvement of environmental performance in reducing pollution</li> <li>Contribution to community health</li> </ul>	<ul style="list-style-type: none"> <li>Zero occupational illness</li> <li>191,236 ton CO<sub>2</sub>eq Emission Emitted</li> <li>USD1.09 million in support of community development activities, including health program</li> </ul>
 <p><b>4</b> QUALITY EDUCATION</p>	<ul style="list-style-type: none"> <li>Training and education through Marsipature Program, OHS Program, and Community Development Program</li> <li>Providing job creation</li> </ul>	<ul style="list-style-type: none"> <li>1,160 hours of employee training and development and 16,913 hours of OHS training</li> <li>74% local employment</li> </ul>
 <p><b>5</b> GENDER EQUALITY</p>	<ul style="list-style-type: none"> <li>Gender Diversity in workforce</li> </ul>	<ul style="list-style-type: none"> <li>27.6% workforce filled by female employees</li> </ul>
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> <li>Improving economic performance</li> <li>Implementing non-discrimination</li> </ul>	<ul style="list-style-type: none"> <li>Payment of taxes and royalties on sales of gold and silver to the state amounted to USD21.3 million. Based on article 14 paragraph C and article 17 paragraph 3 of Law no. 33 of 2004 concerning Central and Regional Financial Balance, state revenue from royalties in the general mining sector will be distributed to the central government by 20% and 80% to the local government.</li> <li>Zero discrimination cases</li> </ul>
 <p><b>10</b> REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> <li>Diversity and equal opportunity in workplace</li> <li>Equal remuneration for male and female employees based on their skills, experience, and performance</li> </ul>	<ul style="list-style-type: none"> <li>Zero human rights violations</li> <li>Zero gender pay gap</li> </ul>
 <p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> <li>Ethical business practices</li> <li>Transparent, effective, inclusive and open engagement with all of our stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with mine closure plan</li> <li>Sign-off Code of Ethics and Business Conduct by 100% employees and suppliers</li> </ul>



## Sustainability Strategy

The Company's sustainability policy documents its sustainable development strategy.<sup>3</sup> This policy was developed as a result of reviewing two important protocols for assessing progress in implementing sustainable development. These are the United Nations Sustainable Development Goals (SDGs)<sup>4</sup> and the International Conference on Material Modeling (ICMM) 10 Principles.<sup>5</sup> As a result of the PTAR Sustainability Policy, the Company is committed to conduct all its business activities in accordance with the following goals and principles:

- A sound system of corporate governance that leads to ethical business practice.
- Applicable laws and regulations are fully complied with.
- Well-developed management systems that result in effective risk management.
- All new projects and significant changes to existing operations, undergo full environmental and social impact assessments.
- The safety and health of employees and local communities is paramount, supported by the continual improvement of health and safety performance.
- The protection of biodiversity and prevention of pollution is paramount supported by the continual improvement of environmental performance.
- Protection of basic human rights within the organisation and in its dealings with stakeholders.
- Respect for local communities' cultures, customs and values.
- Contributing to the development of local communities.
- Engagement with all stakeholders in a transparent, effective, inclusive and open manner.

## Our Support for Sustainable Development Goals (SDGs) [102-12]

PTAR's support for SDGs has been mapped accordingly with the material topics discussed in this Sustainability Report. Additionally, the Company also has community development program mapping which refers to SDGs within the Community Management Plan (CMP) year 2016-2020. CMP is a commitment document which states that the Company is not neglecting its responsibility to provide direct or



Upik Simamora, a member of the Farmer Women Group (KWT) – Bina Persada showing her turmeric harvest.

indirect benefits for the community around the mining area in the long term, while continuously striving to achieve production targets. Programs that have been planned in the CMP are aimed to help the community to be socially and economically prepared in the post-mining period, when PTAR's mining activities are no longer held in Batangtoru.

On January 21, 2020 at the Jakarta Head Office, the PTAR management conducted a review of SDGs support within the CMP and other relevant SDGs. This discussion resulted in six SDGs priorities that were linked to the main material topics, strategies and activities of the Company.

3 [www.agincourtresources.com](http://www.agincourtresources.com)

4 [www.un.org/sustainabledevelopment/sustainable-development-goals](http://www.un.org/sustainabledevelopment/sustainable-development-goals)

5 Sustainable Development Framework: ICMM Principles (2015)



ECONOMIC PERFORMANCE



SOCIAL PERFORMANCE



ENVIRONMENTAL PERFORMANCE

## Vision, Mission, and Sustainability Value [102-16]



To develop a long-term sustainable business generating positive outcomes for all stakeholders.

To become a sustainable world-class operation delivering first-quartile performance in the gold industry.



## Core Values

**Growth** and value added - for all our stakeholders.



**Respect** - for people, culture, and stakeholders.



**Excellence** - through energy, enthusiasm, and commitment.



**Action** - delivering and doing what we say we are going to do.



**Transparency** - openness, listening, engagement, and honesty.





The highest governance body and senior executives approve and update the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics through consultation with stakeholders. [102-26]

### Precautionary Approach [102-11]

Management systems comprise those things that, when used together, support continual improvement towards predetermined targets and goals. These include: collections of codes of practices, policies, procedures, standards, databases, checklists, training materials and other tools. Safety and environmental management needs are both disciplines that address related areas of operational risk and are therefore readily met by a single integrated management system, relying as they do on many similar processes and controls.

The controls are undertaken through PTAR Codes of Practice of relevance to operational risk and sustainable development outcomes, which include:

- Audits and Inspections
- Biodiversity Protection
- Emergency Management
- General Workplace Safety
- Health, Safety and Environment (HSE) Management System
- HSE Accountability
- HSE Compliance
- Hydrocarbon Management
- Incident Management
- Industrial Hygiene Monitoring and Measurement
- Job Safety Environment Analysis (JSEA)
- Managing Pregnancy Related Work Restriction
- OHS Management - Measurement, Monitoring, and Improvement
- Operational Risk Assessment and Control
- Permit to Work
- Personal Protective Equipment
- Safe Tailings Disposal

### Key Impacts and Key Opportunities [102-15]

The significant social and environmental impacts, risks and opportunities associated with the Martabe Gold Mine are summarised as follows:



#### Key Impacts and Risks

- Health and safety of employees and the community in general
- Impacts on biodiversity
- Loss of land productivity
- Pollution of surface water and groundwater resources
- Disruption of community values
- Stakeholder uncertainty and concern

#### Key Opportunities

- Fiscal<sup>6</sup> and economic benefits
- Local employment and employee development
- Improvement of local community services and community infrastructure
- Local business development
- Local government capacity-building
- Support for community values

- Site Water Management
- Waste Management
- Work at Height.

### Risk Management [102-11] [102-30] [102-31]

Since 2014, PTAR has implemented an enterprise risk management program. The implementation of the enterprise risk management is under the Internal Audit Function. In order to identify and rank risks that are material to the achievement of business outcomes, annual enterprise risk assessment workshops are held. Risks are assessed regularly against their consequences to issues such as safety, environmental, community, government, reputational, financial, and compliance-related matters.

The highest management is involved during the assessment and in evaluating the assessment's results. Risk management plans, with progress reported to the management team in the form of risk management scorecards, are the way that the most significant risks identified by this process are addressed. The Enterprise Risk Workshop is held annually by the Board of Directors, yet does not include the Board of Commissioners. Further information regarding risk management is presented in the PTAR's 2019 Annual Report page 97.

The key sustainability risks and opportunities associated with the Martabe Gold Mine are where the Company's efforts in managing sustainability are directed. As regulations require, the environmental and social risks associated with the Martabe Gold Mine have been systematically assessed in detail in the project's AMDAL and subsequent AMDAL Addendum. These assessments include:

- Original AMDAL (2008).
- AMDAL Addendum addressing relocation of the plant site and other changes (2010).
- AMDAL Addendum addressing the Barani and Ramba Joring prospects (2016).
- AMDAL Addendum addressing the Tor Ulu Ala prospect and various operational changes (2018).

<sup>6</sup> Fiscal benefits are funds provided to government from the Company including but not limited to taxes and royalties.



## Stakeholder Definition and Engagement

PTAR conducted stakeholder mapping and analysis during the exploration and construction phase in 2015 by undertaking a full research project. The Company will review and update its stakeholder mapping in 2020. [102-42]

PTAR always engages the significant identified stakeholders based on our study in all the Company's activities in accordance with each stakeholder group's roles and needs. The identified stakeholders (such as local government, media, civil society organization, and local community) have been included in this reporting process, especially as the main consideration to choose material topics, regarding economic, social, and environmental aspects. External Relations Director with Community Relations-Community Development Function provides consultation with all stakeholders, as well as being responsible for including stakeholder engagement topics within director's meetings. The stakeholder consultation is undertaken in the field and discussed with GMO and Board of Directors. [102-21]

To maintain and strengthen the Company's social licence to operate, effective stakeholder engagement is essential. PTAR has been carefully managing stakeholder relationships since the Martabe project started. Its approach has been to take the following measures:

- Understand the needs, concerns and aspirations of identified stakeholder groups.
- Build trust with all stakeholder groups by seeking active dialogue, including those in potentially marginalised groups such as women, the elderly and youth.
- Provide timely and accurate information about all aspects of operations at the Martabe Gold Mine to stakeholders.
- Show patience in dealing with others and have genuine respect for their viewpoints, beliefs, cultural values and practices.
- Support the employment of local people as well as implementing fair and transparent processes for recruitment and procurement.

- Ensure regulatory bodies are supported in discharging their regulatory obligations, including the implementation of approval processes and site inspections.
- Ensure that all government reporting requirements are met in an accurate and timely manner.
- Facilitate the open reporting of stakeholders' concerns and grievances about the Company's activities.

Many local stakeholders have a limited understanding of mining and the management of environmental and social impacts associated with mining operations because the Martabe Gold Mine is the only mining operation in South Tapanuli. To ensure local stakeholders have a good understanding of operations at the Martabe Gold Mine, the Company runs an active broad-based communication program. Its main components are:

- A broad range of stakeholder groups were given tours of the mine (1,014 participants in 2019).
- Publication of a bi-monthly magazine entitled Tona Nadenggan (which translates to "the good message" in the local Angkola language), covering matters that local stakeholders are likely to be interested in including: community development projects, environmental management and cultural activities.
- Publication of Saroha (which means "one heart" in the Angkola language), a weekly newsletter for employees covering community-related topics.
- Maintaining the Company website ([www.agincourtresources.com](http://www.agincourtresources.com)) which includes access to sustainability reporting and information on community relations and community development activities.
- Wide distribution of the Company's Sustainability Reports, in Indonesian, English and the Angkola languages.
- Distribution of media releases, media briefings and site visits for media groups.
- Participation in a range of exhibitions, conferences and workshops.



**Stakeholder Engagement** [102-40] [102-43] [102-44]

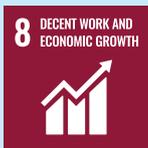
Stakeholders	Stakeholder Engagement Method and Frequency	Significant Issues and Stakeholders' Needs	Responses and Further Actions from the Company
Shareholder	<ul style="list-style-type: none"> <li>General Meeting of Shareholders twice a year</li> <li>Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Update on the latest operational performance every semester</li> <li>Annual Report</li> <li>Returns and benefits</li> </ul>	<ul style="list-style-type: none"> <li>Dividend distribution.</li> <li>Result from the General Meeting of Shareholders.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Weekly meeting</li> <li>Safety briefing every day and safety forum every two weeks</li> <li>Safety campaign every month</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration and other benefits (Inc recognition)</li> <li>Training and Education</li> <li>Occupational Health &amp; Safety (OHS)</li> </ul>	<ul style="list-style-type: none"> <li>Rewarding employees every year.</li> <li>Training and education plan. Regular training takes place throughout the year.</li> <li>OHS Procedure: Golden Rule. This operates continuously.</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>Consultation through Martabe Consultative Committee (LKMM) every month</li> <li>Site Visits</li> </ul>	<ul style="list-style-type: none"> <li>Local employee involvement</li> <li>Preference for the employment of locals</li> <li>Infrastructure donation and others</li> <li>Training and education</li> <li>Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>Undertaking Five Pillars in Community Empowerment Program (PPM). The program operates various activities throughout the year.</li> <li>All job vacancies advertised to locals as and when vacancies occur.</li> <li>Training and education for local communities. This is undertaken throughout the year.</li> <li>Meeting all environmental protection commitments on a continuous basis.</li> </ul>
National, regional, and local government as well as agencies	<ul style="list-style-type: none"> <li>Meeting on regular basis</li> <li>Discussion for community development activities</li> </ul>	<ul style="list-style-type: none"> <li>Tax and other contributions</li> <li>Community development</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Tax and contribution payments on time.</li> <li>Conducting PPM.</li> <li>Submit reports to government regularly.</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>As necessary</li> </ul>	<ul style="list-style-type: none"> <li>Payment on time</li> <li>Service and goods quality</li> </ul>	<ul style="list-style-type: none"> <li>Providing required information at the early stage of tender.</li> </ul>
Contractors	<ul style="list-style-type: none"> <li>Daily meeting</li> </ul>	<ul style="list-style-type: none"> <li>Occupational Health &amp; Safety (OHS)</li> <li>Working agreement</li> </ul>	<ul style="list-style-type: none"> <li>Education and training as required.</li> <li>Business ethics implementation on a continuous basis.</li> </ul>
Educational Institutions	<ul style="list-style-type: none"> <li>Meeting as necessary</li> </ul>	<ul style="list-style-type: none"> <li>Internship</li> <li>Community study</li> </ul>	<ul style="list-style-type: none"> <li>Provide internship opportunity as needed</li> <li>Engage and report as necessary</li> </ul>
Media	<ul style="list-style-type: none"> <li>Meeting and briefings as required</li> <li>Site visits</li> </ul>	<ul style="list-style-type: none"> <li>Communication &amp; publications</li> <li>Press releases</li> <li>Training and education</li> </ul>	<ul style="list-style-type: none"> <li>Provide news on a regular basis especially related to important events and activities.</li> <li>Capacity building.</li> <li>Engagement.</li> </ul>



Darryn McClelland (PTAR Operation Director) handing over rice seed assistance to Rusli Nasution as representative of P3A (Perkumpulan Petani Pemakai Air) and Farmers Group at Pulogodang.



# ECONOMIC PERFORMANCE



*“We give priority to local suppliers who have a good reputation, especially those from Padangsidimpuan or Sibolga to become our partners.”*



# Economic Value Generated and Distributed

## General Management Approach [103-1] [103-2] [103-3]

Alongside environmental and social performance, economic performance is regarded as one of the three pillars of Sustainable Development. The Martabe Gold Mine's operation generates a range of economic impacts on local, regional and national economies. The net economic impact is highly positive and is a key contributor to the Company's implementation of sustainable development. There are two classes of financial contributions by the Company, namely fiscal (payments to government) and economic (payments to the general public).

The economic performance is under the responsibility of Vice President Director & CEO and it is reported to the BOD every month. To support transparency in meeting fiscal commitments, the Company's annual financial statements are audited by an independent accounting firm apart from internal audits. The annual report containing these statements are made available to the public on the Company's website.<sup>7</sup>

## Fiscal Benefits [201-1]

Fiscal contributions by PTAR take the form of:

- Corporate Income Tax.
- Royalties on gold and silver sold.
- Personal Income Tax on employee wages.

- Various other taxes at Central and Regional government levels such as land and building taxes.
- Dividends.

One example is the five percent ownership of PTAR by PT Artha Nugraha Agung (PTANA), which itself is 70 percent owned by the South Tapanuli District Government and 30 percent owned by the North Sumatra Provincial Government. This voluntary divestment by the Company ensures the Regional and Provincial Governments receive fiscal benefits from the operation of the Martabe Gold Mine. Under the agreement with shareholders, PTANA allocates 40 percent of dividends to community development projects in the area surrounding the Martabe Gold Mine.

## Economic Benefits [201-3] [201-4]

Significant economic benefits pass directly to the community through salaries, wages and other benefits to employees in addition to fiscal benefits. PTAR ensures that salaries, wages and associated benefits meet or exceed government minimum requirements, are in accordance with the PTAR Collective Labour Agreement (CLA) and are competitive both locally and nationally. All of PTAR's employees (100%) are included in the CLA. [102-41]

In addition to health cover for employees and dependents fully funded by the Company, all national employees are enrolled in

**▲ USD 7.7 million**

**Dividend yield from 5% ownership of the South Tapanuli Regency Government and the North Sumatra Provincial Government in PTAR.**



7 [www.agincourtresources.com](http://www.agincourtresources.com)



government social security and healthcare programs as required by law. These provide for work-related accidents, death, provident fund and retirement benefits. As stipulated under manpower laws, an employee who reaches retirement age is entitled to receive severance pay, separation pay and other compensation. Employee pension contributions follow BPJS Employment provisions, which depend on the compensation received by each employee, PTAR does not have any other special pension contributions.

There are two types of pension program in PTAR: [201-3]

1. Normal Pension. For employees who have reached the age of 57 years old.
2. Early Retirement. For employees who have reached the age of 50 years old who have worked for PTAR 10 years consecutively. Employees who meet such criteria may write a retirement proposal to the management.

Until the end of 2019, PTAR does not have any education and training program regarding pension preparation. [404-2]

### Financial Implications and Other Risks and Opportunities Due to Climate Change

[201-2]

Climate change has been impacting the sustainability of all businesses, directly or indirectly, including mining industry. The heavy rainfalls can be considered as an impact of climate change which could interrupt operational activities. PTAR has prepared the infrastructure and mining time plan, anticipating the raining season conditions. Throughout 2019, the rainfalls were still as anticipated, hence, there were no significant impacts due to climate change that have been identified.

### Business Sustainability

To support ongoing improvement across all aspects of the business, the Company operates a Margin Improvement Program (MIP). Since inception in 2013, the MIP has consistently delivered improvements in asset utilisation and operational efficiencies, reflected by ongoing reductions in All-in Sustaining Cost (AISC).<sup>8</sup> Lower production costs result in lower ore cut-off grades, adding to Ore Reserves and a longer mine life.

Subject to quality and price criteria being met, PTAR also supports the Indonesian economy through the preferential purchase of goods and services locally and nationally. It also makes direct financial contributions to community development programs and projects each year. The aim is to transfer the sustainability of its business operations to local society. During 2019, there was no significant financial assistance received from government.

### Results Achieved in 2019

In 2019, the operational performance of the Martabe Gold Mine was outstanding, with new production benchmarks being achieved across a majority of key operating metrics such as gold produced and All-in Sustaining Cost (AISC).

This strong operational performance supported exceptional financial results for the year. A Net Profit After Tax (NPAT) of USD215.8 million for the year was a record for the Company, reflecting both higher sales volumes and lower costs.

The strong operational and financial performance of the Company in 2019 supported significant financial contributions to its stakeholders. These included: [201-1]

- Tax and royalty payments to the government of USD126 million. Additionally, the South Tapanuli District Government and the North Sumatra Provincial Government received dividends through the ownership of 5% of PTAR totalling USD7.7 million.
- Wages and benefits paid to PTAR employees and contract staff of USD29.0 million. As a non listed company, we do not disclose specific fixed or variable payments for the highest governance or senior executives. Similarly, we do not present the compensation ratio, nor the total annual compensation. The process determining remuneration is presented in the Company's 2019 Annual Report. [102-35] [102-36] [102-37] [102-38] [102-39]
- Payments for the provision of goods and services by local suppliers reached USD11.4 million (the reduction in value from 2018 resulted from lower diesel consumption following switching to PLN grid power rather than the use of site gensets).



- Over USD1.09 million spent on community development programs (this value will rise and fall from year to year depending on the value of major infrastructure projects).

2019 was another excellent year for exploration at Martabe Gold Mine, continuing on from the intensive drilling campaigns of 2017 and 2018. Twelve diamond drill rigs were operational for the majority of 2019. Ore Reserves increased by 7.9% in 2019 to 95 million tonnes, net of current year mining

depletion. Contained Gold remained unchanged at 4.5 million ounces. Whilst 2019 saw a slight decrease in Mineral Resources to 206 million tonnes with 7.8 million contained ounces, exploration activities during 2019 resulted in considerable upgrades to classifications of the known Mineral Resources at Tor Ulu Ala, from Inferred to Indicated and Indicated to Measured. Deep drilling undertaken as part of the Underground Sulphide Study has identified high grade mineralisation which will be further targeted in the 2020 drilling program.

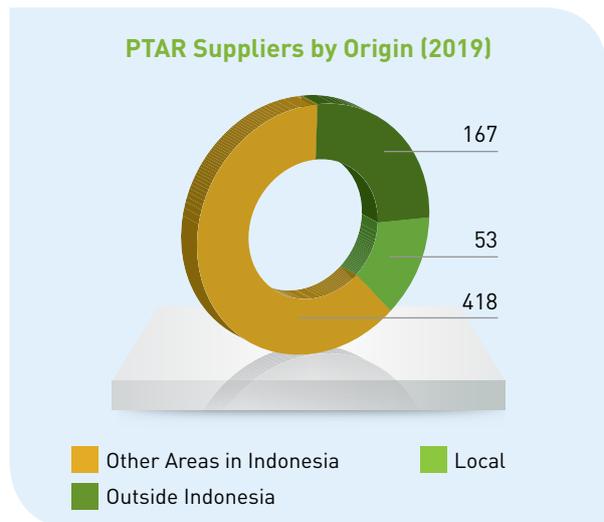
## Preference for Local Suppliers [102-9]

The Company has a carefully constructed supply chain system to ensure a consistent approach to determining the geographic origin from which PTAR goods are sourced and the delivery terms under which they are delivered. The Company's ultimate aim is to maximise the proportion of products and services made close to its operations, particularly the Martabe Gold Mine.

Given the remote location of PTAR's site and the need for reliable consistent re-supply, a dedicated logistics strategy has been devised to support the project. The strategy is in part driven by the nature, origin and volumes of bulk goods needed to operate the mine as well as the most effective routes and modes of transport. To ensure the efficiency of this strategy and to ensure the overall total delivered cost of all goods consumed at site is minimised, goods must be sourced and delivered using standardised methodology.

Priority is given to sourcing from reputable established local suppliers as long as local suppliers are able to supply the goods on a basis that is competitive (price, quality, supply time, warranty and other commercial terms) compared to suppliers from other locations. Suppliers, especially for goods related to specialist equipment, must also have appropriate original manufacturer support and distributor/dealerships.

If goods are not available locally on a competitive basis then they are bought from elsewhere in Indonesia and offshore suppliers.



Notes: Local suppliers are suppliers from 15 Directly Affected Villages (DAVs).

Proportion of Spending on Local Suppliers [204-1]	2017	2018	> 2019
Local	% 10	6	9
National	% 74	83	65
International	% 16	11	26

NOTES:

- "Local suppliers" are those suppliers from 15 DAVs.
- "National suppliers" are those suppliers registered elsewhere in Indonesia.



ECONOMIC PERFORMANCE



SOCIAL PERFORMANCE



ENVIRONMENTAL PERFORMANCE



A traditional dance to welcoming guests is performed by local children who are trained and supported under the PTAR Community Development program.



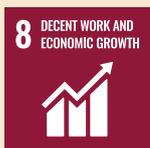
# SOCIAL PERFORMANCE



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES

PTAR will develop the local community competency by introducing MARSIPATURE Program, which comes from the Batak language, means "Let's Build".



# Gender Diversity and Equality

## General Management Approach [103-1] [103-2] [103-3]

To enhance diversity and equality in all of its activities, the Company has a Gender Diversity Policy No. MGT-GEN-CPO-00107-IE, and has actively implemented a Gender Diversity Program since 2016. Having a more diverse workforce provides competitive advantage as well as making PTAR a stronger

company. It is acknowledged by the Company that each employee brings their own unique capabilities, experiences and characteristics to their work. The diverse perspectives that result from this enhance organisational strength, problem solving ability and innovation.



### Commitment to Gender Diversity Practices

Gender Diversity planning at PTAR includes the following activities:

- Increasing female participation rates in all levels of the organisation.
- Ensuring roles are gender neutral by reviewing work practices so that barriers to diversity are removed.
- Developing a more inclusive culture through workforce engagement and alignment.
- Ensuring the Company Human Resources framework supports gender diversity through policy and training. This includes the removal of gender pay gap issues, and practical policies to support diversity.
- Leadership accountability and commitment for the success of the Gender Diversity Program.

▲ 27%

27% of our workers are women and 28% of Management Team are women



PTAR has examined some of the structural barriers to diversity in the workplace and has set upon a progressive approach to removing these barriers. Reviewing and updating work practices, the workplace environment, and infrastructure represent key areas of success.

Embedded into the Company's Human Resources (HR) Policy framework are a number of initiatives in support of gender diversity. Examples include a Harassment Policy, more attractive maternity and paternity leave benefits, improvements to address gender pay gap issues, and elimination of gender bias in evaluation for promotion.



Also, through implementation of controls laid out in the PTAR Code of Practice Managing Pregnancy-Related Work Restrictions, the Company is committed to the protection of pregnant employees and their pregnancies from workplace hazards. These controls support women remaining safely at work until delivery is imminent.

In addition, the Company has a Lactation Policy providing nursing facilities for breastfeeding mothers during work hours to take home for their infant. The Paternity & Maternity leave policy provides fathers 14 days and mothers 4 months leave. Meanwhile, the ongoing Anti-Harassment policy is an effort to eliminate discrimination, intimidation, threats or harassment in the workplace. [401-3]

To raise awareness of gender diversity, the Company engages the workforce regularly and consistently

during the year. Activities include a week-long promotion and celebration of diversity leading up to Kartini Day each year. With formal obligations and commitments to achieving participation rates, contractors are also supporting the program.

### Results Achieved in 2019

In 2019 the Company's total workforce comprised 674 females (27%). Within the PTAR workforce, a total of 28% of superintendents and managers were female. The recruitment process was reworked to ensure a stronger focus on lifting the participation rates towards the targets in coming years. Special initiatives in support of gender diversity included management workshops, career planning workshops, and free testing of employees for cervical and breast cancer.



#### Gender Equality

PTAR has provided minimum wages in accordance with the applicable regulations to all employees and not to only significant locations of operation. The company applies equal ratio payment of basic salary and remuneration between male and female to all employees in the company. All employees (100%) have received more than the minimum remuneration based on the Government regulations, especially in our significant location of operation, which refers to the Martabe Mining area. [405-2]



Ardi Susanto teaching line boring to repair the mounting bracket of mine haul truck to Rehuliani Sitepu (PTAR Contractor) in Welding Bay area.



## Local and National Employment

To both maintain the Company's social license to operate and provide operational advantages, PTAR has committed to providing local communities with access to employment opportunities at the Martabe Gold Mine. According to AMDAL, the Company has had the goal of at least a 70% local workforce since the project started. The percentage of senior management which is defined as superintendent to director level reached 28%, while local employees have reached 74% at the end of 2019. Local employees are defined as those residing in South and Central Tapanuli.

Employee access to a wide range of training courses and opportunities for government certification in a range of skills including equipment operation, is crucial in supporting local employment. The Company also intends to maximise employment of its workforce from within Indonesia.

PTAR will implement an employee development program to improve work opportunities and future career options for local employees. The strategy of the program has been developed along with our charter and guiding principles.

The program is called MARSIPATURE, comes from the Batak language meaning "let's build". This has a special meaning, because "Marsipature" itself is also part of the original name of the "Martabe" site, which is an abbreviation of "**Marsipature Huta Na Be**".

The Marsipature program includes improvement, training, and capacity-building programs to empower local employees to access broader job opportunities and careers.



Adelina Julfa (Production Department)  
taking a leaching sample above the Leach Tank  
in Processing Plant.



The implementation of the Marsipature programs involves each Department Head in deciding potential employees to be included in the program as well as in determining each department's target for gender diversity. The planning for all training activities is conducted together with the Training & Development and Localisation Development Department (LDD).



MARSIPATURE program has three main components:

- Non-trades (semi-skilled) training program.  
Improving skills of the existing local employees in the company.
- General soft skill training (for all employees as necessary).
- Martabe internship program (Trades) for local employees.

PTAR uses an intranet that can be accessed by all employees which provides information regarding employment and diversity, as well as a media for socializing the company's values and culture. Information about the Marsipature program policy can also be accessed from the intranet. PTAR uses the intranet to help all employees access information more easily.

All activities supporting the Marsipature program are also published in an internal magazine/bulletin and local/national newspaper media. PTAR, also communicates information about the program to local and regional government through its Community Relations and Community Development.

The evaluation is implemented by PTAR through monthly reporting on the Localisation Development Department. This includes the achievement of the gender diversity program from each department, as well as a report of assessed results and solutions relating to barriers against the gender diversity program target achievement which is submitted

monthly, quarterly, and annually. The evaluation activities in PTAR consist of monitoring, determining targets, reviewing target achievement, as well as discussing and implementing improvements to better achieve the targets.

### Results Achieved in 2019

At the end of 2019, 74% of the site workforce were local hires, this realization exceeds the AMDAL target for hiring 70% local employees. A further 24% were employed from other locations within Indonesia and 2% were expatriate hires. PTAR recruits employees based on the applicable employment regulations in Indonesia. There is no forced labor or child labor in PTAR. Benefits provided for direct contract employees under PTAR and permanent employees are the same. Each employee is entitled to receive benefits based on their attendant lists and working activities. The benefits provided include transportation and accommodation. [102-8] [401-2]



# Occupational Health and Safety

## General Management Approach [103-1] [103-2] [103-3]

Employee safety at the Martabe Gold Mine is the main objective in the Company's operations. With its complex and diverse working environment, mining operations have many risks, so the challenge is how to prevent accidents. PTAR has a Collective Labor Agreement (CLA) with the trade unions (SPSI) in the organization that includes 100% of the articles related to occupational health and safety (OHS). These articles are mandatory and are aimed at protecting employees from incidents and accidents in the mining industry. The Company will take firm action against employees who deliberately violate the OHS rules and who put themselves or others in dangerous situations. [403-4]

The OHS basic rules in the CLA refer to the Golden Rules, Take 5, the Job Safety Environment Analysis (JSEA), and the Permit To Work System. The Company communicates these rules through socialization, training, and campaigns so that employees understand their rights, obligations and the consequences if they violate these rules. OHS performance is closely monitored by the Chief of Mine Operation below the on-site General Manager.

Three basic factors are essential to minimize the risks of accidents at the Martabe Gold Mine. These are workplace conditions, worker competency, and worker behavior. Each is addressed in the PTAR HSE Management System. This system addresses the risk of workplace accidents through a range of operational controls. These include the following:

- **Golden Rules**

To protect workers from the most common causes of serious accidents in the mining industry we have developed simple safety rules called Golden Rules. Everyone working at the Martabe Gold Mine receives training in the Golden Rules before they start work. Because these rules are mandatory, any employee who knowingly breaches one of them and subsequently places himself or others at risk faces a final written warning. A training course, pocket book, posters and a pictorial "comic book" are the mechanisms employed to support adoption of the Golden Rules.



Julianto (ERT Member), demonstrating First Aid Rescue in a Slope Instability Emergency Drill

- **Take 5**

The simplest safety procedure at the Martabe Gold Mine is Take 5. As its name suggests, it takes less than five minutes to conduct a Take 5, comprising a simple checklist that every worker should complete before starting a job. Take 5 is designed to assist a worker to identify hazards associated with their work and the necessary controls so that the job can be done safely.

- **Job Safety and Environmental Analysis (JSEA)**

So that work can be done safely, JSEA adopts a team-based approach to planning work. It is a step-by-step breakdown of a job into its component activities, the identification of any hazards associated with each of those activities,



and identification of the required controls to ensure safety. Each worker must sign the JSEA confirming they understand the hazards and prescribed controls. The JSEA is completed by the work team prior to the job being started.

- **Permit to Work (PTW) System**

In common use across the mining industry, Permit to Work (PTW) systems are used to ensure the safety of workers involved in the repair or modification of machinery and equipment. PTW systems are particularly effective when the work concerned is conducted in process plants which are complex and hazardous environments.

Signed by both the work crew and the area supervisor (or permit issuer) a PTW describes a set of controls for the protection of the workers against uncontrolled releases of energy (e.g. electricity, or liquids or gas under pressure).

PTAR's PTW System represents industry leading practice. An isolation and lockout procedure is one of the key controls whereby workers are required to place a personal danger tag and isolation lock on equipment to prevent its unexpected starting or movement.

- **Active Safety Agreement (ASA) Program**

Unsafe behavior by the worker involved or by those around them result, at least in part, to occupational accidents. Such behavior may include failure to follow proper procedure, "taking shortcuts", ignoring risk or simply working without due care. The Active Safety Agreement (ASA) Program is used at the Martabe Gold Mine to address unsafe behavior. An ASA is based on a structured conversation initiated by managers with employees engaged in the work. The technique is designed to encourage employees to routinely consider the potential consequences of their actions and the importance of working safely. It is intended to promote "visible safety leadership" with participation in this program being mandatory for the site management team.

- **Incident Management**

Accidents or "near misses" will always occur in a mining environment as a result of organisational, environmental and human factors, irrespective of the controls in place to minimise risk. At the Martabe Gold Mine it is mandated that significant incidents are reported within 24 hours. These include:

- All work-related injuries or "near misses".
- Work-related illnesses.

- Significant safety hazards.
- Vehicle accidents.
- Fires within the area of operations.
- Accidental chemical releases or improper storage of hazardous chemicals.
- Unapproved land clearing.
- Any inoperable safety system, fire control system or pollution control equipment.

By determining the causes of incidents and implementing appropriate corrective actions we minimise the risk of recurrence. The underlying causes of such events are often complex and cannot be determined easily. The investigation of incidents follows a standard methodology at the Martabe Gold Mine, supported by training and the use of standard forms.

A server-based incident management system supports incident management. It facilitates everything from the initial reporting of incidents, e-mail notification of the management team, implementation of incident investigations, through to the tracking of corrective actions.

- **Health**

The Site implements an occupational health program focused on addressing the risk of health impacts resulting from hazards such as excessive levels of noise, dust and metals, low illumination, and biological factors. Regular monitoring is conducted by industrial hygiene staff as the first step in establishing engineering, procedural and personal protective equipment controls on workplace exposures.

- **Emergency Response Team**

In case an emergency occurs, the site is prepared with a 24-hour standby Emergency Response Team. The team consists of 18 Emergency Response personnel and three radio station operators. Emergency Response Facilities are also available on site, such as an emergency station, clinic, fire truck, rescue truck, rescue vehicle, ambulance and a variety of other rescue equipment used to deal with different types of emergencies. To ensure team skills are always sharp, the team conducts a range of drills and exercises on a regular basis. In 2019, the Emergency Response Team facility received a new Emergency Training Ground, used for work-at-heights and confined space rescue exercises. The team has experience and rescue skills for all eventualities including: confined space, high angle, jungle, vehicle, water and building rescue, and all types of fire.



## Occupational Health and Safety Policy

PT Agincourt Resources believes that the health and safety of all people associated with its operations is fundamental to our long-term success as a mining company. The Company works rigorously to continually improve its health and safety performance in alignment with industry leading practice. Our goal is zero accidents and incidents in the workplace.

This is achieved by:

- Identifying, assessing and managing all health and safety risks associated with our activities and the activities of our site contractors.
- Ensuring committed leadership and a strong safety culture within the entire workforce.
- Making available the resources, equipment, Personal Protective Equipment (PPE) and training necessary for our employees and site contractors to work safely.
- Fully integrating health and safety management outcomes as priorities within our planning processes, from project feasibility to mine closure.

To facilitate these outcomes, we implement an integrated health, safety and environmental management system aligned with international standards. These requirements are communicated to all our employees and site contractors, and our performance in managing health and safety shall be reported annually for sustainability reporting.

## Results Achieved in 2019

- **HSE Management System**  
The status of the PTAR HSE Management System at the end of 2019, after over nine years of development, is summarised as follows (not indicated are various databases and software systems).

### Documents Contained within the PTAR HSE Management System



- **New Safety Controls**  
Development of the PTAR HSE Safety Management System continued in 2019, with the following additional Codes of Practice of relevance to Occupational Health and Safety being released:
  - Equipment Condition.
  - Management of HSE Training Needs.
  - Managing Work Restrictions on Pregnant and Nursing Employees.
  - Monitoring and Managing Employee Health.
  - Scaffolding.

- PTAR's efforts to improve work safety management in 2019 involved continuing the two management effort initiatives that had been implemented in 2018, namely:

#### - Safety Refresher Training

This training was introduced to all PTAR employees and contractors in an effort to strengthen employee skills and knowledge and provide updated information on work safety procedures that have been updated and improved from time to time. All employees are required to attend the annual HSE induction and critical work safety competencies, such as Working at Height and Basic Work Permits, which must now be refreshed and assessed every three years.

#### - Critical Control Safety Program

This Critical Control Program is constantly being developed and improved based on advice from the results of field reviews and management, including findings from the critical control checklist or nonconformities that are the responsibility of the Superintendent or Manager. In 2019 a total of 5,903 CCCL were carried out, with the finding of 572 non-conformities in which the discrepancies were immediately corrected before the critical work was carried out.

- **Fit for Life**  
Fit for Life is an integrated program to improve employee health. It monitors employee health through regular Medical Check-Ups (MCU), doctor's counselling based on results of the MCU, providing a gym schedule and exercise program for employees and managing employees' diet by providing a Dietary Traffic Light System.

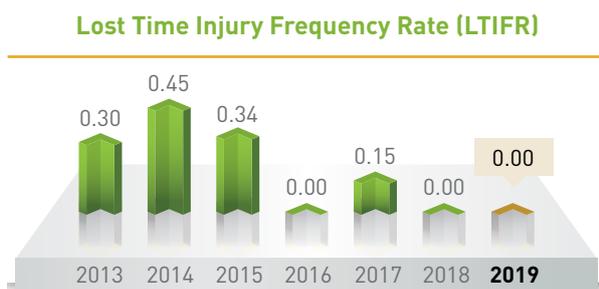
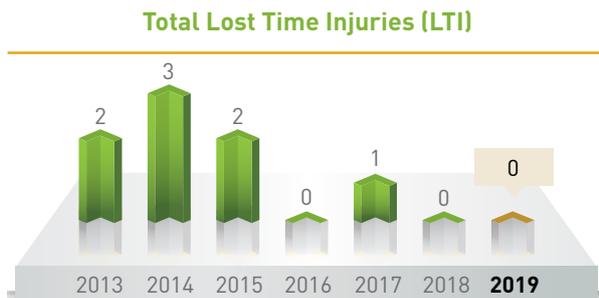


Rudi Salim Sihombing, Dewi Hafsa Siregar, and Erman Riatno (Emergency Rescue Team (ERT) members) are doing height rescue simulation.



• **Lost Time Injuries**

Lost Time Injury Frequency Rate (LTIFR), is a key safety performance indicator in the mining industry. It is the ratio of lost-time injuries per one million man-hours, calculated as a 12-month rolling average. In 2019 the site experienced zero Lost Time Injuries, and LTIFR was also zero. This achievement continued the very low incidence of Lost Time Injuries experienced at the site since commencement of operations. By industry standards it was also an outstanding result.



Note: Per-one million man-hours

• **Safety Key Performance Indicators (KPI) Dashboard**

PTAR measures safety management performance by its departments by means of a balanced set of safety Key Performance Indicators (KPIs). This provides motivation through the recognition of results. The percentage of employees receiving work assessments in 2019 was 100%. The Company has a further program to develop employees' careers after initial assessment through relevant training and education. [404-3]

The KPIs are presented in a monthly report called the Safety KPI Dashboard. By the end of 2019, an aggregate safety KPI score of 97% was achieved across all departments compared with a target of 90%. This indicated a very high level of compliance with the controls designed to minimise the risk of incidents. These include:

- Implementation of incident investigations so that the causes of incidents can be determined.
- Minimising the risk of recurrence of incidents by implementing corrective actions.
- Monthly Departmental HSE Committee meetings take place every month without fail.
- Compliance with mandatory safety training requirements.
- A workplace inspection program to ensure workplaces are in good condition.
- Participation of site management in the Active Safety Agreement (ASA) Program.



### Safety KPI Dashboard

No	KPI	Measure	Performance Rating	December Performance	2019 Trend
0	Overall performance	% Average of Overall Performance of Departments	Minimum Target 90%	98%	
1	LTIs	# of LTIs	Average Performance of Departments	100%	
2	MTIs	# of MTIs	N/A	MTIs : 5	
3	FAIs	# of FAIs	N/A	FAIs : 1	
4	High Risk Incidents	# of High Risk Safety Incidents	N/A	High Risk Incidents : 6	
5	Hazard Reported	# Hazards Reported	N/A	Hazards Reported : 2	
6	Incident Investigations	# Overdue Safety Incident Investigations	Average Performance of Departments	100%	



No	KPI	Measure	Performance Rating	December Performance	2019 Trend
7	Corrective Actions	# All Overdue Corrective Actions from Incident - Safety, Incident - Environment, Hazard/Non-conformance & HSE WCI Events	Average Performance of Departments		
8	Departmental HSE Committee Meetings	# of Department HSE Committee Meetings Held	Average Performance of Departments		
9	Workplace Inspections	Quarterly Workplace Inspection Score	Site average Workplace Inspection Score (Target 90%)		
10	Safety Training	% Mandatory Safety Competencies completed	% of total number of Mandatory Safety Competencies completed (Target 90%)		
11	ASAs	% Total ASAs conducted against Target	% of total ASAs Target YTD completed (Target 100%)		
12	CCCLs	% completed against Target	% of total CCCLs Target YTD completed (Target 100%)		

Extract from the PTAR Safety KPI Dashboard showing aggregate scores for the site as of December 2019.



### Target, Strategy, and Achievement of Occupational Health and Safety Implementation in 2019

**Target: Zero accidents**

**Attempt and Strategy:**

- Develop a code of conduct for occupational health and safety that is approved by the Director of Operations so that it becomes a general requirement that applies to all departments and contractors.
- Create training and campaign programs to raise awareness regarding OHS.

**Achievement\*:**

2019: 3 serious accidents  
 2018: 1 accident  
 2017: 1 serious accident

\*] Based on accident definition by Minister of Energy and Mineral Resources' Decree 1827 K/30/MEM/2018 regarding Guidelines for Implementing Good Mining Engineering Rules (page 146).

**Target: Zero Occupational Illness**

**Attempt and Strategy:**

Develop and run an occupational health and industrial hygiene program in accordance with applicable laws and regulations.

**Achievement:**

2019: 0 Occupational Illness  
 2018: 0 Occupational Illness  
 2017: 0 Occupational Illness

Dedi Saputra Ritonga (ERT member) is doing a height rescue simulation.



97% ▲

Aggregated safety KPI scores in all departments



Syafitri Khairunisa (PTAR Contractor) checking the electric system of a wheel loader.



## Employees Training and Development

Training and development of employees is critical to the ongoing success of the Martabe Gold Mine because most of the people commencing employment at the Martabe Gold Mine have no prior experience of work in a mining or industrial environment. PTAR has a training and development policy No. TDV-TSY-CCP-00037-EN Training and Assessment.

The training delivered to PTAR employees and site contractors is of four main types:

- Health, safety and environment training.
- Personal development training.
- Technical skills training.
- Training for licenses to operate vehicles and equipment.

To ensure they meet employees' needs, most of the course materials have been developed by PTAR and the majority of this training is delivered on-site. An on-line training management system is used to manage PTAR employee training and assessment

records. Safety training is critical in preventing accidents, and while the Company provides a variety of safety training, there is a core group of safety competencies that is mandatory for all employees at the site.

### Results Achieved in 2019

The Company's commitment to employee development was maintained in 2019, the total hours of training for employees totalling 45,292 hours. Given the importance of employee safety, a large proportion of the training delivered was safety training.



## Education and Training [404-1]

Training Topics	Number of Participants	Training Hours	Average Hours of Training per Employee
Health, Safety, and Environment	3,792	17,092	4.51
Moving Equipment	1,805	13,071	7.24
Specific Task	1,714	13,081	7.63
Development	135	1,160	8.59
Language	473	888	1.88
<b>Total</b>	<b>7,919</b>	<b>45,292</b>	<b>5.72</b>

## Performance and Career Development Reviews [404-3]

All employees or 100%, receive regular job reviews and career development. This evaluation process includes the categories of manager and above, general staff, and non staff.

# Our Local Community



PTAR has helped us a lot in supporting our journalists' activities and their capacity to become professional journalists. Assistance is given in various ways. One of these is through cooperating with the Journalists Association of Indonesia (PWI) to conduct competency tests. With competence, journalists are able to publish reliable and trusted news, providing information on which decisions can be made.

As reporters we are pleased when PTAR organizes community activities, from cultural performances by local people and the processing of waste into fertilizer to providing skills for women to work. Of course these activities will greatly help the community, and we are therefore always ready to be a facilitator of information between PTAR and its stakeholders.

**(Chair of the Indonesian Journalists Association Tabagsel & Senior Journalist for Analisa Daily)**

The local communities surrounding the Martabe Gold Mine are, in many ways, the most important stakeholder groups for PT Agincourt Resources. Living and working closest to the mine, they are the people most likely to be affected by the Company's day-to-day activities; and are the most important in terms of ongoing stakeholder support for Company

operations. Local communities also contribute the large majority of people working at the mine aside from being of key importance in determining the Company's social license to operate. The ongoing performance and growth of the Company is made possible through their direct and vital contributions.



Fifteen villages span the sub-districts of Batangtoru and Muara Batangtoru that are designated as Directly Affected Villages (DAVs) in terms of being potentially affected by the Martabe Gold Mine's operations. In total, these villages support a population of approximately 23,500.

For these villages agriculture is the most significant employment sector, with the most widely grown commodities being rice and corn. Cassava, sweet potatoes, peanuts, soya beans and green beans are also planted. Some local people also work in, or operate, rubber and oil palm plantations. After agriculture, trade and service industries are the next most important sources of employment with Batangtoru and Muara Batangtoru supporting many small retail businesses and other commercial enterprises such as banks and transport providers.

Participation in elementary and secondary school in these local communities is high. There are also opportunities for university education within the region and province, as well as elsewhere in the country. Locally there is a medical clinic and public health centres (puskesmas), with major hospitals being one to two hours away by road in Sibolga and Padangsidimpuan.

The socio-economic conditions within local communities have been used as an important reference for the Company's community development programs. These programs focus on health, education, infrastructure, agriculture, and economic development, as well as support for local cultural values and customs.

A number of ethnic groups can be found in the communities around the Martabe Gold Mine, all originally from other areas of Indonesia. Most dominant and longest-established are three interrelated groups known as the Angkola, Mandailing, and Toba, often referred to collectively as Batak. The majority of these are Angkolan, with Batangtoru being considered the cultural territory of Angkola, with the Angkola language commonly used for daily communication. Two other ethnic groups were also important in the development of Batangtoru. These were the Javanese, who began arriving around 1906 to work in rubber plantations, and the Nias, who began arriving around 1925.

In Batangtoru and Muara Batangtoru, local cultural institutions and customs have a strong influence on everyday life and the resolution of social problems. Kinship amongst the Angkola is patrilineal (meaning the heads of families are male) with men often occupying customary roles such as village head and heads of other village institutions. A person's family group or clan strongly defines their social identity.

There are several types of land title in the local area, namely customary or *adat* land owned by clans collectively, privately-owned land, land owned by the state and companies, and land donated for public religious purposes. Away from settlements, land use is dominated by forests, plantations, gardens, rice paddies and fish farming. Large areas of level land have made Batangtoru a strategic location for plantations. Established in 1906, Batangtoru Plantation (PTPN III) is the oldest state-owned rubber enterprise in Sumatra.



**Bayu Wicaksono**

We have a harmonious relationship with the people around us who are a part of the PTAR family. We partner with the educational institutions and community groups, especially those representing young people, to provide an understanding of good mining practices and the benefits of mining products for life.

This understanding creates a sense of caring and helps protect the mining area which is a vital national asset. We also highly appreciate the community's willingness and commitment to communicate with us as part of the stakeholder engagement process. The resulting discussions are the key to maintaining unity in supporting PTAR's operational activities as one of Indonesia's leading mining companies.

**(Stakeholder Relations Manager, PT Agincourt Resources)**



## Community Development

The process designed to create conditions of economic and social progress for a community as a whole, with its active participation and initiative is referred to as community development. In the mining industry, community development programs are common, particularly where mining operations are located in rural or remote areas where there is limited access to public services for local communities. Community development activities are essential to be undertaken in acquiring a social license. Hence, ensuring its most important stakeholders benefit directly from operation of the Martabe Gold Mine is a commitment made by PTAR through its community development programs.

- **Scope**

The Company has a broad community development program which covers nearby villages (Ring 1), local surrounding includes Muara Batangtoru and South Tapanuli (Ring 2), as well as other regions in the national level (Ring 3). However, the Company's support for community development is focused on 15 villages categorised as Directly

Affected Villages (DAVs) that span the sub-districts of Batangtoru and Muara Batangtoru. PTAR has executed community development programs for 100% of the DAVs which are located in Ring 1 of the Company's operational area. These communities are characterized by a range of socio-economic challenges that include: low education levels, high unemployment, limited access to health care, and dependence on agriculture as a source of wealth generation. All of those villages are included in the community engagement, risk assessment and development programs. [413-1]

- **Guiding Principles**

Regarding the delivery of community development programs, PTAR has defined guiding principles that reflect the Company's Core Values. These form the basis for the design and implementation of community development and community relations programs by the Company, and can be used to manage stakeholder expectations.



### PTAR Community Development Guiding Principles

#### Empowerment

PTAR community development programs must be aimed at promoting community empowerment and ensuring that there are processes in place to improve individual, group and community capacities to make purposeful choices and transform these choices into desired outcomes.

#### Good Governance

Community development programs must be properly managed to ensure accountability, transparency, responsiveness, effectiveness, efficiency, equitability and inclusiveness.

#### Sustainable Development

PTAR community development programs must deliver benefits to stakeholders after mine closure.

#### Stakeholder Values

An introduction to the history, culture and socioeconomic status of local communities around the Martabe Gold Mine.

#### • Strategy and Framework

As a mining company, PTAR also prepares a Community Empowerment Program (PPM) Master Plan which is compulsory in accordance with Minister of Energy and Mineral Resources Decree No. 1824 in 2018. The PPM Master Plan is valid throughout the 2018-2031 period in accordance with the projected mine closure plan in 2028 and the post-mining period until 2031. The principles of the PPM Master Plan are based on the following reference sources:

- Internal policy (feasibility study, AMDAL, post mining plan)
- Regional development policy
- Community's needs
- The United Nation's Sustainable Development Goals
- The International Council on Mining and Metals (ICMM) Community Development Toolkit.
- Strategic Community Investment Handbook from The International Finance Corporation (IFC)
- ISO 26000 (a management framework for companies implementing social responsibility)

After the master plan has been prepared by stating 3 main objectives and 13 strategic programs, the Company will conduct a review after 10 years based on global standards, sustainable development goals, and AMDAL. The long-term plan (roadmap)

can be revised when the Company finds a mine reserve and there are other mining development changes.

The Community Management Plan (CMP) addresses community development planning over the period 2016 to 2020 and documents the Company's community development strategy. This plan references a range of international guidelines and protocols, including Vision, Mission, and Goals.

#### Community Development Vision, Mission, and Goals



- **Vision:** To improve livelihood through sustainable development and respect for local cultures, wisdom, and values.



- **Mission:** To further empower local communities by initiating programs that deliver sustainable and beneficial outcomes.



- **Goals:** PTAR community development programs must deliver benefits to stakeholders after mine closure.



The CMP targets five main program areas for delivering support to our local communities based on local socioeconomic factors, stakeholder consultation, special studies and industry benchmarking. These are: economic development, education, health, community relations and infrastructure support.

**The goals and contributing elements of the CMP**

Program Area	Goals	Elements
Economic Development	Developing the local economy by supporting income diversification.	Increased diversification and productivity of agriculture.
		Increased number and capacity of local suppliers and contractors.
		Development of vocational skills.
Education	Improving access to high-quality education.	Improved quality and accessibility of education infrastructure and facilities.
		Improved quality of education delivery and management.
		Increased student participation, achievement and competitiveness.
Health	Improving the quality of community health.	Improved quality of community services.
		Promotion of healthy life behaviors.
		Improved prevention of infectious and non-communicable diseases.
Community Relations	Promoting trust and respect between stakeholders and PTAR.	Increased awareness of PTAR operations
		Appropriate management of stakeholder concerns and grievances regarding PTAR operations
		Respect, appreciation and preservation of local wisdom.
Infrastructure	Supporting infrastructure development that contributes to quality of life.	Improved accessibility and availability of facilities supporting social and economic activities.
		Improvement of public and government facilities.
		Improved accessibility and quality of sanitation and hygiene infrastructure.



**H. Syahrul Martua  
Pasaribu, S.H.**

We are grateful for PTAR’s presence which has helped develop the economy in Batangtoru, South Tapanuli, both through providing employment opportunities for local communities, as well as local tax and other contributions. PTAR’s CSR assistance is prioritized for 15 villages and sub-districts around the mine’s location through infrastructure development and health improvement. Support includes: building a suspension bridge, agricultural irrigation, increasing organic rice production and providing specialist doctors for the puskesmas (local clinics).

Besides playing a role in reducing unemployment, PTAR also pays attention to the surrounding environment, through supervision and compliance with environmental regulations, including the careful management of residual water flows. PTAR works closely with the community to conduct water quality checks on a regular basis. We continue to support the good relationship between PTAR, the local government and the community to improve local residents’ welfare.

**(Regent of South Tapanuli)**

**M. Yamin Batubara**

PTAR has contributed a lot to community empowerment, especially for 15 villages around the mine in the District of Batangtoru and Muara Batangtoru. Several programs from PTAR have begun to have an impact on the community, including improving the quality of teaching staff, encouraging the formation of clean and healthy living behavior in schools, and building infrastructure to support school activities (school buildings and learning tools). In addition, PTAR also improves public health through nutritional improvement programs for toddlers, elderly gymnastics, as well as providing free medical treatment.

I really appreciate PTAR for all its assistance for the common good, not only for certain individuals or groups. Hopefully PTAR can further improve the quality of human resources and the potential of local labor for villages outside the mine's immediate area.

**[Subdistrict Head of Batangtoru]**

## Results Achieved in 2019

The Company maintained a very active community development program in 2019, ensuring that all local stakeholders continued to benefit directly from operations at the mine. The Company has realized a budget of USD1.09 million in support of programs targeting the key areas of health, education, local business development and public infrastructure.

Community development assistance was focused on the continuation of existing programs, summarized as follows:

### • Health

PTAR has undertaken several activities on health issues:

- A free village medical service program covering; infant health checks, pregnancy examinations, and treatment of commonly occurring diseases was provided with a focus on those in remote areas.
- An elderly health program named Elderly Gymnastics plus additional nutritional support through the provision of high calcium milk and health checks were provided.
- Staff made monthly visits to village Health Care Clinics (Posyandu) to provide supplies and assist in delivering services.
- Assistance for the Tuberculosis Program using Community Volunteers to support the recovery of low-income tuberculosis patients.
- Support for infants and toddlers recovering from malnutrition.
- Pharmaceutical Management Training for puskesmas staff.
- Promoting the enhancement of puskesmas services and providing Obstetrics, Gynecology and Pediatrician expertise through puskesmas.
- The delivery of coaching in clean and healthy living at selected schools and the provision of handwashing facilities to support Global Handwashing Day.
- In collaboration with the District Health Office of South Tapanuli, the commemoration of World AIDS Day
- Continuing the Healthy Teenagers Development Program.
- Support for Open Defecation Free (ODF) villages.



Nurul Aida

PTAR's assistance to the Community-Based Total Sanitation (STBM) program at the Batangtoru Community Health Center has been carried out since 2015. With the support of PTAR, in collaboration with the Village PKK, Village Heads, and Posyandu Cadres (at that time STBM cadres had not been formed), the community wanted not to defecate carelessly or to be open defecation free (ODF). Until now, there have been 1,465 family heads representing 32,000 residents who have participated in ODF. As a result, improved sanitation and public environmental health has been achieved in accordance with goal 6 of the SDGs and national goals towards 100% access to sanitation.

We are currently in the process of declaration of ODF up to the District level. Hopefully in 2021, all people will have proper bathing, washing, and toilet facilities. As for our hopes, they are that PTAR will be able to uphold the other five pillars of sanitation for the community, support the availability of infrastructure at the puskesmas, and assist in the existence of integrated service posts (posyandu) for elderly, infants under five years old, integrated fostered posts (posbindu), and healthy adolescents.

**[Environmental Health, Community Health Center Batangtoru]**

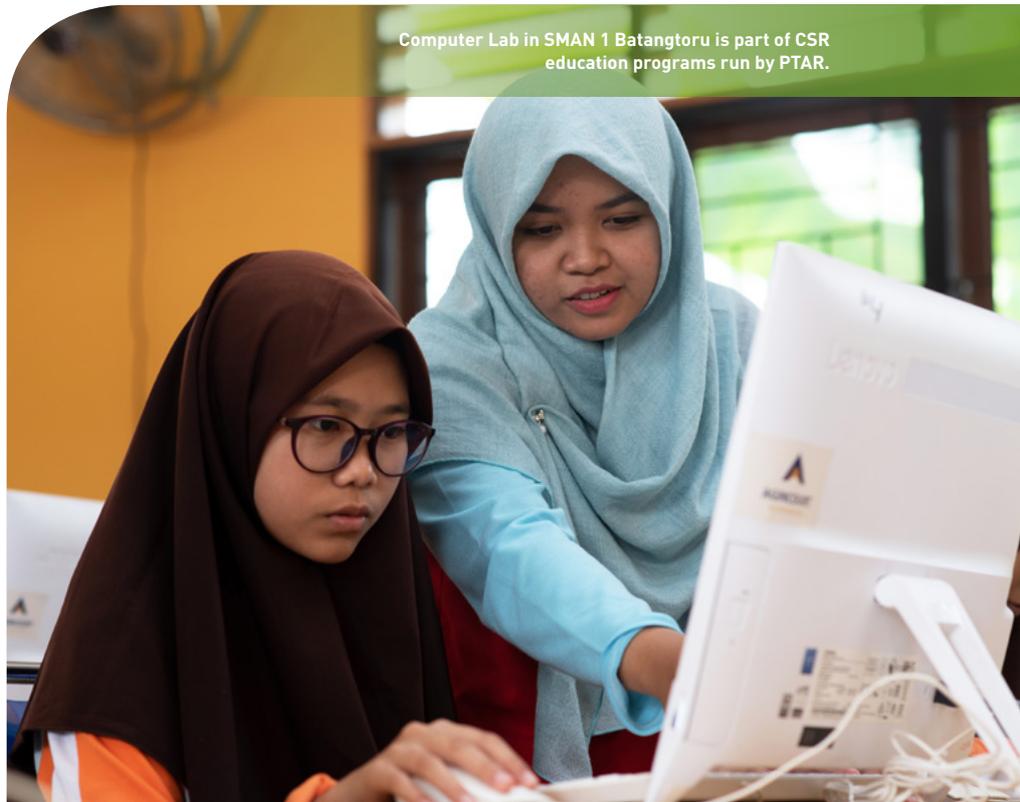
• **Education**

PTAR has undertaken several activities on education:

- Support for Children's Reading Gardens in a total of 14 Villages, which included training and comparative studies to strengthen the capacity and creativity of those who operate TBAs.
- Reinforcing children's creativity and character-building by organizing talent shows, children's art performances and dancing classes.
- A series of training activities and coaching for teachers as part of a school improvement program.
- The Martabe Prestasi scholarship program awarded 221 scholarships for local students.
- Construction and renovation of school facilities.

- Improvement of Sopo Daganak facilities as a culture and arts centre.
- Support for the preservation of cultural and traditional music.
- Members of the Martabe Consultative Committee (LKMM) received capacity-building training.

- The Geology Department conducts a competency test to SMK 2 for mine geology. In 2020, the Company has a target to hold open classes related to K3. This activity is part of the initiative to involve employees in schools.



Computer Lab in SMAN 1 Batangtoru is part of CSR education programs run by PTAR.



Nurtaili, S.Pd

Since 2014, PTAR has provided a lot of assistance to SMKN 2 Batangtoru, including mining geology equipment, lab rooms, visits to the mine, as well as industrial work practice (prakerin) directly at PTAR. This school was set up after PTAR became operational, so the children who enroll at this school are indeed hoping to work in the mines. Currently PTAR is also assisting schools to improve advocacy and access to schools by other industries such as the MOU between SMKN 2 Batangtoru and United Tractors. PTAR itself is improving the curriculum so that it matches the needs of the industrial world, increasing teacher capacity and improving facilities and infrastructure, in particular, vocational heavy equipment engineering. The impact of this program is that graduates of SMKN 2 Batangtoru have the abilities and skills needed by industry and can compete in the world of work.

From the apprenticeship reports provided by students, this activity is successful in bridging students' understanding between what is taught in school with what is needed in the field, even though the length of internship is limited. This year, the school is preparing to collaborate with PTAR and United Tractors to support government programs, namely the link and match between SMKs and industries for the development of SMK capacity and excellence.

**[Headmaster of SMKN 2 Batangtoru]**



Devi Anggreyni M.Pd

Since 2017, PTAR has provided assistance to SMPN 2 Batangtoru to increase the capacity of teaching staff, in collaboration with the Kualita Pendidikan Indonesia (KPI) Surabaya. We also invite other schools to participate in the training so that they too can improve the quality of their education.

Alhamdulillah, I am very grateful because in the last three years the teachers have changed their mindsets. In the past, they came to school only to teach and work, but now they are aware and begin to teach sincerely, to the point where they teach teaching to students. In addition, PTAR also provides 'excellent service' training to serve parents, the community, students, and even fellow teachers. Subjects that are trained include the culture of a smile, literacy and adiwiyata. We have been selected as representatives to attend the Adiwiyata School at the Regency level. We also hope to be elected to the provincial level. Hopefully this good program can be improved continuously and developed for other schools.

**[Headmaster of SMPN 2 Batangtoru]**



Asmaul Husna

My father is a oil palm agent and my mother is a housewife. I am one of eight siblings. When I found out that there was a Martabe Prestasi scholarship program, I immediately applied because there were still other siblings who had to pay school fees. Finally I managed to get a Martabe Scholarship. I am increasingly excited to go to college. Every semester we must maintain a cumulative achievement index (GPA) of more than 3.0 by sending an academic report via Martabe Achievement e-mail. This scholarship is very helpful in paying tuition and boarding fees, so that parents only need to pay for the campus needs of IDR300,000 per semester.

My hope is that in the future the Achievement Martabe Scholarship will grow. We scholarship recipients here have also taken the initiative to spread the benefits to others, by holding literacy corners in the villages around the mine and trying out the preparation of the Computer Based National Examination.

**[Martabe Prestasi Scholarship Beneficiary, Mathematics Education Department, State Islamic Institute (IAIN) Padangsidempuan]**

#### Local Business Development

PTAR has undertaken several activities to support local business development:

- USD11.46 million worth of local goods and services purchased.
- Local suppliers and contractors received financial management training.
- The boards of five local cooperatives receive capacity strengthening.
- Crops and fruit production as well as horticulture in general was supported. This included: post-harvest activities, product diversification, and marketing.
- Both organic and conventional paddy breeding and cultivation projects were provided support.
- Improvements to organic rice products and assistance in achieving certification.
- Support for fish farming in a number of local villages.
- Improving the capacity of the local community by providing Motorcycle Mechanic Training.
- Providing capacity-building and supporting facilities and equipment to provide assistance to local businesses.



Mukson

The beginning of our collaboration with PTAR was the establishment of a pilot demonstration plot for the development of 1 ha of corn cultivation, in collaboration with Grahatma Jogjakarta and monitored by the Forestry and Fishery Agricultural Extension Center (BP3K) of the South Tapanuli Agriculture Office. Now, with PTAR's assistance, we know how to cultivate corn, including fertilization methods, how to use tools, and good group management.

Previously, we could only produce a maximum of 1 ton / hectare of pipil corn, but now we have increased yields to 6 tons / hectare. Seeing this result, more and more friends are interested in corn cultivation. PTAR also helped us in establishing a cooperative so that sales could reach the market as far away as Medan. At present, three corn farmer groups have been formed in Batangtoru, one of them is the Mulia Bakti Group with 33 members. We hope that our corn sales will continue to reach a wider market.

**[Corn Cultivation Farmer]**



- **Public Infrastructure**

PTAR supported a total of 28 public infrastructure projects in 2019. These include:

- Construction and renovation of public bathrooms, water purification facilities and communal septic tanks in selected villages.
- Renovation of puskesmas (public health clinics).
- Several villages received clean water facilities.
- Two villages received the Hydrum Pumps and Solar Panels.
- Road improvements in three villages
- A corn processing facility.
- Renovations of mosques and churches.
- Construction of local government offices as well as with other supporting facilities.
- Gabion installation in the Garoga River
- Construction of a hanging bridge at Desa Sumuran
- Army Hospital received a Sewage Treatment Plan.
- Construction of irrigation channels
- Electricity installation for 500 low-income households.

- **Community Relations**

PTAR has undertaken various community relations activities:

- 1,094 community members received a site tour to explain the Martabe Gold Mine's operational activities and its approach to environmental management.
- Surrounding communities received emergency assistance in fire extinguishing.
- Donations to 545 orphans during Ramadhan.
- Active participation in a range of religious activities and the celebration and commemoration of other national days
- Sponsorship of sport and youth activities.
- Members of the Martabe Consultative Committee (LKMM) received capacity-building training.
- 1500 Waru trees planted with the community on the banks of the Batangtoru River, initiating Disaster Risk Reduction activities.
- Achieving self-reliant villages by promoting the Village Good Governance program.

Muhayan Hasibuan (left), Nurhelida Ritonga (right).  
Using clean water for washing hands  
with soap under running water at Desa Telo.





## Positive and Negative Impacts

PTAR realizes that the Company’s operational activities are able to bring positive and negative impacts to the surrounding community. The real positive impact is the empowerment of the surrounding community, through the recruitment of local employees and local suppliers. In the long run, the community around the mine is expected to be independent and to improve their welfare and education.

On the other hand, the negative impacts of mining operations are, for example, related to the diversion of water from the mine which can make the water sources of the community become turbid. The mining process can also cause noise and require land clearing. Seeing this potential negative impact, the community relations - community development (comrel-comdev) team always mitigates and manages through communication to key community leaders and the implementation of community empowerment programs, so that the negative impact is minimised and more than offset with strong positive impacts. The potential negative impacts is one of the challenges encountered during the implementation of the community empowerment program. [413-2]

To measure community empowerment performance activities, PTAR conducted a perception survey in 2016. In 2020, PTAR will conduct a perception survey of the empowerment program again, either through surveys or other measurements.



Sopianun Siregar planting paddy seedlings in Sipenggeng Village, one of the DAVs that is supported by PTAR.



Dra. Tiurisma Damayanti

PTAR not only improves women’s competence and skills so that they may become reliable local employees, but also conducts campaigns and promotions to enable them to play their full role as women for their families. This is what distinguishes PTAR’s approach from that of other mining companies. We work together to improve women’s empowerment, both at work and within the family.

PTAR’s commitment is evident in providing equal employment opportunities between men and women, especially for local women workers. The high level of cooperation between PTAR and the local government in the area of women’s empowerment, has resulted in the Company achieving first place in the Parahita Ekapraya Award for the main Sumatra region, and middle place for the national level award. In the future, we hope that PTAR will also support the protection of children, as they are our future.

**[Head of the Women’s Empowerment and Children’s Protection Office of South Tapanuli Regency]**



# Grievance Mechanism

## PTAR's Guideline Procedure for Grievance Handling

PTAR has a well-defined procedure for grievance handling, including giving advice, complaints related to ethical issues, and any critical concerns. It is handled by the Community Relations Department, reported to the Board of Directors, which later reports to the Board of Commissioners. The purpose of the Grievance Handling Procedure is to provide guidance in managing the grievances from the local stakeholders related to the impact of Martabe Gold Mining operations. [102-17] [102-33]

The guidelines cover admission procedures of complaints, records/registrations, problem-solving mechanisms, and communication both internally and externally with the parties involved. PTAR places great importance on ensuring any grievances from either individuals or groups regarding the impact of mining operations are immediately responded to, well documented, analysed, handled and answered effectively and measurably so as not cause greater problems at some point in the future.

A grievance is considered to be an issue submitted directly by local stakeholders to the Company regarding the impact of mining operations on socio-cultural life, the economy, health, education, or the environment. The communities to whom the Grievance Procedure relates include: government agencies, citizens either individuals or groups, community institutions, and private institutions located in DAVs and/or from Sub-district of Batangtoru and Muara Batangtoru.

PTAR categorizes the types of complaints that occur as a result of mining operations are those that impact on socio-cultural life, are economic, or relate to health, education or the environment. The PTAR database ensures automatic archiving of all redundant documentation.

## Grievance Mechanism and Handling Procedure [102-33]

1

All grievances are filed by a Senior Community Liaison Officer (SCLO) or Community Relations staff who formally record a grievance on a Grievance Form.

2

The completed grievance form is forwarded to Community Relations Supervisor (CRS) and within 36 hours the completed form is registered in a Grievances Matrix. Where possible, urgent cases are resolved quickly.

3

The CRS and Superintendent of Community Relations (SCR) review and investigate the grievance based on detailed information and make preliminary recommendations to the Community Relations Manager (CRM).

4

The CRS, SCR and CRM (the grievances ad-hoc team) will, if necessary, consult with Martabe Consultative Committee (LKMM) as the consultative agency regarding grievances to formulate preliminary recommendations.

5

Conciliation is facilitated by LKMM in a formal meeting of community, tradition, religious and or government representatives as appropriate. Formal notes documenting the meeting are issued and signed by attending representatives. If agreement is reached, the agreement is captured on the grievance matrix and closed.

6

A formal final response from Martabe Gold Mine is provided to the grievant. Once this response is accepted the document is signed to legalize the agreement.



To improve communication with the local community, the Martabe Consultative Committee (LKMM) was formed. LKMM can be a medium of discussion between the community and the company related to the impact of company operations, except for land disputes. Land dispute complaints are filed in accordance with applicable procedures. The company has its own mechanism for handling land disputes, which is handled by the Land Acquisition Facilitation Team formed based on the Decree of the South Tapanuli Regent. In carrying out their duties, the Land Acquisition Facilitation Team works closely with PTAR's Community Relations team. The process of land acquisition can be done through two mechanisms, namely through the Land Acquisition Facilitation Team and a personal mechanism through legal channels.

### Grievances During 2019 [102-34]

PTAR has always been responding to any issues regarding local employees and local communities, and therefore, developing their competencies and engagement has been the main focus. Until the end of 2019, any issues related to local employees and communities were resolved. PTAR Community Relations team would have several meetings with the related parties if any issues arise. PTAR keeps improving communications as we believe that good communication is the key to a harmonious relationship with the local employees and community.

Good communication is the key to a harmonious relationship between PTAR and the local community and employees. This good relationship was marked by the complete absence of strikes throughout 2019, either by the community or employees which caused disruption to the company's operations for more than one week. The company's area is adjacent to the local communities (indigenous) and we have had such significant land acquisition processes since 2008. Nevertheless, there are no disputes with local communities regarding the land use or customary rights. The risk of community mining is also always a challenge for mining companies. However, there is no community mining or artisanal mining near or adjacent to PTAR's mining operations. In addition, so far, no community has had to be resettled. [MM4, MM5, MM6, MM7, MM8, MM9]





ECONOMIC PERFORMANCE



SOCIAL PERFORMANCE



ENVIRONMENTAL PERFORMANCE



Ilham Perwira and Ruslan Simamora (Community Development Department) with assisted farmers (Pahri Hasibuan, Masrayuni, and Mamat) at Aek Pahu organic rice field, Napa Village - Batangtoru Sub-district.



# ENVIRONMENTAL PERFORMANCE



*“The Company maintained its long-standing record of effective environmental compliance management and has complied with environmental regulation, so there were no incidents of non-compliance throughout 2019.”*



## Environmental Management Approach <sup>[103-1]</sup> <sup>[103-2]</sup> <sup>[103-3]</sup>

The Martabe Gold Mine's operations are subject to a wide range of environmental laws and regulations. A number of permits covering things like the discharge of treated water and the operation of temporary hazardous (B3) waste storage facilities set more specific compliance requirements for the site. All of the environmental performance is monitored by Manager Environment who reports this performance to Senior Manager – Health, Safety, and Environment (HSE).

Under the conditions of the PTAR Environmental Policy, the Company agrees to ensure full compliance with all applicable legal requirements. The compliance is verified regularly by the process of evaluation as part of the environmental audit.

The site management team at the mine is supported by the PTAR Code of Practice HSE Compliance which provides an overview of the main HSE statutory requirements that apply to the Martabe Gold Mine, and specifies who is accountable for managing compliance with these requirements. On the Company's intranet there is a Legal Database and an Operating Conditions Register. HSE compliance requirements across a range of key site activities are also documented in a number of PTAR Codes of Practice.

It is clearly important that the Company's senior management remain well-informed of the Company's environmental

compliance status. Accordingly, the Environmental Department produces a monthly Environmental Compliance Report documenting all compliance monitoring results and associated regulatory limits as well as the status of all required environmental permits.

The accuracy and independence of water quality compliance data is ensured by implementing the following safeguards:

- Sampling is conducted according to a standard protocol by trained technicians to ensure preservation of the sample prior to testing.
- A certified and independent testing service provider located in Jakarta conducts all analyses.
- To avoid unintended bias in reporting of data, a system of sample identification is used so that the sampling location is not known by the receiving laboratory.
- To minimise the possibility of sampling and analytic errors (using sample blanks and duplicates), a formal QA/QC process is applied.
- An environmental monitoring database is used to manage all results.
- A consultant expert in tropical aquatic ecosystems regularly reviews the water quality monitoring data. A visit is made to the site twice a year to audit water sampling practices.



### BLUE PROPER

The BLUE PROPER rating from the Indonesian Ministry of Environment and Forestry is a significant achievement in managing environmental performance.



# Environmental Compliance

The Company maintained its long-standing record of effective environmental compliance management in 2019. The company has complied with environmental legislation and there were no incidents of environmental non-compliance throughout 2019. In 2019 in accordance with the realization of the Work Plan and Budget, the environmental management and monitoring costs incurred amounted to USD7.4 million. [307-1]



Suheri and Nurapni Harahap (Environment Department) are conducting water sampling at Batangtoru River, Telo Village - Batangtoru Sub-district.



### Environmental Compliance

The most important environmental compliance requirements at the Martabe Gold Mine relate to a number of key activities:

- Discharge of water from the site
- Groundwater quality
- Emissions (from generators and stacks)
- Handling, storage and disposal of hazardous waste
- Placement of tailings
- Clearing of vegetation

### Water Quality Control

The control activities to ensure the accuracy and independence of water quality were as follows:

- Compliance with reporting requirements of the permits and approvals that we are subject to.
- Compliance with limits on stack and generator emissions.
- The water quality limits for discharge from the Water Polishing Plant (WPP) were complied with and an unbroken record of discharge compliance since we started operations was continued.
- Requirements applying to the handling, storage and disposal of hazardous (B3) waste were complied with.
- The AMDAL Environmental and Social Monitoring Plan (RPL) was the basis for our compliance with environmental monitoring and reporting.
- Compliance with reclamation guarantee requirements.



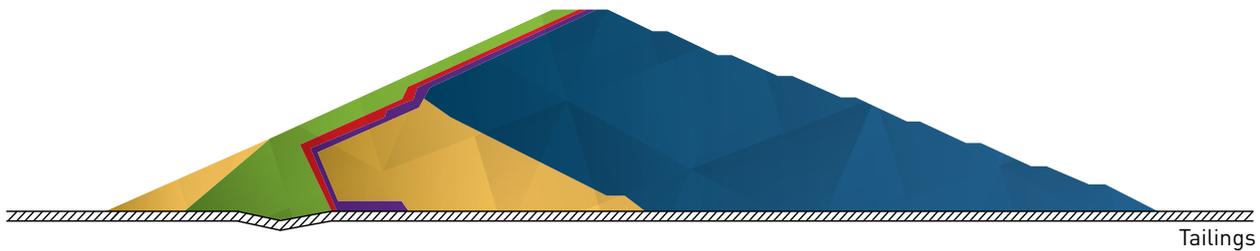


# Disposal of Tailings

At the Martabe Gold Mine a waste stream called tailings, largely comprising water, ground rock, lime and residual cyanide is produced by the process for extracting gold and silver from ore. The Martabe Gold Mine, like the large majority of gold mining operations, disposes of tailings in a Tailings Storage Facility (TSF).

The TSF at the Martabe Gold Mine consists of an engineered embankment in a valley with tailings being placed in the containment space provided upstream of the embankment. Of conventional “rock-fill” downstream construction, the embankment itself has several distinct internal zones each serving a particular function.

**Simplified Cross-Sectional View of the Martabe Gold Mine TSF Embankment**



	<b>Rock Fill</b>	Provided stability for the first stage of construction. The pit was not yet operating, so quarried rock was used.
	<b>Zone 1</b>	Low permeability (clayey) material on the upstream face of the embankment. Designed to limit seepage from the tailings into the embankment.
	<b>Zone 2</b>	A sand filter layer. Designed to collect any seepage passing through Zone 1 and direct it to the base of the embankment. Water building up in an embankment can reduce stability and lead to internal erosion.
	<b>Zone 4</b>	A second filter layer. Designed to separate the finer sand filter layer (Zone 2) from the coarser mine waste (Zone 3) and prevent the sand from moving into the mine waste.
	<b>Zone 3</b>	The structural zone of the embankment. Provides stability and forms the bulk of the earthworks. Also provides a storage location for almost all waste rock from the pit.

Run-of-mine waste rock is used to progressively raise the TSF embankment’s height in order to provide sufficient storage capacity for the ongoing production of tailings. The embankment crest will have a height of 112 meters above foundation (at centerline) and a length of 1,220 meters when completed.

The highest importance to the Company is the safety of the TSF. Key goals in this regard therefore include the following:

- No uncontrolled release of tailings or water (through overtopping or damage to the embankment).
- Prevention of impacts on groundwater from seepage.

- Prevention of fauna death within the TSF itself.
- Ongoing control of acid mine drainage in the embankment.
- Rehabilitation of the structure following closure to a safe and stable condition.

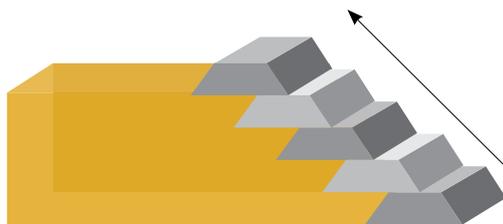
The application of a diverse range of risk controls at the design, construction, operation and closure stages of a TSF is required to minimise TSF risk. The controls include: design specifications, construction methods, QA/QC programs, operational controls such as procedures, staff training, change management, condition monitoring and inspections, reviews and audits. Of these controls, the most important can be summarized as follows.



### Key Risk Controls - TSF Design and Construction

- An international geotechnical engineering consultancy, recognized for its expertise in this field, has implemented the TSF design.
- “Downstream lifting” is the method used to progressively construct the TSF embankment. This enables the construction of a zoned rock-fill embankment that is inherently more stable than embankments built using the “upstream lifting” method as used by some other mining operations.
- Dam safety guidelines published by the International Committee on Large Dams (ICOLD) define the specifications for the design.
- A key performance criterion is recognized as embankment stability. The TSF has therefore been designed to remain safe in the event of a Maximum Credible Earthquake (MCE).
- The design freeboard is equivalent to the Probable Maximum Flood (PMF). The Indonesian Dam Safety Committee has reviewed and approved the TSF design.
- The construction of the TSF is the responsibility of the consultant engineer who is accountable for ensuring that it is in accordance with the approved design, and that a construction QA/QC program is in place to ensure appropriate standards. This role is equivalent in function to the “Responsible Engineer” referenced in ANCOLD Guidelines on Tailings Dams (ANCOLD 2012).
- Construction QA/QC records are certified and safeguarded so that a permanent record of compliance with the engineering specifications is provided.

### Upstream lifting Method of TSF Embankment Construction



Upstream lifting using dried tailings to extend the wall.

### Martabe Gold Mine TSF



Downstream lifting using engineered compacted zones of rock, clay and sand.

### Key Risk Controls - TSF Operation

- All tailings are treated before leaving the process plant to reduce cyanide to low levels (below 50 mg/L). This ensures there is no risk to wildlife coming in contact with water held in the dam. These levels are as specified by the International Cyanide Management Code.<sup>9</sup>
- Tailings are deposited in the TSF in thin layers onto a tailings “beach”. Each layer is allowed to settle, drain and dry before being covered with a new layer of fresh tailings. This method offers a number of benefits that include increased strength of the placed tailings and destruction of residual cyanide with exposure to natural ultraviolet light.
- Water held in the TSF pond is kept to a minimum. This is because excess water held within the pond of a TSF may increase the risk of overtopping, reduce the stability of the embankment, impair tailings consolidation and increase seepage rates. Before release from site, excess water at the TSF is removed by pumping to a Water Polishing Plant (WPP) for treatment.
- For the detection of any changes that might lead to unsafe conditions, a comprehensive TSF monitoring program is in place. This includes monitoring of water levels within the embankment, embankment movement due to long-term settlement or seismic activity, available freeboard, seepage rates and surface erosion.

<sup>9</sup> The “International Cyanide Management Code For the Manufacture, Transport, and Use of Cyanide In the Production of Gold” [Cyanide Code] was developed by a multi-stakeholder Steering Committee under the guidance of the United Nations Environmental Program (UNEP) and the then-International Council on Metals and the Environment (ICME).



The Company engages expert consultants to conduct an annual independent review of all aspects of TSF safety. This is a final measure to ensure that the ongoing design, construction and operation of the TSF reflects industry leading practice. A TSF Stewardship Report is issued each month to ensure that the senior management team remains fully informed regarding TSF risk, and the status of action to further minimise risk.



Naili Fitriyah Ridwan (Maintenance Department) monitoring a confined space area at the processing plant.

## Results Achieved in 2019

In 2019, a total of 6.15 million tonnes of tailings was placed in the TSF without incident and in accordance with operational requirements laid out in Code of Practice Safe Tailings Placement. Key outcomes in this regard included:

- Consistently good sub-aerial deposition of tailings coupled with ongoing minimisation of TSF decant pond volume, resulting in extended beaching of tailings away from the embankment.
- Maintenance of a large spare freeboard to accommodate storm inputs (typically in excess of 10 million cubic meters compared with a Probable Maximum Flood of 5 million cubic meters).
- Ongoing cyanide detoxification at the process plant prior to tailings discharge.
- No significant concerns identified in the TSF condition monitoring program.
- No measurable impacts on local groundwater.
- Ongoing construction of the embankment in accordance with the approved TSF design.
- Ongoing monitoring of TSF construction and performance by the Company's geotechnical engineering consultancy.
- Implementation of a third annual independent review of the safety of the facility conducted by TSF experts.

Special initiatives implemented in 2019 to further reduce TSF risk included:

- Completion of a rock extension to support the final toe of the embankment.
- Installation of a new tailings deposition system to improve control of tailings deposition and tailings beach density.
- Planning of a significant drilling and instrumentation program across the embankment to augment condition monitoring.
- Commencement of use of satellite data (InSAR<sup>10</sup>) to measure movement of the embankment.
- Review of the seismic hazard assessment applied in the TSF design reports by a team of experts with particular knowledge of Indonesian conditions.

10 Interferometric Synthetic Aperture Radar, a technique used in remote sensing. This method uses satellite data to generate maps of surface deformation, potentially measuring millimeter-scale changes in deformation over spans of days to years.



Salma Masti and Ardiansyah Marbun are doing a description of the drilling core rock.



## Disposal of Waste Rock

The second major waste stream at the Martabe Gold Mine requiring careful management to avoid environmental impacts is waste rock, consisting of rock that must be mined to allow pit development but that contains insufficient gold to warrant processing. Almost all the waste rock to be produced under the current mine plan at the Martabe Gold Mine is utilized in the construction of the TSF embankment. There has therefore been no need to dispose of waste rock in large dumps as is the case at most other mining operations. Both tailings and waste rock disposal requirements for the site are met by the TSF embankment's fully engineered structure.

Due to the oxidation of naturally occurring sulphide minerals contained in the rock, some of the waste rock at the Martabe Gold Mine has the potential to form acid when disturbed by mining. This is the case for many metalliferous mines. When rainwater flows through it, such material may become acidic and accumulate elevated levels of metals. If not properly controlled, this process of Acid Mine Drainage (AMD), may have significant potential to cause pollution.

Sealing potentially acid-forming rock so that the rate of oxygen entry and hence the rate of acid production is reduced to very low levels is the most commonly used and successful way of managing AMD. The strategy of achieving this sealing by the use of compacted layers of rock or clay is being successfully implemented at the Martabe Gold Mine. Functioning as a barrier to oxygen entry, rock known to be potentially acid forming is sealed within the TSF embankment by up to two meters of compacted rock or clay. A complex geology featuring a range of rock types in different states of weathering and containing variable quantities of sulphides makes the task of identifying waste rock as Non-Acid Forming (NAF), Potentially Acid Forming (PAF) or some intermediate category is made more challenging at the Martabe Gold Mine due to relatively complex geological conditions, which include several types of rocks in different weathering and contain various amounts of sulfides.



A range of technical studies over a period of years has been implemented by the Company in order to develop a best-practice AMD management program. The key milestones can be summarised as follows:

- Detailed rock waste characterisation studies.
- Development of waste rock types or classes based on geochemical and physical criteria.
- Production of life-of-mine waste schedules.
- Development of a sealing layer specification based on sophisticated computer modelling with verification testing in the field.
- Progressive implementation of selective waste placement and sealing.
- Performance measurement to validate waste sealing design and implementation.

The development of the site's AMD management program is the result of the role played by key technical teams at the Martabe Gold Mine, including exploration, mine geology, mine planning, TSF construction and the environment. The results of this work have been documented in the Martabe Gold Mine AMD Management Technical Manual. An overall framework for AMD management at the site, this manual provides technical guidance for all aspects of waste rock management. More detailed information on AMD management at the site can be found in several papers published on this topic.<sup>11</sup>

An AMD consultant with substantial international experience is engaged by the Company to review waste rock management at the site on an ongoing basis. This ensures that the site is implementing industry best practice in the management of waste rock.

## Results Achieved in 2019

In 2019 a total of 2,627,638 Bank Cubic Meter (BCM) of waste rock was placed in the TSF embankment without issue and all waste rock identified as potentially acid forming was progressively sealed by compacted rock layers in accordance with the site's AMD management program.

The ongoing progress in implementing the site's AMD management program in 2019 included:

- The effectiveness of the waste rock sealing strategy was confirmed by data from three monitoring stations installed in the TSF embankment. These results continued to indicate very low levels of oxygen ingress through the sealing layer and no indication of oxidation at depth in the embankment.
- An ongoing QA/QC testing program confirmed constructed sealing layers continued to meet required compaction specifications.
- In order to further investigate the geochemical characteristics of selected waste rock types, "kinetic" tests were established at site (involving the regular application of water to containers of waste rock and collection and analysis of the leachate).
- The life-of-mine waste rock schedule was updated to include all four approved pits.
- The toe of the TSF was completed including a final layer of growth media on which was established a rapidly growing cover crop species.
- A drilling program on the embankment was completed to provide samples for testing and validation of internal embankment conditions.
- A waste characterisation program for the Ramba Joring pit was completed.
- A waste characterisation program for the Tor Ulu Ala deposit was commenced, with 200 samples collected for detailed geochemical analysis.
- A grade control program was continued for the three operational pits (Purnama, Barani, Ramba Joring), producing more than 1,000 samples per month for AMD testing.
- A three-month rolling waste schedule was refined to ensure integration between the mine plan, waste rock production and the TSF embankment build plan. Waste rock delivery is now embedded as a priority for mine planning and operations.

<sup>11</sup> Progressive rehabilitation — Martabe Gold Mine as a case study. 11th International Conference on Mine Closure, Perth.  
A risk-based approach using process flow diagrams for operational waste rock classification — case studies.  
Progressive Management of AMD Risk During Construction of an Integrated Waste Storage Landform – A Case Study at Martabe Gold Mine, Indonesia. 13th International Mine Water Association Congress. Finland.  
Integrated life of mine waste characterisation, scheduling, placement planning and quality control to achieve progressive closure. 13th International Conference on Mine Closure, Perth.



## Management of Hazardous Industrial Waste

Hazardous and toxic waste (B3 waste) is defined under Indonesian Law No. 32/2009 on Environmental Protection and Management as any waste that can cause pollution or harm the health of humans and other living organisms. A permit is required by any party involved in the placement, storage, transport or treatment of B3 waste. As is typical for all mines, the Martabe Gold Mine produces a range of waste types that are classified under regulation as B3 waste. These include:

- Tailings.
- Waste oil and greases.
- Waste process chemicals.
- Used paint and chemical containers.
- Batteries.
- Computer and printer scrap parts.
- Medical waste from the site clinic.

PTAR has a permit to place tailings in the site's Tailings Storage Facility (TSF) and permits for temporary B3 waste storage facilities at site. All B3 waste, with the exception of tailings, is transported to a commercial off-site licensed waste processor.

The importance of B3 waste management means that the Company has in place a number of controls to ensure correct practices are followed. These include:

- Setting out the mandatory requirements for B3 waste management at site, the PTAR Code of Practice Waste Management applies to all PTAR and site contractor employees.
- The PTAR Workplace Condition Inspection (WCI) program specifies the scope of the B3 waste management requirements.
- A PTAR training course for B3 waste management is available.
- New employees are informed about the key B3 waste management requirements during the site HSE Induction and are also covered by the site HSE poster program.
- A monthly Environmental Compliance Report for senior management informs them of any B3 waste non-compliances, and the status of contracts with B3 waste transport and processing contractors.
- At the PTAR daily production meeting, the remaining capacity in the site's temporary B3 waste storage facilities is reported.



Tuti Hayani - HDPE Welder trainee tightens bolts on a HDPE welding machine.

### Results Achieved in 2019

A total of 463 tonnes of site waste classified as B3 Waste was produced at the Martabe Gold Mine in 2019. B3 waste management requirements such as labelling, temporary storage in permitted site facilities, and delivery to a licensed waste processor for treatment were successfully implemented without incident.

In support of more efficient management of B3 waste, an additional two temporary waste storage facilities were constructed and a total of five temporary waste storage facilities permitted in 2019. Approved in May 2018, the AMDAL Addendum describes the use of waste oil in blasting as is the practice at other mine sites in Indonesia. PTAR will therefore be able to implement this practice when required.



Novi Anggraini from Mining Department is observing the catchment area at Purnama Pit.



## Site Water Management

In the wet tropics, the management of site runoff water is a common requirement for open-cut mines. So that the risk of non-compliance and/or downstream environmental impacts are minimised, a number of factors need to be taken into account in the development of mine water management systems:

- Rainfall on the exposed large areas of soil and disturbed rock which typically result from surface mining will mobilise sediments and sometimes metals and acidity. This means that site runoff water may require treatment before it is released from the site.
- Mineral processing plants generally require large amounts of water. This is particularly true for gold mines where their extraction process is based on a rock slurry.
- Pits and site infrastructure such as TSFs can disrupt natural catchments which results in a significant reduction of clean water flow available for users downstream.
- Local rural communities treat waterways and local groundwater as important resources; typically,

utilised for irrigation, domestic washing, bathing and ablution purposes.

- The significant biodiversity values of downstream waterways need to be protected.

At the Martabe Gold Mine all of these factors are important:

### Site Water Balance Model

A water balance model is the first step in successful water management at a mine site. This is a key tool for developing a site water management strategy as well as specifying the water management infrastructure required that includes: ponds, structures, pumps, and piping systems.

Specialist consultants have developed the Martabe Gold Mine's complex site water balance model that is used for planning purposes. This 'probabilistic' model takes into account the wide natural variability of local

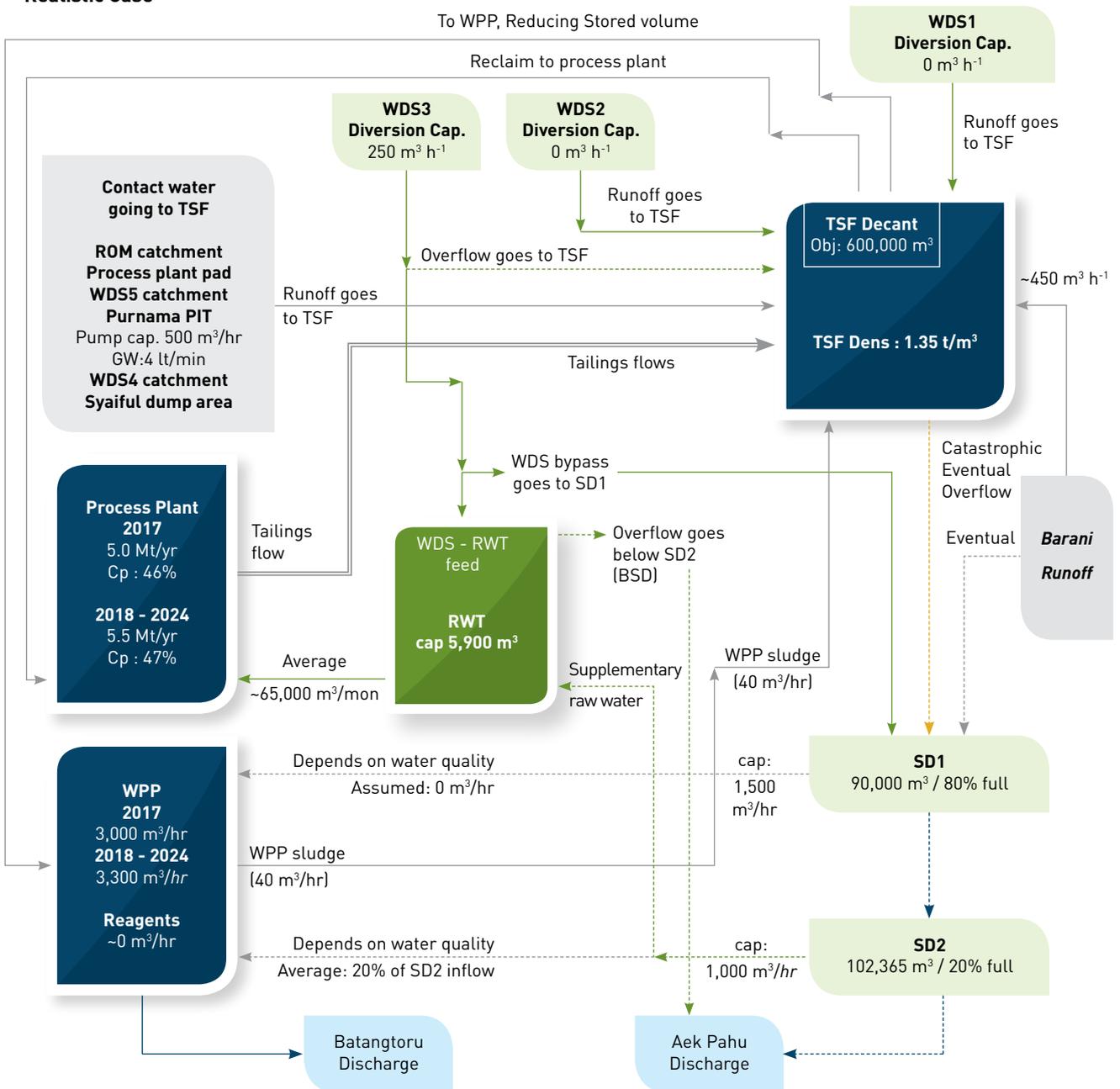


rainfall by running many simulations of different storm events. It integrates the results to produce estimates of water accumulation at given levels of likelihood.

The water balance modelling done in the planning stage for the Martabe Gold Mine found that the site would have a net positive water balance. This means that water would need to be discharged during operations.

### Martabe Water Balance Upgrade

#### Realistic Case



- Fresh Water (normally used / eventual)
- Discharge Water (normally used / eventual)
- Process / Contacted Water (normally used / eventual)
- Emergency Water (normally used / eventual)



## Site Water Management System

The site operates a carefully designed water management system, in recognition of the importance of water management. The operation is prescribed by Code of Practice Site Water Management.



### Water Management System

The Water Management System is operated to achieve the following objectives:

- Minimising the risk of non-compliant releases from site (exceedances of water quality limits prescribed by Ministerial Decree No. 202/2004).
- Minimising the risk of environmental impacts on downstream waters, including the protection of aquatic biodiversity.
- Ensuring the continuity of raw water and process water supply to the process plant sufficient to meet its production needs.
- Minimising water held in the TSF continuously.

Runoff from the process plant area, the TSF embankment and most areas disturbed by mining cannot directly leave the site. Rather the water flows to the TSF or to large water management ponds as a result of the water management system. This approach ensures control over the quality of water leaving the site.

## Results Achieved in 2019

During 2019, water at the site was managed in accordance with the requirements of the site water management system without significant incident. Key outcomes included:

- Although high rainfall can disrupt mining operations, good run-off management of water has succeeded in controlling the balance of water flowing back into the water body. In 2019, PTAR is estimated to have managed around 20,887,747 m<sup>3</sup> of rainwater runoff.
- Although in the PTAR operational process there is water flowing back to the Batangtoru River, but throughout 2019 no body of water was adversely affected. PTAR has ensured that water that has flowed into water bodies has been treated in WPP

and meets quality standards in accordance with the criteria of Minister of the Environment Decree No. 202/2004.

- The University of North Sumatra continued to monitor the condition of streams and rivers surrounding the site under a River Health Monitoring Program that has been running since 2014. Under this program, aquatic life at sites in the Batangtoru River was surveyed in 2019 and met the quality standards.
- Equipment to allow continuous flow monitoring was installed at a water quality compliance point in the Aek Pahu stream (located downstream of the TSF and associated sediment ponds).



The use of water for supporting facilities in the PTAR office which is channeled from ground water reaches 125,073 m<sup>3</sup>. The use of water for plant operations obtained from spring reaches 906,144 m<sup>3</sup> and from reuse of treated water from TSF reaches 5,748,576 m<sup>3</sup>.



## Site Rehabilitation

PTAR is committed to progressive rehabilitation. This means that land is rehabilitated as it becomes available, rather than waiting for the mine to close. In situations where the surface is not ready for final rehabilitation, such as haul road batters, a temporary cover of legumes may be used to stabilise the site, minimising erosion due to rainfall.



Martabe Gold Mine undertakes the general steps in the rehabilitation of disturbed areas which are similar to that at most other mines. They are:

- Reshaping of the area to achieve a design slope.
- Installation of runoff control structures such as contour drains.
- Spreading of topsoil over the area.
- Application of fertiliser.
- Spreading of seed (usually a mixture of legumes).
- Hand planting of tree seedlings.
- On-going maintenance including weeding and additional fertiliser applications.

A plant nursery has been established at the mine to support the site rehabilitation program and provide an ongoing supply of native tree species for planting. Another important part of the site rehabilitation program is topsoil management. The placement of thin layers of topsoil over the final surface areas being rehabilitated can yield a significant improvement in the number of plant species present and the rate of seedling growth. This benefit is because the topsoil contains seed and root stock of native species, bacteria involved in the breakdown of organic plant material, and fungi that assist with nutrient uptake as they form associations with tree roots. For this reason, in areas being cleared, soil is stripped and stored in temporary stockpiles for later use in the rehabilitation program.

The management of mine rehabilitation is carried out and integrated between departments by involving land planning and management by the Department of Mines and plant planting and care by the Department of the Environment. PTAR is committed to carry out mine rehabilitation in accordance with the 2017-2021 Reclamation Plan and to plan mine closure as required by the Government. The PTAR Mine Closure Plan was approved in 2014 for the Purnama pit mining area and the TSF mRL 360 tailing dam with a guaranteed mine cover value of USD23.4 million. In 2019, PTAR submitted a revision of the mine closure documents

for the 4 pit and TSF mRL 377 tailings dams with a guaranteed mine cover value of USD28.3 million. All (100%) PTAR operational areas already have a mine closure plan. [MM10]

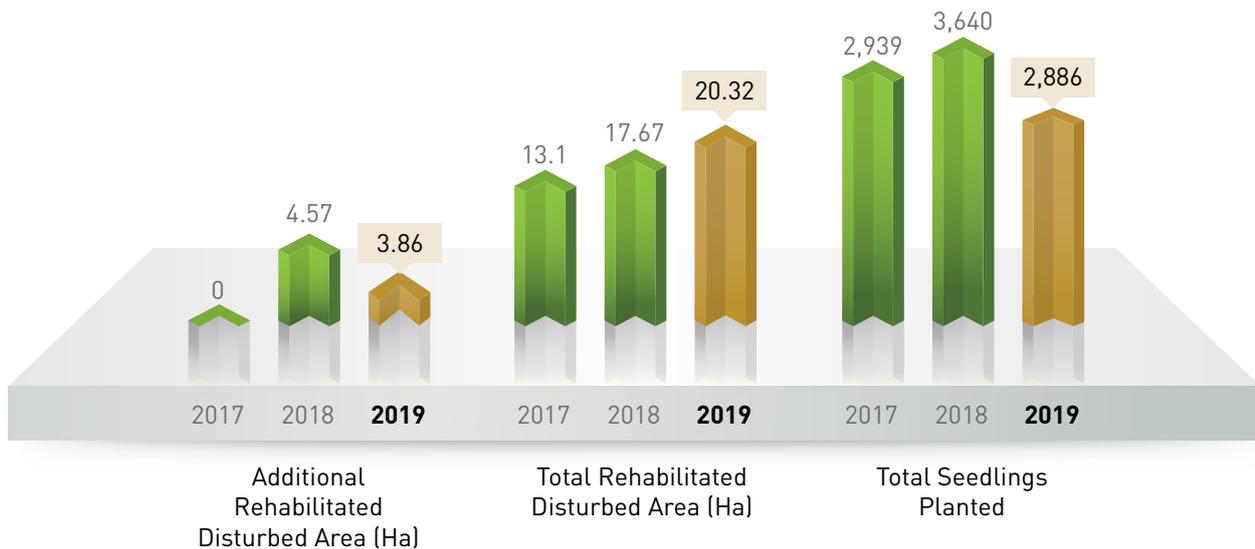
### Results Achieved in 2019

Rehabilitation of mining areas in 2019 was carried out in accordance with the approved 2012-2017 Reclamation Plan. If there is an area that has been finalized and is not reused, then recounturing, reshaping, and topsoil stocking processes will be carried out, followed with rehabilitation and revegetation activities on that area. Rehabilitation of the mine area in 2019 was carried out on the walls of the TSF dam of 1.08 Ha and the former emplacement area of 2.78 Ha. The target of land reclamation in 2019 in accordance with the 2017-2021 Reclamation Plan is 3.6 Ha and has been realized at 3.86 Ha.

PTAR does not have operational areas that intersect with protected areas. During 2019, an additional 3.86 Ha of disturbed area was rehabilitated, increasing the total area rehabilitated and revegetated to 20.32 Ha. 35.5 Ha in total had been stabilized with cover crops by the end of the year. A total of 2,886 seedlings were planted during the year, with 5,828 seedlings representing 45 species available in the site nursery at the close of the year. [304-3] MM2



## Rehabilitated Disturbed Area



## Mine Closure

Disturbed areas at the Martabe Gold Mine will be returned to a safe, stable and productive state when mining and processing has been completed and all mineable reserves having being utilized. This stage of operations is referred to as mine closure.

### Mine Closure Strategy

An approved Mine Closure Plan (MCP) documents the closure strategy for the site, which can be summarised as follows:

- Detailed technical studies will be completed during operations according to the closure study timetable reviewed and updated annually.
- The process plant and associated infrastructure such as offices and workshops will be removed after completion of processing. Any remaining chemicals will be collected and delivered to a

licensed waste processor. The site's concrete foundations will either be broken up or covered with rock and soil.

- The surface of the TSF embankment will be revegetated after being covered with layers of rock and soil.
- The scheduled mining of the various pits will attempt to ensure that completed pits can be backfilled with waste rock from active areas of mining before to final rehabilitation takes place.
- Areas which may potentially be contaminated like workshops and chemical storage areas will be surveyed using soil sampling and remediated as required before rehabilitation.
- Most haul roads and tracks will revegetated after being ripped by bulldozer. The main haul roads which connect the pits and the process plant area will be retained to allow for follow-up work and inspections.



- To allow for the ongoing treatment of mine water until all sites are fully rehabilitated, some water management infrastructure including the WPP will remain operational for a number of years after closure.
- A small workforce shall be maintained at the site for some years after completion of operations to support the necessary closure activities. As an added measure, an environmental monitoring program will be maintained at the site by the Company until relinquishment.

There are examples around the world where mining companies have completed operations with insufficient funds remaining to properly implement mine closure due to the level of funds required to close a mine. The Indonesian government, like many around the world, has implemented a system to address this risk. Under government regulation MEMR 18/2008, every mining company in Indonesia must pay an annual closure bond during operations based on estimated mine closure costs. These funds become available for use by the company when mines are closed.

A detailed estimate of mine closure costs documented in the MCP is the basis of the value of the closure bond. PTAR has an approved mine closure plan for the Martabe Gold Mine, and is implementing closure bond payments in accordance with this regulation. With every significant expansion of activities at the site, the plan is subsequently updated. The original MCP for the site was submitted in 2014. A revision taking into account the Ramba Joring, Barani and Tor Ulu Ala pits and TSF expansion to RL 360 was submitted in 2019.

### Results Achieved in 2019

In 2019 a document revision taking into account the Ramba Joring, Barani and Tor Ulu Ala pits and TSF expansion to RL 360 was submitted to the Ministry of Mining.



Longser Butar-Butar, Minhajul Abidin (Community Development Department), with Syawaluddin Siregar and Mujur Siregar, the farmers who use solar power pump irrigation supported by PTAR in Telo Village.



## Looking Forward

*In 2020, PTAR will continue to support the Sustainable Development Goals (SDGs) and continue implementing the sustainability strategy road map by undertaking a number of mapped activities.*



Sustainable development will remain the main guiding principle for the management of the Martabe Gold Mine in all operations and towards mine closure. The mapping of priority support towards sustainable development goals has been carried out and will be a concern for achievements in line with PTAR's activities.

For 2020, PTAR will continue the sustainability strategy road map by carrying out a number of key activities:

1. Improved occupational safety and health throughout the Martabe Gold Mine, continuing innovative applications in overcoming the risks of major safety hazards, called the Critical Controls Program.
2. Maintaining a harmonious relationship with the community and all stakeholders. The involvement and role of the Company will also be continued through various community developments in the fields of education, health, community relations, local economic development and infrastructure assistance, with support emphasized through the Community Development and Empowerment Master Plan.
3. Conduct social mapping and measure the impact of activities, for example through community satisfaction surveys or Social Return on Investment (SROI).
4. Launch of the Biodiversity Strategy and Implementation Plan that will provide a systematic framework for managing biodiversity impacts and risks associated with the Martabe Gold Mine operation.
5. Increase the provision of employment opportunities for local communities and implement gender diversity initiatives to increase employment opportunities for women at all levels of the organization.
6. Optimizing operational and financial performance of the Martabe Gold Mine and continuing active exploration programs with the aim of supporting the Company's sustainable growth with benefits for all stakeholders.
7. Maintaining environmental protection and compliance with the environment.

We hope that we can convey all the achievements of these activities in the 2020 Sustainability Report.



## Report Profile

PTAR publishes a Sustainability Report annually. The previous Sustainability Report was published on October 15th 2019. The 2019 Sustainability Report covers the sustainability performance for the period of January 1 – December 31, 2019. Entities included in this report are PTAR, which covers activities in Martabe Gold Mine site and head office in Jakarta. This Sustainability Report does not include other entities since PTAR does not have any subsidiaries. The financial statements submitted in this report have been audited by Tanudiredja, Wibisana, Rintis & Rekan. [102-45] [102-50] [102-51] [102-52]

The material topics discussed in the 2019 Sustainability Report are adjusted to the company's strategy and our priority support for sustainable development goals. Therefore, there are some changes to the disclosed information in this report, including additions or adjustments of information in accordance to newly-defined material topics. [102-49]

This Sustainability Report has been prepared in accordance with regulations and standards namely GRI Standards 2016: Comprehensive Option and GRI Specific Disclosure Mining and Metal. [102-54]

The 2019 Sustainability Report has been prepared in accordance with reporting principles and considering the new material topics that have been determined. Material topics were determined during a discussion among the Company's internal stakeholders, involving the highest executive position on January 21<sup>st</sup>, 2020. Material topics were chosen considering the high priority issues faced by the Company in 2019. PTAR has also ensured the conformity of the report content with SDGs-mapping and the community development programs plan in the CMP document. [102-32] [102-46]

Sustainability Report Information: [102-53]

**Jakarta Office:**

PT Agincourt Resources  
Wisma Pondok Indah 2 Suite 1201  
Jl. Sultan Iskandar Muda  
Kav V-TA, Pondok Indah  
Jakarta, Indonesia 12310

**Martabe Gold Mine:**

PT Agincourt Resources  
Martabe Gold Mine  
Jl. Merdeka Barat Km 2.5  
Kelurahan Aek Pining,  
Batangtoru, Tapanuli Selatan,  
Sumatra Utara 22738



E-mail: [Martabe.CorporateCommunications@agincourtresources.com](mailto:Martabe.CorporateCommunications@agincourtresources.com)



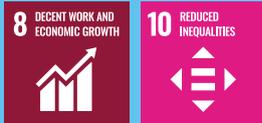
The material topics for PTAR's 2019 Sustainability Report determined from focus group discussions. [102-47] [103-1]

**Material Topic  
and Sustainable  
Development Goals  
(SDGs)**

**Material Issues and Why They are Material**

**Boundary to  
Stakeholder**

**Economic Performance**



One focus of the Company's business activities is to achieve economic performance targets. Through mining activities at Martabe, PTAR's economic performance has been able to have a positive economic impact on the local, regional and national economy. In addition, good economic performance has also become the main source for the Company to maintaining sustainable development activities.

**Internal:**  
Shareholders, Employees

**External:**  
Government, Financial Service Authority (OJK), Media, Community Organizations (NGOs)

**Environmental Compliance**



Operations at the Martabe Gold Mine are subject to a number of environmental laws and regulations in Indonesia. PTAR always ensures ownership of permits for the activity of disposal of treated water, the operation of temporary storage facilities for hazardous waste, and other activities that have direct or indirect contact with the environment.

**Internal:**  
Shareholders, Employees, Contractors

**External:**  
Government, Media, Community Organizations (NGOs), Local Community

**Rehabilitation and Mine Closure**



PTAR recognizes the importance of conducting responsible mining operations and returning mining areas to safe, stable and productive conditions after mining. Mining rehabilitation and closure activities always ensure the restoration of ecosystems.

**Internal:**  
Shareholders, Employees, Contractors

**External:**  
Government, Community Organizations (NGOs), Media, Local Community

**Occupational Health and Safety**



Mining operations have many potential hazards in the work environment, so aspects of work health and safety require special attention from the Company. PTAR is committed to continuing to pay attention to workplace conditions, workforce competencies, and employee behavior through the HSE Management System. In 2019, PTAR succeeded in maintaining the achievement of zero Lost Time Injury.

**Internal:**  
Employees, Contractors

**External:**  
Government, Media

**Gender Diversity**



Gender diversity is one of PTAR's strengths compared to companies in similar industries. PTAR is one of the few mining companies that has a large workforce of women. PTAR also has policies that support gender diversity.

**Internal:**  
Employees, Contractors

**External:**  
Government, Media



**Material Topic and Sustainable Development Goals (SDGs)**

**Material Issues and Why They are Material**

**Boundary to Stakeholder**

**Local Community**



Every year, PTAR carries out various corporate social responsibility activities, specifically related to community development in 15 DAVs. Community development activities have been planned through the Community Management Plan for the 2016-2020 period. Community development programs are generally carried out in the mining industry, especially if mining operations are located in rural or remote areas where the community still has limited access to public services.

**Internal:**  
Shareholders

**External:**  
Government, Media, Local Community, Community Organizations (NGOs)

**Indirect Economic Impact**



Mining operations by PTAR are able to bring indirect economic impacts to stakeholders, including shareholders, employees, government, the community, and others. Indirect economic impacts include the distribution of dividends, royalty from sales of gold and silver, salary and employee benefits, benefits from local procurement of goods and services, and various community empowerment programs.

**Internal:**  
Shareholders, Employees

**External:**  
Government, Local Community

**Employment**



PTAR is very concerned about aspects of employment, starting with the recruitment process. PTAR workers always receive benefits and remuneration in accordance with regulations, training and self-development, as well as a safe and comfortable work environment to support their productivity. In addition, the Company also ensures the local employment in Company's activities in accordance with the Company's needs and the competencies of prospective workers.

**Internal:**  
Shareholders, Employees, Contractors

**External:**  
Government, Local Community

**Note:** High Priority Issues Medium Priority Issues



# Independent Assurance Statement

## Independent Verification and Assurance [102-55] [102-56]

PTAR's 2019 Sustainability Report has been verified by an independent party through an assurance process from Social Responsibility (SR) Asia, which operates in India and conducted by its Indonesian representative. PTAR Management has approved and ensured that there is no conflict of interest in the selection of the independent assessor.



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## Independent Assurance Statement The 2019 Sustainability Report of PT Agincourt Resources

Number : 007/000-174/IV/2020/SR-Asia/Indonesia  
Type / Level : 1 / Moderate

This is the **Independent Assurance Statement** ("the Statement") that specifies the conclusions and recommendations on the content of the **2019 Sustainability Report** ("the Report") of **PT Agincourt Resources** ("the Company" or "the Reporting Organization"), based on the assurance work performed by Social Responsibility Asia (SR Asia). The Reporting Organization is a limited liability company and its operation activities are gold and silver mining in North Sumatra Province, Indonesia.

The Company has drafted the Report content referring to the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) and its Mining and Metals Sector Disclosures. As per agreement with the Management<sup>1</sup>, SR Asia has been engaged to review the Report content and come up with recommendations as well as the Statement; while the presentation of claims, data, information, and figures in the Report content is the sole responsibility of the Management.

As per assurance work procedures are taken, SR Asia is responsible to present the results well as the Statement only to the Management. SR Asia does NOT accept or assume any responsibility, including in presenting the assurance outcomes, for any other purpose or to any other person or organization. All must be informed that SR Asia does NOT accept risks from the independency of a person or an institution on the Report content or the Statement. Except for the areas covered in the scope of assurance work, NO one shall utilize the Statement to define the sustainability or overall performance of the Reporting Organization.

### Scope and Limitation

1. **Type 1 and Moderate Level** of assurance is applied; where **the risks of information and conclusions of the Report being error is reduced, but not reduced to very low, but not zero.**
2. Review, NOT to investigate or audit, the Report content for the reporting period of **1<sup>st</sup> of January up to 31<sup>st</sup> of December 2019**, especially on the five material topics: **economic performance, environmental compliance, mine closure and rehabilitation, occupational health and safety, and gender diversity.**
3. SR Asia assumes the Company, or independent parties, or other parties associated to the Company, have verified and/or audited any data and information related to financial statements; therefore, the scope of assurance does NOT include financial data, information, and figures in the Report content.
4. Evaluate publicly disclosed information, system, and process of the Company to ensure adherence to the principles.

<sup>1</sup> "The Management" refers to the management of the Reporting Organization or the Company



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## Exclusion

1. Assessment on indicators, standards or principles other than those indicated in the Statement.
2. Statements of opinion, belief, expectation, advertisement, future plan, and assumption as specified in the Report content.
3. Procedures and processes of stakeholder engagement that might be performed for the Report content development.
4. Financial performance data and information in the Company's financial statements and documents, other than those mentioned in the Report content.
5. Topics, data and information outside the reporting period, or in the public domain not covered in the reporting period.
6. Topics, data and information that are not mentioned under the defining materiality section or the discussion on defining Report content.

## Methodology

1. SR Asia has engaged an official partner in Indonesia to form an Assurance Team.
2. Carry out a kickoff meeting in a videoconference with the Management.
3. Perform an initial assessment on the Report document.
4. Through videoconference, discuss the Report content and review the results of initial assessment with the Management.
5. Receive evidence documents in softcopy format and trace down data, information and disclosures as presented in the Report content to the evidences.
6. Utilize SR Asia GREAT in evaluating the Report content against the standards, principles, and indicators of AA1000AP (2018) AccountAbility as well as GRI Standards and its MMSS.

## Adherence to AA1000AP (2018) AccountAbility and GRI Standards

**Inclusivity** – As per assurance work is taken, the Company has demonstrated an inclusive presentation of key stakeholder groups in the Report content. However, the Company has not yet performed a materiality assessment to define the key stakeholders. In addition, stakeholder engagement is more practical rather than in a strategic way, where various internal functions and units are involved and collectively responsible in the process. The Company also has defined its commitment to manage stakeholders' concerns and has resources as well as governance for stakeholder engagement. That includes a number of steering committees providing directions to the Management on particular aspects; some of which are water, safety, risk management, mining phase, and gender diversity.

**Materiality** – To some extent, the five material topics are able to explain the sustainability context of the Reporting Organization. The material topics also represent issues from a wide range of sources, both internal and external. Different from those of other operations of mining companies, gender equality becomes one of the material aspects of the Reporting Organization due to the expectations and type of local community where it operates. Nevertheless, the absence of materiality testing has made the materiality determination process less satisfactory. The Company is expected to improve its materiality determination process based on materiality assessment with credible, clear, and understandable criteria and threshold.



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**Responsiveness** – In overall, the Report content can describe the Company’s responsiveness to the material topics and stakeholders’ concerns. The Company also has utilized several approaches and methods for developing responses and communicating with stakeholders. One example is the mechanism to respond grievances, especially from the local community living in directly impacted villages (DAV). The Company also implements the Community Management Plan (CMP) and Marsipature Program to address local community empowerment and expectations. Marsipature consists of *non-trades* and soft skills training activities as well as internship opportunities for local community.

**Impact** – The Report content in general indicates an adequate presentation of qualitative data and narrative information about the negative and positive impacts of the Company's businesses. The presentation of water balance data is outstanding; in which it can explain how the Reporting Organization manage the water aspect. Nonetheless, the Reporting Organization has omitted some disclosures of material topics in the Report content due to its data administration issues, secrecy policy or legal status as a limited liability company. Improvement of transparency in presenting topic materials may be needed in future reporting; therefore, the readers of sustainability report can understand more about the impacts of the Company’s decisions and operations on the stakeholders and environment.

**In “Accordance” with Core Option** – The Report content shows its adherence to the **comprehensive option** of GRI Standards. All disclosures of each material topic are discussed or addressed in the Report content. Presentation of the disclosure of management approach (DMA) and the sector supplement indicators is acceptable. When applicable, the Company has specified the omission statements on material topics in the Report content.

**GRI Standards Principles** – The Principles for Defining Report Content (stakeholder inclusiveness, sustainability context, materiality, and completeness) and the Principles for Defining Report Quality (balance, comparability, accuracy, timeliness, clarity, and reliability) are fairly indicated in the report content. Through the online approach, evidence documents have been submitted to the Assurance Team. Materiality assessment is required the future reporting to strengthen the reporting adherence to materiality principle.

## Recommendation

1. In order to improve its adherence to materiality, the Reporting Organization is expected to perform a materiality testing based on the AA1000 standards and principles. The results of materiality testing should be utilized as the basis for materiality determination in the next sustainability reporting.
2. Conduct stakeholder engagement management in more strategic manner in line with business strategy. It should also be integrated with its key management practices, such as risk management and capacity building.
3. Strengthening the content of the next report in line with the sustainability context of the Company by presenting more comprehensive data and information on the General Disclosures and the Disclosure of Management Approach (DMA), as well as the material topics.



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## Statement of Competency, Independency and Impartiality

SR Asia supports the companies and other types of organizations in adopting sustainability and social responsibility principles, guidelines and best practices. As a networking organization, SR Asia's activities are conducted in accordance with each country's characteristics and needs. Some of these are community development project management, social mapping, project impact assessment, sustainability policy and strategy development, company productivity development, and sustainability or integrated report assurance.

SR Asia has a certain mechanism and procedures to assign the experts, with competencies in writing and reviewing sustainability or integrated report, for the assurance work. They are familiar with AA1000 AccountAbility standards and principles as well as the reporting regulation in the Country where the Reporting Organization operates. All experts must avoid bias and perform the assurance work independently following the ethics of professional conduct. SR Asia ensures that the Assurance Team can prevent bias and confirm impartiality in generating the Statement.

The assurance provider,

Jakarta, 30<sup>th</sup> of April 2020



**Birendra Ratur**

*SR Asia International Director*



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# Appendix I: Performance in Numbers

## Category: Company Profile

### Aspect: Information on Employees

#### Number of Employees Based on Employment Status and Gender [102-8]

Description	Gender	> 2019		2018		2017	
		Total	%	Total	%	Total	%
Permanent Employees	Male	641	75	634	78	630	79
	Female	217	25	180	22	163	21
	<b>Total</b>	<b>858</b>	<b>100</b>	<b>814</b>	<b>100</b>	<b>793</b>	<b>100</b>
Outsource Employees	Male	508	96	266	94	342	93
	Female	23	4	16	6	24	7
	<b>Total</b>	<b>531</b>	<b>100</b>	<b>282</b>	<b>100</b>	<b>366</b>	<b>100</b>
<b>Total</b>		<b>1,389</b>		<b>1,096</b>		<b>1,159</b>	

#### Number of Employees Based on Age Group [102-8]

Age Group	> 2019		2018		2017	
	Total	%	Total	%	Total	%
Under 25	54	6.29	33	4.05	44	5.55
26 – 30	131	15.27	126	15.48	137	17.28
31 – 35	151	17.60	162	19.90	154	19.42
36 – 40	178	20.75	179	21.99	176	22.19
41 – 45	139	16.20	131	16.09	119	15.01
46 – 50	110	12.82	109	13.39	103	12.99
Above 50	95	11.07	74	9.09	60	7.57
<b>Total</b>	<b>858</b>	<b>100.00</b>	<b>814</b>	<b>100.00</b>	<b>793</b>	<b>100.00</b>

#### Number of Employees Based on Educational Level [102-8]

Educational Level	> 2019		2018		2017	
	Total	%	Total	%	Total	%
Postgraduate	20	2	17	2	17	2
Graduate	296	34	284	35	274	35
Diploma/Associate Degree	45	5	43	5	42	5
Diploma/Associate Degree	3	0	3	0	3	0
Diploma/Associate Degree	10	1	10	1	10	1
High School	436	51	409	50	399	50
Junior High School	34	4	33	4	33	4
Primary School	14	2	14	2	14	2
<b>Total</b>	<b>858</b>	<b>100</b>	<b>814</b>	<b>100</b>	<b>792</b>	<b>100</b>

**Number of Employees Based on Position [102-8]**

Position	> 2019		2018		2017	
	Total	%	Total	%	Total	%
Division Head	14	1.63	12	1.47	9	1.13
Unit Head	23	2.68	23	2.83	26	3.28
Specialist	56	6.53	51	6.27	41	5.17
Staff	765	89.16	728	89.43	717	90.42
<b>Total</b>	<b>858</b>	<b>100.00</b>	<b>814</b>	<b>100.00</b>	<b>793</b>	<b>100.00</b>

**Category: Sustainability Governance****Aspect: Diversity of Governance Bodies and Employees****Numbers of Management and Committee Based on Age Group and Gender [405-1]**

Age Group	Directors				Commissioners			
	Male	%	Female	%	Male	%	Female	%
Under 30	0	0	0	0	0	0	0	0
31-40	2	40	0	0	0	0	0	0
41-50	2	40	0	0	1	16	0	0
Above 50	1	20	1	100	5	84	1	100
<b>Total</b>	<b>5</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>6</b>	<b>100</b>	<b>1</b>	<b>100</b>

**Category: Economy****Aspect: Economic Performance****Direct Economic Value Generated and Distributed [201-1]**

Description	Unit	> 2019	2018	2017
<b>Total Economic Value Generated - Revenues (A)</b>	<b>USD '000</b>	<b>571,670</b>	<b>574,197</b>	<b>484,438</b>
<b>Total Economic Value Distributed (B)</b>	<b>USD '000</b>	<b>378,915</b>	<b>437,727</b>	<b>363,166</b>
<b>Total Operating Cost</b>	<b>USD '000</b>	<b>240,861</b>	<b>269,366</b>	<b>274,860</b>
Wages and Benefits to Employees and Directors	USD '000	28,172	29,018	28,295
Community Investment	USD '000	1,099	1,308	1,771
Total Payments to Government	USD '000	141,861	126,399	77,845
• Royalties Expense	USD '000	21,356	21,301	2,698
• Tax Expenses	USD '000	118,551	103,419	73,745
• Other Taxes	USD '000	1,953	1,680	1,401
<b>Total Economic Value Retained (A-B)</b>	<b>USD '000</b>	<b>192,756</b>	<b>136,470</b>	<b>121,272</b>

## Notes:

- Economic Value Retained = Economic Value Generated - Economic Value Distributed.
- Amounts include revenue and costs determined on an accrual basis, consistent with the audited financial statement.
- Operating costs related to expense recognised in the financial statements. They exclude employee wages and benefits, payments to government, and community investment.
- Dividends totalling of USD82.4 million were paid in 2019. Whereas 5% of the total dividends were paid to PTANA, which is owned by South Tapanuli District Government and North Sumatra Provincial Government.



### Infrastructure Investments and Services Supported [203-1]

Description	Unit	> 2019	2018	2017
<b>Total Community Investment</b>	<b>USD</b>	<b>1,094,700</b>	<b>1,306,668</b>	<b>1,770,589</b>
<b>Community Relations Investment</b>	<b>USD</b>	<b>58,041</b>	<b>57,506</b>	<b>47,001</b>
<b>Community Development Investment</b>	<b>USD</b>	<b>561,347</b>	<b>657,262</b>	<b>749,196</b>
Health	USD	129,514	260,545	281,195
Education	USD	248,300	237,450	244,681
Local Business and Economic Development	USD	166,736	132,731	199,259
Social and Cultural Identity	USD	4,569	5,267	8,316
Community Support	USD	12,228	21,269	15,745
Public Infrastructure	USD	130,234	109,649	158,163
Special/Signature Projects	USD	345,078	482,252	816,229
<b>Total Projects</b>	<b>Number</b>	<b>24</b>	<b>34</b>	<b>48</b>
<b>Total Duration of Projects</b>	<b>Days</b>	<b>980</b>	<b>1,824</b>	<b>2,515</b>

Notes:

- 2017: Converted from IDR, with USD 1 = IDR 13,569.
- 2018: Converted from IDR, with USD 1 = IDR 14,481.
- 2019: Converted from IDR, with USD 1 = IDR 14,001.
- Investments have been provided in the form of cash and in-kind. Pro bono contributions have not been included in this table.

## Category: Social

### Aspect: Social Performance

### Wage for Entry-Level Employees Based on Gender in Comparison with Regional Minimum Wage [202-1]

Description	Unit	> 2019	2018	2017
PTAR Male Minimum Wage vs Local Minimum Wage	Ratio	1.0	1.0	1.0
PTAR Female Minimum Wage vs Local Minimum Wage	Ratio	1.0	1.0	1.0

Notes:

- Data above is only applicable for PTAR's National employees
- Wage ratio only presents basic payment, excluding other benefits

### Communication and Training Anti-corruption Policies and Procedures [205-2]

Description	Unit	> 2019	2018	2017
<b>Sign-off PTAR Code of Ethic and Business Conduct</b>				
All Employees	Number	843	796	780
Senior Management	Number	31	26	25
Staff	Number	431	722	710
Workforce	%	99.7	99	99
<b>Sign-off PTAR Suppliers Code of Conduct</b>				
Service Providers	%	100	100	100

Notes:

- Anti-corruption policies and procedures are described in the company's Code of Ethics and Business Conduct.
- Clauses related to anti-corruption are included within the General Terms and Conditions for Suppliers.
- Anti-Corruption is covered during the HR Induction presentation. Employees are required to sign the Code of Conduct as part of the HR Induction.

**Numbers of New Employees and Turnover Rate [401-1]**

New Employees [401-1]					
> 2019		2018		2017	
Male	Female	Male	Female	Male	Female
59	54	31	25	52	35
113		56		87	

Employees Turnover Rate [401-1]		
> 2019	2018	2017
7.81%	5.90%	6.05%

**Return to Work and Retention Rates After Parental Leave [401-3]**

Description	Unit	> 2019	2018	2017
Entitled to Parental Leave	Number	564	550	538
Parental Leave Taken	Number	62	49	50
Return to Work After Parental Leave	Number	61	49	50
Still Employed Twelve Months After Return to Work	Number	61	49	50
Retention Rates After Parental Leave	%	100	100	100

**Management and Achievement of the Implementation of Occupational Safety and Health (OHS) of PTAR in 2019 [403-3]**

Risk	Prevention Attempt	Achievement
Injury and Fatality	Identify and control the hazards and risks of each job. Establish the safe work methods and programs as follows: <ul style="list-style-type: none"> <li>Golden Rules (Basic Rule).</li> <li>Take 5</li> <li>JSEA – Job Safety Enviro Analysis</li> <li>Permit to Work</li> <li>ASA Program – Monitoring OHS Culture</li> <li>License System (SIMPER)</li> <li>Controlling access to working location (ID Badge).</li> </ul>	2019: 3 serious accidents 2018: 1 site accidents 2017: 1 serious accident  * Restatement of 2018 Report which has been presented 0 (zero) and because there is difference in calculation, in this report, it is restated to 1 (one). [102-48]
Occupational Illness	Manage industrial hygiene monitoring programs that include monitoring workplace and personal noise, dust, vibration, radiation, ergonomics, light intensity, exposure to metals, chemicals and other parameters of interest.	2019: 0 Occupational Illness 2018: 0 Occupational Illness 2017: 0 Occupational Illness

**Health Programs for Employees**

Description	Participants		
	> 2019	2018	2017
<b>Socialization</b>			
Health Advisory	14 Training topics 4,104 participants	23 Training topics 3,461 participants	16 Training topics 3,487 participants
Health Talk	10 activities conducted by doctors	10 activities conducted by doctors	11 activities conducted by doctors
<b>Prevention</b>			
MCU Regular	1,436	1,303	1,251



Description	Participants		
	> 2019	2018	2017
Heavy Metal Examination	Heavy metal examination through urine is done every month and through blood every three months with as many as around 28 samples.		
<b>Treatment</b>			
In-clinic treatment	4,348	4,781	5,155

#### Representatives for OHS Committee in 2019 [403-1]

Description	Total	Total of PTAR Employees	Percentage
Safety Committee Department (Komite Keselamatan Departemen – P2K3)	12	686	80%
Chief Mine Officer (KTT) Safety Steering Committee	1	18	60%
HSE Forum	1	161	100%

#### Level and Number of Work Accident Events [403-2]

No	Description	> 2019	2018	2017
<b>PTAR's Operational Activities</b>				
1	Work Accidents	1	1	0
	Small	0	0	0
	Serious	1	0	0
	Fatal	0	0	0
2	Injury Rate (IR)	0.43	0	0
3	Lost Day Rate (LDR)	0	0	0
4	Absentee Rate (AR)	107.17	79.37	143
<b>Partner Company's Operational Activities</b>				
1	Work Accidents	2	0	1
	Small	0	0	0
	Serious	2	0	1
	Fatal	0	0	0
2	Injury Rate (IR)	0.38	0	0.21
3	Lost Day Rate (LDR)	0	0	0.85
4	Absentee Rate (AR)	41.52	42.46	71.62

Notes:

- Based on accident definition by Minister of Energy and Mineral Resources' Decree 1827 K/30/MEM/2018

**Health and Safety Topics Covered in Formal Agreements with Trade Unions [403-4]**

Description	Unit	> 2019	2018	2017
Coverage of Health and Safety Topics in Formal Agreements with Trade Union	%	100	100	100

## Notes:

- Data applies for PAR employees.
- A Collective Labour Agreement is in place between PTAR and the Trade Union within the Organisation, which includes relevant health and safety articles.

**Ratio of Basic Salary and Remuneration of Women to Men [405-2]**

Description	Unit	> 2019	2018	2017
All Employees	%	100	96	91
All Staff (General Staff, Managers & Above)	%	100	88	86
Non-Staff	%	100	95	95

## Notes:

- Data applies for PTAR National employees. Gender pay gap reviews have been conducted and recommendations implemented. Differences in remuneration generally exist as a result of differences in skills, experience and length of service.

**Category: Environment****Aspect: Environmental Performance****Materials Used [301-1]**

Raw Materials	Unit	> 2019	2018	2017
Ore	tonne	5,890,000	5,572,308	5,353,388
<b>Associated Process Materials</b>				
Process Reagents	tonne	21,177	19,310	19,754
Grinding Media	tonne	9,578	9,312	8,393
Oils and Lubricants	tonne	45	43	38
Other Chemicals	tonne	34	59	47

## Notes:

- All materials listed above are considered non-renewable (most residual material being lost the TSF).

**Recycled Materials Used [301-2]**

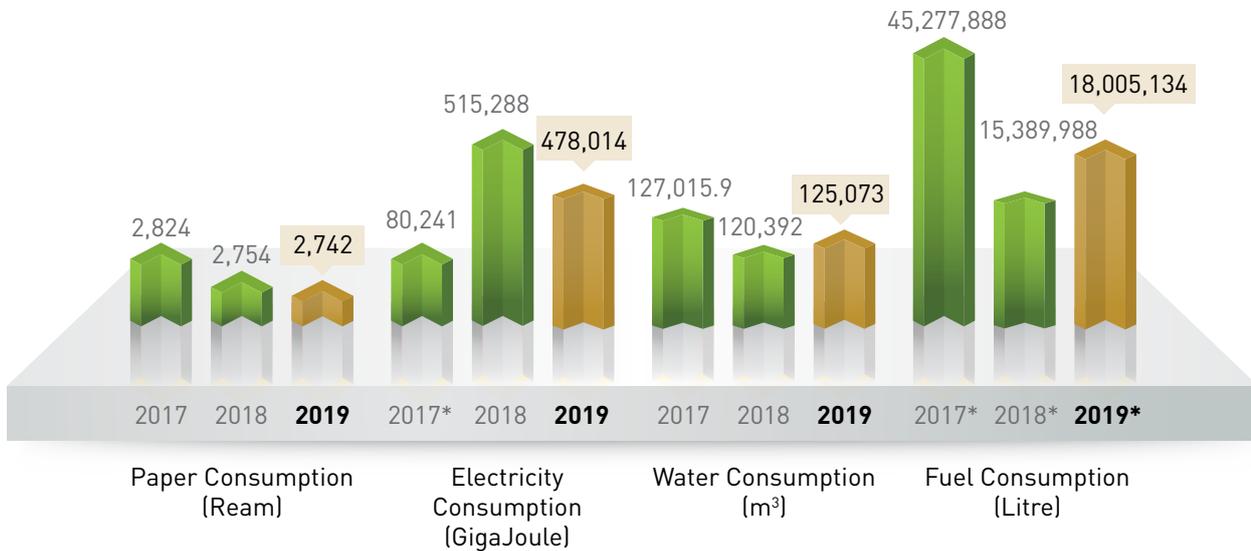
Description	Unit	> 2019	2018	2017
Percentage of Input Materials that are Recycled	%	0.01	0.01	0.01

## Notes:

- Worn mill liners are returned to the supplier for recycling.



## Energy, Water, and Paper Use [302-1]



**\*) Note :**

**Electricity Consumption (GigaJoule)**

2017 : Electricity usage is still generated with a 32MW generator.  
PTAR converted into electricity source provided by PLN starting from October 2017.

**Diesel Fuel Consumption (Litre)**

The data above is generated from PTAR's diesel and biodiesel total consumption throughout the year.

## Water Withdrawal by Source [303-1]

Description	Unit	> 2019	2018	2017
<b>Total Volume of Water Withdrawn Martabe Gold Mine</b>	<b>m³/y</b>	<b>16,125,073</b>	<b>16,120,392</b>	<b>16,126,737</b>
Surface water	m³/y	0	0	0
Wetland	m³/y	0	0	0
River	m³/y	0	0	0
Lake	m³/y	0	0	0
Ocean	m³/y	0	0	0
Groundwater	m³/y	125,073	120,392	126,737
Rainwater	m³/y	16,000,000	16,000,000	16,000,000
Waste Water	m³/y	0	0	0
Municipal Water Supply	m³/y	0	0	0
Public/Private Water Utilities	m³/y	0	0	0

Notes:

- Rainwater input is as predicted for an average year based on site water balance modelling. It cannot be directly measured.
- Groundwater withdrawal is metered.

## Water Sources Significantly Affected by Withdrawal of Water [303-2]

Description	Unit	> 2019	2018	2017
Reduction of Flow Aek Pahu Stream Due to Catchment Interception by the TSF	m³/h	1,826	1,826	1,826

Notes:

- This is the average reduction of flow to the Aek Pahu stream as determined by site water balance modelling, and represents water intercepted by the TSF and sediment ponds. This water is released to the Batangtoru River after treatment at the Water Polishing Plant.
- The water source has no Protected Area Status.

**Water Recycled and Reused [303-3]**

Description	Unit	> 2019	2018	2017
Volume Water Recycled	m <sup>3</sup> /h	Up to 451	Up to 451	Up to 451
Percentage of Water Recycled	%	Up to 60	Up to 60	Up to 60
Volume Water Reused	m <sup>3</sup> /h	0	0	0
Percentage Water Reused	%	0	0	0

## Notes:

- These are the percentages and total volume of water recycled by transfer from the TSF to the process plant for an average year as determined by site water balance modelling.

**Sites Owned Adjacent to Protect Areas or Areas of High Biodiversity Value [304-1]**

Description	Unit	> 2019	2018	2017
Number of Sites Owned, Leased, Managed in, or Adjacent to Protected Areas and Areas of High Biodiversity Value Outside Protected Areas	number	1	1	1
Separation at Closest Point	km	4	4	4
Size of Operational Site	km <sup>2</sup>	4.96	4.79	4.60

## Notes:

- Site has nil subsurface and underground land.
- Mine footprint approximately 4 km at closest point to protected forest.
- The majority of the landscape within the mining footprint before construction was forest, degraded forest, plantation, cleared land and tracks. Due to the close proximity of villages, townships and extensive plantation areas the area had experienced significant previous disturbance including the presence of numerous walking tracks used by workers to access rubber plantations.

**Land Disturbed and Rehabilitated MM1**

Description	Unit	> 2019	2018	2017
<b>Total Disturbed Land at the Beginning of the Year</b>	<b>Ha</b>	<b>464.7</b>	<b>449.7</b>	<b>377.0</b>
Area Disturbed	Ha	16.61	19.6	73.3
Area Rehabilitated	Ha	3.88	4.6	0.6
<b>Total Disturbed Land at the End of the Year</b>	<b>Ha</b>	<b>477.43</b>	<b>464.7</b>	<b>449.7</b>

**Direct Green House Gases (GHG) Emissions [305-1]**

Description	Unit	> 2019	2018	2017
<b>Total Direct GHG Emissions</b>	<b>tonne CO<sub>2</sub> eq</b>	<b>72,015</b>	<b>66,008</b>	<b>143,064</b>
Fuel Consumption	tonne CO <sub>2</sub> eq	42,790	40,297	34,899
Electricity Consumption (Own Power Plant)	tonne CO <sub>2</sub> eq	6,811	1,935	87,747
Refrigeration Use	tonne CO <sub>2</sub> eq	4,888	5,609	4,920
Chemical Use	tonne CO <sub>2</sub> eq	4,611	4,048	4,068
Blasting	tonne CO <sub>2</sub> eq	1,419	470	367
Land Clearing/Revegetation	tonne CO <sub>2</sub> eq	11,497	13,649	11,064

## Notes:

- Based on data from the Martabe project.
- The IFC Carbon Emissions Estimation Tool 2014 was used to calculate the GHG emissions.
- For fuel and electricity consumption the following gasses were included: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>o.



### Energy Indirect Green House Gases (GHG) Emissions [305-2]

Description	Unit	> 2019	2018	2017
<b>Total Energy Indirect GHG Emissions</b>	tonne CO <sub>2</sub> eq	<b>116,176</b>	<b>125,228</b>	<b>2,988</b>
Electricity Purchased From PLN	tonne CO <sub>2</sub> eq	113,794	122,667	164
Domestic and International Flights	tonne CO <sub>2</sub> eq	2,382	2,561	2,824

Notes:

- The IFC Carbon Emissions Estimation Tool 2014 was used to calculate the GHG emissions, meeting the "location based" component of GRI Standards GHG reporting.

### Other Indirect Green House Gases (GHG) Emissions [305-3]

Description	Unit	> 2019	2018	2017
Other Relevant Indirect GHG Emissions Identified	number	0	0	0

### GHG Emissions Intensity [305-4]

Description	Unit	> 2019	2018	2017
Overall GHG Emissions intensity	tonne CO <sub>2</sub> eq per 1000 oz Au	491	466	411
<b>Total GHG Emissions</b>	tonne CO <sub>2</sub> eq	<b>188,190</b>	<b>191,236</b>	<b>146,052</b>
Total Direct GHG Emissions	tonne CO <sub>2</sub> eq	72,015	66,008	143,064
Total Energy Indirect GHG Emissions	oz Au tonne CO <sub>2</sub> eq	116,176	125,228	2,988
<b>Total Gold Produced</b>	oz	<b>383,493</b>	<b>410,000</b>	<b>355,000</b>

Notes:

- Calculated based only on gold production (excluding silver).

### Water Discharge by Quality and Destination [306-1]

Description	Unit	> 2019	2018	2017
<b>Total Planned Water Discharges</b>	<b>m<sup>3</sup>/ annum</b>	<b>12,697,027</b>	<b>17,405,748</b>	<b>14,666,974</b>
Water Polishing Plant (WPP) to the Batangtoru River	m <sup>3</sup> / annum	12,641,770	17,339,551	14,666,974
Site Sewage Treatment Plant to Aek Pahu Stream	m <sup>3</sup> / annum	55,257	66,197	N/A

Notes:

- Discharge from the Water Polishing Plant is fully permitted under Indonesian law.
- Discharge from the site Sewerage Treatment Plant is fully permitted under Indonesian law.
- All water is discharged into natural waterways rather than being directly provided to other parties for use.
- Volumes shown are metered volumes.
- Release of general site runoff water is not included in the above table.

**Total Amounts of Overburden, Rock, Tailings, and Sludges MM3**

Description	Unit	> 2019	2018	2017
Overburden	tonne	6,476,519	6,059,445	5,332,293
Tailings	tonne	6,156,368	5,572,205	5,254,981
Sludges	tonne	0	0	0

## Notes:

- Amounts of tailings are calculated as the weight of dry tonnes milled less the weight of precious metals extracted.

**Waste by Type and Disposal Method [306-2]**

Description	Unit	> 2019	2018	2017
<b>Total Hazardous Waste</b>	<b>tonne</b>	<b>463</b>	<b>529</b>	<b>523</b>
Recovery	tonne	230	257	279
Landfill (off-site)	tonne	233	272	244
<b>Total Non-Hazardous Waste</b>	<b>tonne</b>	<b>2,700</b>	<b>1,613</b>	<b>1,532</b>
Composting	tonne	0	0	11
Incineration	tonne	0	0	42
Landfill	tonne	2,700	1,613	1,479

## Notes:

- On-site tailings disposal data is excluded, which is documented in MM3.
- A monthly tally of waste delivered from site is maintained by the Environmental staff. Off-site disposal is regulated by contract. All hazardous waste is disposed by licensed waste disposal companies subject to regulation by government.

**Significant Spills [306-3]**

Description	Unit	> 2019	2018	2017
<b>Total Number of Spills</b>	<b>Number</b>	<b>3</b>	<b>6</b>	<b>11</b>
<b>Total Volume of Spills</b>	<b>Litre</b>	<b>235</b>	<b>1,428</b>	<b>329</b>
Oil:				
• Soil	Litre	50	118	78
• Water		0	0	0
Fuel:				
• Soil	Litre	0	305	230
• Water		0	0	0
Waste:				
• Soil	Litre	0	0	0
• Water		0	0	0
Chemical:				
• Soil	Litre	0	5	20
• Water		0	0	1
Other:				
• Soil	Litre	0	0	0
• Water		0	1,000	0

## Notes:

- All spills must be recorded in the Company's incident management system.
- No significant impacts resulted from spills that occurred and all spills were fully cleaned-up.
- 180 L fuel spill does not touch the ground but enters the oil trap.
- 5 L chemical spill does not touch the ground.



### Transport of Hazardous Waste [306-4]

Description	Unit	> 2019	2018	2017
<b>Weight of Transported, Imported, Exported, or Treated Waste Deemed Hazardous</b>				
Transported and Hander Over to Third Party	tonne	462	529	522
Imported	tonne	0	0	0
Exported	tonne	0	0	0
Treated	ton tonne	0	0	0
Shipped Internationally	%	0	0	0

Notes:

- All waste identified under regulation as hazardous or toxic (B3) waste is transported off-site to a licensed waste processor.

### Water Sources Significantly Affected by Withdrawal of Water [306-5]

Description	Unit	> 2019	2018	2017
<b>Identified Water Bodies and Related Habitats that are Significantly Affected by Water Discharges and/or Runoff</b>				
Water Body and Related Habitats	Number	0	0	0
Size	N/A	N/A	N/A	N/A
Protected Status	N/A	N/A	N/A	N/A
Biodiversity Value	N/A	N/A	N/A	N/A

Notes:

- Impacts on receiving waters are assessed by means of an independent monitoring program conducted by the University of North Sumatra.



## Appendix II: GRI Standard Content Index <sup>[102-55]</sup>

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<b>Omission</b>		
102-28	The information of the regular meeting to evaluate the governance body is disclosed in the PTAR's 2019 Annual Report page 94.	
102-30	The highest management is involved during the assessment and in evaluating the assessment's results of risk management. Further information regarding risk management is presented in the PTAR's 2019 Annual Report page 95.	
102-36	The process determining remuneration is presented in the Company's 2019 Annual Report page 78.	

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201-3	Due to PTAR's policy as a non-listed company, PTAR does not disclose about estimated value of liabilities, separate fund to pay pension liabilities, percentage of salary contributed by employee or employer, as well as level of participation in retirement plans.	
201-4	Due to PTAR's policy as a non-listed company, PTAR does not disclose aspects regarding tax relief and tax credits, subsidies, grants, awards, royalty holidays, as well as financial assistance, incentives, or other benefits received by the company.	
202-1	PTAR is not yet able to provide information regarding the entry-level of other employees or contractor's wage ratio.	

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### Topic-Specific Disclosures: Environmental

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Topic-Specific Disclosures: Social		
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## Appendix III: Glossary

### General Terms

<b>All-in Sustaining Cost (AISC)</b>	A standardized way to measure the cost of gold production introduced by the World Gold Council in 2013. It includes direct mining and processing costs (cash costs) plus mining lifecycle costs related to sustaining production from exploration to closure.
<b>Biodiversity</b>	The variety of plants and animals within an eco-system, and the way they live and interact.
<b>Biodiversity Offsets</b>	Biodiversity offsets are measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development and persisting after appropriate avoidance, minimization and restoration measures have been taken.
<b>Contractors</b>	Providers of services to an organization or company based upon agreements written in a contract.
<b>Sustainability Governance</b>	Sustainability governance can be defined as the system of rules, practices and processes by which a company is directed and controlled in implementing business which in line with the Sustainable Development Goals.
<b>Downstream Waters</b>	Rivers, streams and lakes that receive flow from a defined area.
<b>Environmental Impact Assessment (AMDAL)</b>	One of the key regulatory approvals required in Indonesia for a mine to proceed. The AMDAL consists of several documents including the Terms of Reference, Environmental Impact Statements (AMDAL) and Environmental Management and Monitoring Plans (RKL & RPL).
<b>Haul Roads</b>	Roads designed for use by large dump trucks at mine sites.
<b>Lost Time Injuries (LTI)</b>	A work related injury that causes the employee to miss the next regularly scheduled work shift.
<b>Lost Time Injury Frequency Rate (LTIFR)</b>	A ratio of the number of LTIs per million hours worked: $LTIFR = \frac{LTIs \times 1,000,000}{\text{total hours worked}}$ .
<b>Mineral Resource</b>	The quantity of gold or silver in defined deposits for which there are reasonable prospects for eventual economic extraction. A mineral resource is determined from exploration and sampling.
<b>Mine Closure Plan</b>	A plan that documents all the rehabilitation, revegetation and other activities that are needed to make a former mine site safe, stable and productive to an agreed standard following mine closure. Includes tabulation of costs associated with mine closure.
<b>Ore Reserve</b>	The economically mineable part of the mineral resource. It is the ore reserve that determines mine life, together with production rate.
<b>Oxidation</b>	Reaction of a material typically due to exposure to oxygen and water (rust is a result of oxidation).
<b>Plant Nursery</b>	A facility where trees and plants are propagated and grown to a size good for planting.
<b>Processing Plant</b>	The facility where ore is processed to extract metals such as gold and silver.
<b>Raw Water</b>	Clean water (e.g. rainwater runoff or water from streams or rivers).
<b>Rehabilitation</b>	The process of reclaiming land disturbed by mining activities to a safe, stable and productive state.
<b>Remuneration</b>	Basic wage or salary plus any additional amounts paid to employees such as bonuses, overtime and special allowances.
<b>Tailings Dams</b>	Dams used to hold water for a period to allow sediments (fine soil and rock particles) to settle out.



<b>Social license to operate</b>	A refers to a local community's acceptance or approval of a company's project or ongoing presence in an area.
<b>Sub-aerial Tailings Deposition</b>	The systematic deposition of tailings in thin layers, allowing each layer to settle, drain and partially air-dry before covering with an additional layer.
<b>Suppliers</b>	Organizations or people that provide a product or service used by another organization or company.
<b>Surface Mining</b>	Method of extracting minerals located near the surface of the ground, by mining from an open pit (as opposed to underground mining using shafts and tunnels).
<b>Sustainability</b>	Development which meets the needs of current generations without compromising the ability of future generations to meet their own needs.
<b>Tailings</b>	The fine rock slurry that remains after the minerals of value has been recovered in a processing plant.
<b>Tailing Storage Facility (TSF)</b>	A structure for the permanent storage of tailings (typically comprising an embankment or wall enclosing the tailings).
<b>TSF design freeboard allowance</b>	The spare capacity required in a TSF to safely accommodate an extreme rainfall event.
<b>Waste Rock</b>	Rock mined from a pit that contains insufficient mineralization for treatment and has no economic value.
<b>Water Balance</b>	A calculation of total water held within a system or structure taking into account water inflows and water outflows over time.
<b>Water Polishing Plant</b>	The facility at the Martabe Gold Mine that removes any contamination from site processing water so that it is safe to release.

## GRI Terms

<b>Disclosures</b>	Information about a company and its relationship with its stakeholders reported in its sustainability report.
<b>General Disclosures</b>	Disclosures that set the overall context for a sustainability report, providing a description of the organization and its reporting process. They apply to all organizations irrespective of their identified material aspects.
<b>Global Reporting Initiative (GRI)</b>	An international not-for-profit organization promoting the use of sustainability reporting as a way for companies and organizations to become more sustainable and contribute to a sustainable global economy.
<b>Boundary</b>	Description of where the impacts occur for a material topic, and the organization's involvement with those impacts.
<b>Indicators</b>	GRI reporting requirements dealing with specific issues of the material aspects.
<b>Material Topic</b>	Those aspects of an organization that reflect its significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders.
<b>Stakeholders</b>	Stakeholders are defined as groups or individuals that can reasonably be expected to be significantly affected by an organization's activities, products, and services; and whose actions can reasonably be expected to affect the ability of an organization to successfully implement its strategies and achieve its objectives.



# Feedback Form

The 2019 Sustainability Report of PT Agincourt Resources provides an overview of financial and sustainability performance. We are looking forward to receive any inputs, criticisms and suggestions from you after reading this Sustainability Report by sending an email or sending this form by mail.

## Your Profile

Name (optional) : .....

Institution/Company : .....

Email : .....

Phone/Mobile : .....

## Stakeholder Group to which you belong:

- Shareholder
- Employee
- Government
- Media
- Supplier
- Local Community
- Contractor
- Educational Institution
- Other, please state :

.....

## Please select your answer according to questions below

	YES	NO
1. The report is comprehensible.	<input type="checkbox"/>	<input type="checkbox"/>
2. This report is useful to you.	<input type="checkbox"/>	<input type="checkbox"/>
3. This report describes the Company's performance in sustainability development.	<input type="checkbox"/>	<input type="checkbox"/>

## Please give an assessment level to material aspects which you deemed as important for the sustainability of PT Agincourt Resources

(Score 1=Least Important To 6=Most Important).

Economic Performance		Mining Rehabilitation and Closure		Gender Diversity		Indirect Economic Impact	
Environmental Compliance		Occupational Health and Safety		Local Communities		Employment	

Other suggestions or information that you want to submit related to the report

.....  
.....

## Thank you for your participation.

### Kindly send this feedback form to the address below:

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 Jl. Sultan Iskandar Muda  
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