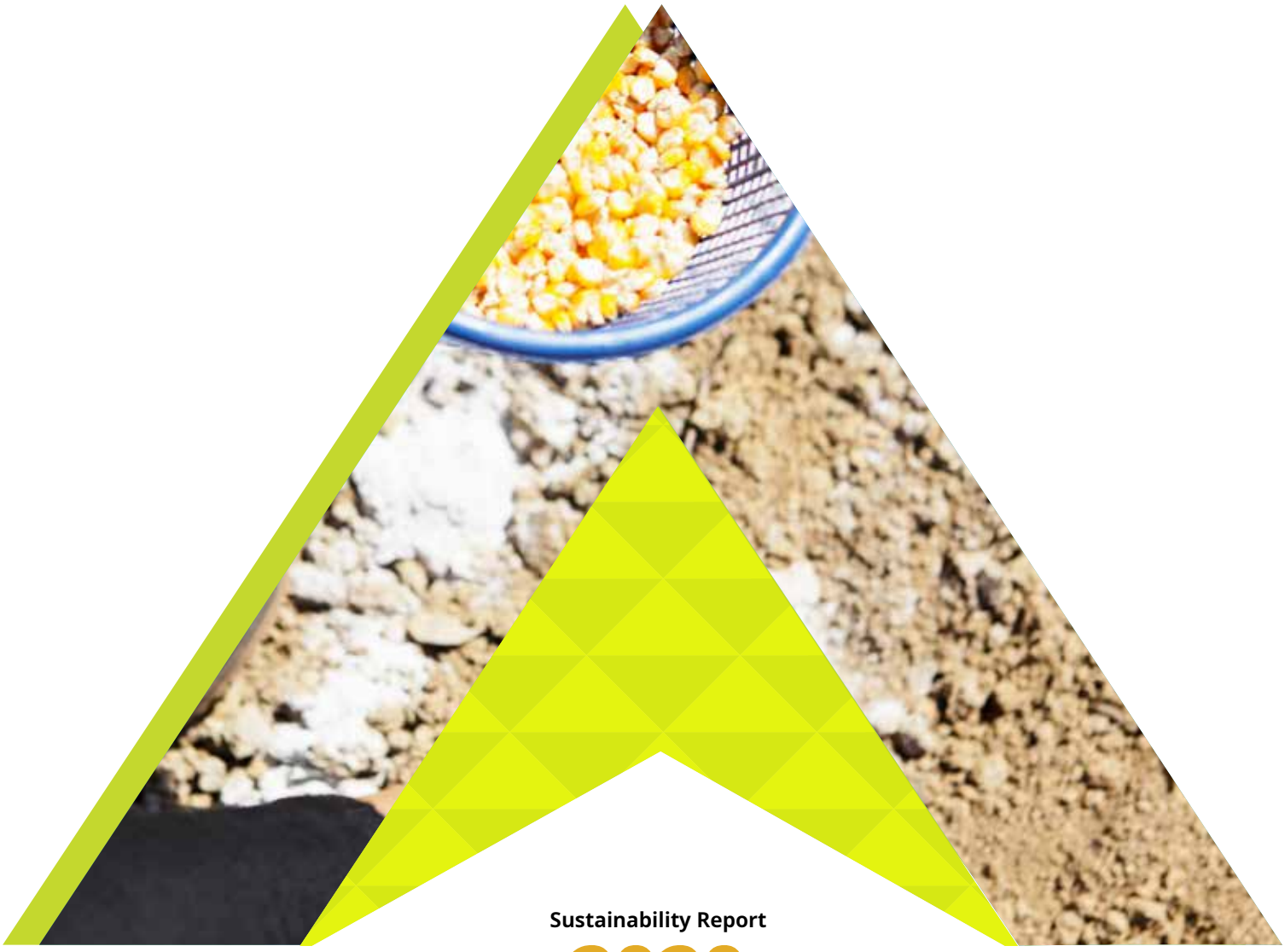
AGINCOURT
RESOURCES
MEMBER OF ASTRA



Sustainability Report

2020

GUIDING THE PATH TO TOMORROW

Corn farmers of the Mulia Bakti Farmer Group in Aek Sirara, are showing their yields of dent corn. In 2020, PTAR has provided support for warehouse construction, repair and modification of corn thresher/crusher machines. Currently, the sales of Karya Mulia Bakti Cooperative are spread in Batangtoru, Padangsidimpuan and Sibolga.

GUIDING THE PATH TO TOMORROW

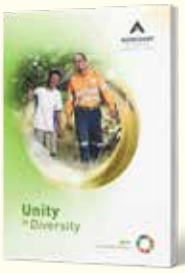
The COVID-19 pandemic has significantly shaped the operation of PT Agincourt Resources (PTAR) in 2020 and affected the communities. PTAR stood by our workforce and the communities to ensure their safety while continuing to bring sustainable development to the area through our operations.

Further, we understand the impact of our operations on the environment and the community around the mining operations. We are committed to implement the Biodiversity Management to mitigate and avoid the impact and where practicable, mitigate impacts and positively enhance biodiversity outcomes in an area where we operate.

We still have a long and winding road to travel towards sustainability, but our commitment guides us along the path to achieve this goal tomorrow.

Continuity of the Theme

2019



Unity in Diversity

Diversity represents the power on which PTAR builds togetherness as a key to achieve unity. Being located in an area with diverse backgrounds and cultures, our existence embraces this diversity within a societal framework.

PTAR empowers diversity, one of which by providing training to local communities and women to achieve equal employment opportunities. At present, 74% of our workers are from the surrounding area, namely South Tapanuli, Padangsidimpuan, Central Tapanuli and Sibolga and 7% of them have succeeded in achieving senior managerial positions or higher. As many as 13% of our suppliers are from the 15 villages surrounding the operational area. Meanwhile, 27% of our workers and 28% of our Management Team are women.

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

2018

Continuous Improvement for Future Growth

Since 2013, PTAR has achieved remarkable outcomes in production increase and unit cost reduction through the implementation of the Martabe Improvement Programme (MIP). The MIP is a continuous improvement process that has been very successful over the years. During this period we have increased our mill production from 3.6 million tonnes per year (280,000 ounces of gold) to 6.1 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. These achievements have been made without compromising other important operational outcomes such as safety and protection of the environment.

We are well-positioned to utilise the opportunities in identifying potential future improvements in the business process provided by the enhanced operational efficiency. The exploration programme remains to be robust and valuable investment in discovering more gold. We are also conducting a pre-feasibility study on options to effectively treat sulfide ore to increase mine life.

One of the three pillars of sustainable development, alongside environmental and social is economic performance. The efficiency improvements achieved through the MIP directly supports sustainable development by optimising resource utilisation and extending the mine life. This will provide greater benefits over the coming years to all the key stakeholders, including employees, investors, governments and local communities.

2017

Delivering Growth

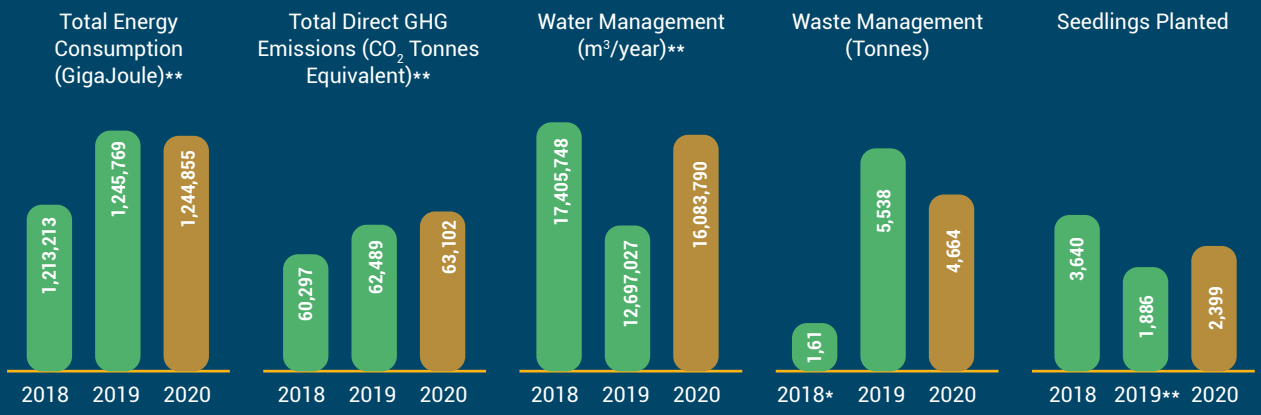
PTAR has maintained a very active exploration programme since before the commencement of operations at the Martabe Gold Mine. The programme is aimed to discover additional Ore Reserves nearby. Based on international industry standards, this programme is considered highly successful. By the end of 2017, 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.

The continuous growth of the reserves yields greater gains over time for all our key stakeholders, including investors, employees, government and local communities. The potential for further significant discoveries remain high due to the size of the mineralised system and the large remaining area to be explored. PTAR is committed to optimising the potential of the Martabe Gold Mine in full alignment with the Company's core values, particularly in Growth, Excellence and Action.

Table of Content

Sustainability Performance Overview

Environmental Performance



* There is a difference in the unit of conveyance
**Re-statement from Sustainability Report 2019

Social Performance

SOCIAL	2020	2019	2018
Community Empowerment Costs (Million Dollars)	1.9	1.1	1.3
Lost Time Injuries (LTI)	0	0	0
SMKP Minerba Audit Score	91%	80%	97%
Total Training Hours (Hours)	12,988	16,913	14,000
Percentage of Local Employees (%)	73	74	74
Percentage of Local Employment in Senior Management Position [202-2]	7	7	7

Operational Performance (Output)

Economic Performance

In USD'000, unless stated otherwise

ECONOMIC	2020	2019	2018
Net Profit After Tax (NPAT)	187,2	215,8	166,8
Tax and Royalty Payments to Government	96,4	142	133
Wage and Benefit Payments to Employees	28,5	28,2	29
Procurement of Goods and Services from Local Contractors and Suppliers	16	11,4	11,4

2020 Event Highlights of PTAR

1 February 2020

The Director of PTAR Ruli Tanio was invited to become a speaker in the 'Development of National Mining in the Industrial Revolution Era 4.0' seminar held at Bandung Institute of Technology (ITB).

6 March 2020

Integrated Team meeting for the monitoring of processed water quality at Martabe Gold Mine of PTAR for the Batangtoru River, South Tapanuli Regency. The meeting was aimed to align the expectations of the duties of the Integrated Team for the water evaluation in Sipirok.

21 February 2020

PTAR facilitates United Tractors to sign a Memorandum of Understanding (MoU) of collaboration with the Public Vocational High School (SMKN) 2 Batangtoru to improve the quality of education.

4 April 2020

COVID-19 SUPPORT: PTAR supports the provision of primary needs for the South of Tapanuli Hospital isolation room, worth IDR250 million.

26 February 2020

PTAR hands over 'Rambin Martabe', a hanging bridge located in Sumuran Village, Batangtoru Sub-District.

8 April 2020

COVID-19 SUPPORT: PTAR provides PPE aid and other major needs for the Central Tapanuli region.

4 May 2020

COVID-19 SUPPORT: PTAR donates medical devices and basic food aid to the task force COVID-19 of the Sibolga City Government.

16-17 July 2020

Journalist Zoom Webinar with national, provincial and local media, on the theme: "Mining Companies in a Pandemic: Government Policy - What To Do Now and Next".

13 May 2020

COVID-19 SUPPORT: PTAR provides medical devices to the North Sumatra Province.

22 July 2020

PTAR provides 2,500 rapid test kits for the Government of South Tapanuli Regency who conducted free rapid tests in communities in the Batangtoru Sub-District.

11 July 2020

PTAR conducts a virtual children's day with the theme: 'I am Healthy, I am Strong, I am Smart'.

28 July 2020

PTAR distributes the Martabe Prestasi Scholarship of 2020, worth a total of IDR876.9 million.

2 August 2020

PTAR conducts a social media youth session featuring virtual creativity, in coordination with Cameo Project.

3 November 2020

PTAR supports the Ministry of Environment and Forestry through the North Sumatra Natural Resources Conservation Centre (BBKSDA) to release the Sumatran Tiger "Sri Nabila" to the Gunung Leuser National Park (TNGL).

14 August 2020

The ground-breaking of construction of the Viewing Tower at Sipirok Botanical Garden of South Tapanuli.

5 November 2020

PTAR builds clean water facilities in the Batuhoring Village, Batangtoru.

26 October 2020

A Gondang traditional music art performance to commemorate Youth Pledge Day.

5-6 November 2020

A two-day mobile journalism workshop with the theme "Considering the Future of Journalism in The Digital Revolution from Journalists to News Businesses". Attended by more than 50 local & provincial journalists.

18 November 2020

Construction of dug wells for clean water access at four locations in the Telo Village, Batangtoru Sub-District, worth IDR83 million completed.

3 December 2020

PTAR supports the restoration of the historical house in Simago-Mago, South Tapanuli.

27 November 2020

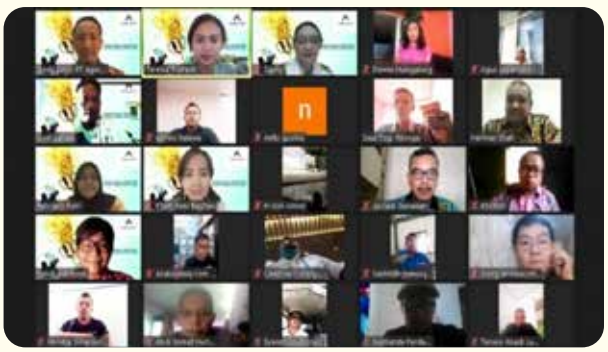
PTAR assists basic equipment for firefighting unit personnel of South Tapanuli Government of Zone 3 that includes several sub-districts, namely Batangtoru, Muara Batangtoru, Marancar, Angkola Barat and Angkola Sangkunur.

7 December 2020

PTAR secures an award from the Director-General of Conservation of Natural Resource and Ecosystem (DJKSDAE) for the support in releasing the Sumatran Tiger "Sri Nabila" into Gunung Leuser National Park.

28 November 2020

PTAR assists with education infrastructure and facilities to SMKN 2 Batangtoru.



17 December 2020

PTAR announced the Winners of the 2020 Video Journalism Competition "Exploring Local Wisdom Through Visual in the Midst of the Pandemic".

Awards and Certification

Name of the Award	Awarding Organisation	Date of the Award
Indonesia's Sustainable Business Award for the Category of Land Use & Biodiversity	Global Initiatives and PwC Singapore and Indonesia	21 February 2020
Silver Award for the Category of Mineral Mining Environmental Management (for the contract of work permit holders)	Directorate General of Mineral and Coal, Ministry of Energy and Mineral Resources	29 September 2020
Bronze Award for the Category of Mineral Mining Safety Management & Mining Standardisation	Directorate General of Mineral and Coal, Ministry of Energy and Mineral Resources	29 September 2020
Occupational Health and Safety (OHS) Award (for zero accidents in 2020)	Directorate General of Fostering of Supervision of Manpower and Occupational Health and Safety	08 Oktober 2020
Award for the Release of the Sumatran Tiger 'Sri Nabila'	Director-General of Conservation of Natural Resource and Ecosystem (DJKSDAE) for the support in releasing Sri Nabila	7 December 2020

PTAR is also active in supporting several associations and is involved in the internationally acknowledged initiatives.

Association Membership [102-13]

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

Up until today, PTAR has joined three international initiatives:

1. Business and Biodiversity Offsets Programme (BBOP) Standard on Biodiversity Offsets (2012), in which the BBOP Standard is referenced in biodiversity recovery studies conducted by PTAR;
2. International Financial Corporation (IFC) Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources (2012). To support this initiative, PTAR refers to IFC Performance Standard No. 6 in the development of the PTAR Code of Practice for Biodiversity Protection and environmental risk assessment;
3. Sustainable Development Goals (SDGs). PTAR has committed to meet the SDGs relevant to operational activities. This report will describe how the Company is trying to achieve this. [102-12]

View Tower of Sipirok Botanical Garden is PTAR's support for the commitment of the South Tapanuli Regency Government to preserve the environment. Sipirok Botanical Garden functions as a research centre (education) and a centre for the conservation of rare flora in South Tapanuli and its surroundings.

PT AGINCOURT RESOURCES

Message from the Board of Directors [102-14]

In 2020 faced with the COVID-19 pandemic, PTAR paid USD82.9 million dividends to its shareholders and USD16 million for the provision of goods and services which is about 9% from local suppliers.

Muliady Sutio
President Director

Dear respected stakeholders,

On behalf of the Board of Directors, I am pleased to introduce the 2020 PTAR Sustainability Report, which elaborates on our Company's contribution to Indonesia's sustainable development. The report outlines our governance and approach to sustainability, environmental impact, community, health, safety and diversity.

We have three pillars: environment, people and economy as the foundation, on which our company flourishes. Stewardship of the natural environment requires environmental management and conservation of biodiversities, such as by ensuring our sites of operation maintain supplies of clean water and clean air. To promote human well-being (people and community), we strive to contribute to social and economic growth.

I am pleased to announce that in 2020, despite the COVID-19 pandemic, PTAR achieved meaningful contributions to the environmental, social and economic prosperity and also to the broader public. This is evidenced by the various awards received from several parties for our environmental and social achievements. The COVID-19 pandemic demanded innovative measures to adapt to health limitations. It also reminded all of us of how important our support to achieve the Sustainable Development Goals (SDGs) is, namely to contribute to improving the earth's resilience and prosperity.

Sustainability Commitment and Strategy

PTAR has identified the efforts needed to integrate SDGs into its business operations and prioritised the SGDs that are relevant to the Company based on the nature of the business. The aim is to set clear targets for the chosen SDGs and integrate them via KPIs into the management of PTAR. However, considering the unfavourable business conditions, PTAR has also focused on the upcoming sustainability strategy for 2021 to ensure that progress can be achieved by promoting a balance of environmental, social and economic performance.

Following the sustainability roadmap, the management team – comprising the Director of External Relations and the Director of Operations demonstrated to be effective in ensuring that both external, as well as internal activities, related to sustainability could be met. By identifying key stakeholders, we will continue to create engagement around sustainability and identify the main priorities to create long-term harmonious relationships.

Environmental Performance

PTAR operated in an area situated very close to natural flora and fauna. Being aware of its stewardship obligation, PTAR follows the strict environmental management protocols that are aligned with the appropriate environmental regulations regarding pollution, water, waste, energy and biodiversity management.

We are very responsible for the management of environmental impacts by always complying with all regulations, including managing the residual water from the process to the Batangtoru River. Our independent team, consisting of representatives of various stakeholders, also ensure the quality of the wastewater which has to meet the applicable standards. During 2020, the Company did not have any significant environmental incidents. However, it is our challenge to manage water that is the key to our environmental management plan. This is closely related to rainfall and the steep topography at the Company's location. In 2020, the rainfall was higher than the previous year so we were able to not blow air into the Batangtoru River for 28 days. In addition, we are also committed to consistently running operations until 2034 and the post-mining period until 2037.

In 2020, PTAR spent USD6,450,628 for environmental management and monitoring resources. The efforts focused on improving GHG emissions tracking via recruiting external experts. The results are a better internal GHG emission monitoring system that can highlight inefficiencies. Furthermore, priorities for possible GHG reductions are planned for 2021.

The waste management at Martabe Gold Mine is crucial in minimising the environmental impact on the natural landscape. Thus, PTAR uses an industry-leading practice for its tailings storage facility management. Only half of the usual rock cover was removed in 2020, due to reduced activities because of the COVID-19 pandemic.Overall six million tonnes of tailings and 3,116 kilo tonnes of waste rock were filled and stored in the tailings storage facilities according to the Code of Practice for Safe Tailings Placement. The tailings management system was successful and verified by expert consultants in their yearly independent review. Additionally, energy monitoring demonstrated increased efficiency achieved from switching from the 32 MW diesel plant to the PLN grid for Martabe's electricity consumption. There were no shortages of PLN in 2020, so the diesel plant did not need to operate.

To minimise water pollution, we continued the introduction of the cyanide recovery circuit plant, optimising the other water treatment plants and recycling water measures. The external audits of water quality of the Universitas Sumatra Utara (USU) verified that the water quality was kept within the necessary water quality standards set by the Ministry of Environment and Forestry.

Due to the collaboration with several actors, we were able to intensify our efforts on biodiversity conservation. Initiatives included releasing the Sumatran Tiger, Sri Nabila, to the Gunung Leuser National Park (TNGL), stabilising and starting to grow vegetation on 35.5 hectares of the mining area, a collaboration with the SCORPION to protect and conserve wildlife in the South Tapanuli and Padang Lawas area.

All of our initiatives in the environmental field have resulted in PTAR achieving the "BLUE" Category in the PROPER verification from the Ministry of Environment and Forestry. Our next goal is to move up to green; we hope to achieve this by increasing focus on building networks for biodiversity conservation and energy and GHG emissions-reduction projects in the next few years to come.

Community Welfare

To improve community welfare, we have introduced the Community Development Programme (COMDev) as a part of the comprehensive implementation of PTAR's CSR Programme with its five pillars: Health; Education; Local Business and Economic Development; Public Infrastructure and Community Relations. During 2020, there were eight CSR activities with a total number of 15,183 beneficiaries and overall spending of USD1.9 million. Due to COVID-19, most health-related activities focused on a programme that supported the government in mitigating and controlling the pandemic. In education, the Martabe Prestasi scholarship continued, but many training events were held online. The Local Business Development Programme was reduced due to COVID-19 but still carried out several activities, such as introducing new rice variants and supporting fish feed production that can be replicated in other villages. The infrastructure component of the programme continued with a focus on sanitation activities. Likewise, the Observation Sipirok Tower, at the Botanical Garden of South Tapanuli functions as research (educational) centre and rare plants or flora conservation centre in South Tapanuli and its surroundings. In 2021, we will increase the activities and continue the set goals of the Community Management Plan.

The health and safety of the workforce were ever so important when facing the COVID-19 pandemic. Thus, the Industrial Hygiene Programme was enhanced to ensure that the workforce stayed healthy. PTAR continued towards its goal to eliminate workplace accidents with no Lost Time Injury (LTI) or Loss Of Working Time (LTIFR). This performance is based on the robust Occupational Health and Safety (OHS) system, training and leadership accountability.

PTAR believes in the benefits of people diversity and local empowerment and thus continued in 2020 its gender diversity strategy as well as a local staff development programme, called the "Marsipature Programme". By the end of 2020, 628 women or 26% of the total workforce had been employed. A total of 23 women or 28% of female employees, held management positions (supervisor and

manager roles). In 2020, 73% of the hired people were local – exceeding the 70% AMDAL requirement. Furthermore, in 2020, PTAR provided 135 training courses and reached 4,349 participants, with an average time of 73 hours per employee.

Economic Development Support

We responded quickly to the COVID-19 pandemic via workforce management so that the economic impact on production could be minimised and broader benefits to the community secured. Also, operations optimisation measured via the Martabe Improvement Programme (MIP) contributed to a very satisfactory outcome.

Despite the COVID-19 pandemic, gold and silver metal production and sales were in line with the plan approved by PTAR's parent company. The average gold price after hedging in 2020 was recorded at US1,467 per ounce, an increase from 2019 of US1,397 per ounce and silver was recorded at US20 per ounce.

In 2020, PTAR reached USD481.4 million of total generated revenue and the Net Profit after Tax (NPAT) reached USD187.2 million, a strong result that has given the challenges of operating during the pandemic. The NPAT Margin of 2020 was 39%, surpassing the record NPAT Margin of 38% was reported in 2019. Thus, PTAR could contribute to Indonesia's development via tax payments in the amount of USD96.4 million with corporate income tax reaching USD53.9 million.

Alongside tax payments, PTAR contributes to economic development via its direct contribution to its national employees, shareholders and supply chain. USD28 million was spent on wages, including social security and health benefits. Furthermore, PTAR paid USD82.9 million dividends to its shareholders and USD16 million for the provision of goods and services. About 9% of the services were distributed to local suppliers.

Finally, PTAR distributed USD1.9 million to the community development programmes. Much of this was focused on the COVID-19 pandemic impacts, such as improvement of health facilities and equipment, but also initiatives part of PTAR's Community Management Plan such as infrastructure support, education and local business empowerment activities.

Closing

We believe that our efforts to improve and balance the Company's environmental, social and economic performance will maintain business continuity, create quality business scale growth and contribute to achieving a variety of sustainability goals. PTAR will continue its cohesive communications with all partners and other stakeholders to maintain the best possible cooperation and increase the environmental, social and economic benefits in 2021 and mitigate the risks involved with the global pandemic.

Finally, on behalf of the Board of Directors, I would like to express our gratitude to all employees for their hard work and dedication. Also to all stakeholders for their support and contribution, as well as for their involvement in our efforts to balance our environmental, social and economic performance.

Jakarta, June 2021

Muliady Sutio
President Director

Nadia Agdika Islami, Metallurgist, Plant, Processing (Metallurgy) and Sri Rahayu, Technician Metallurgy, Processing (Metallurgy) discussed in front of the cyanide elution process column. This column is part of the cyanide regeneration process.

CHAPTER 1

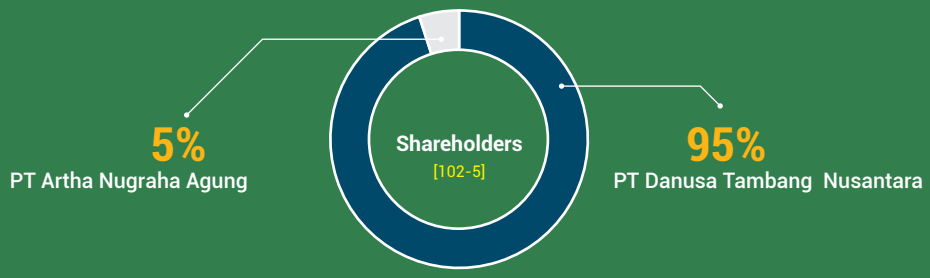
Company Profile

PTAR is a prominent mining company in Indonesia engaged in the exploration of minerals as well as the mining and processing of gold and silver. Martabe Gold Mine in Sumatra is our main operating site, while all corporate functions are managed from our headquarter in Jakarta.

Our majority shareholder is PT Danusa Tambang Nusantara (95%), owned by PT United Tractors Tbk (60%) and PT Pamapersada Nusantara (40%). The local governments of South Tapanuli Regency and North Sumatra Province own the remaining 5% share through the ownership of PT Artha Nugraha Agung. There were no significant changes in our operations nor supply chain throughout 2020. [102-10]

PTAR at A Glance

Company Name [102-1]	**PT AGINCOURT RESOURCES**
Address and Contact Details [102-3]	**Corporate Office** **Pondok Indah Office Tower 2 Suite 1201** **Jl. Sultan Iskandar Muda** **Kav. V-TA Pondok Indah** **Jakarta, Indonesia 12310** **(t) 6221 - 80672000** **(f) 6221 - 7592 2818** **(e) Martabe.CorporateCommunications@agincourtresources.com**
Mining Location [102-4]	**Martabe Gold Mine, Merdeka Barat Street km 2.5, Aek Pining Village, Batangtoru Sub-District, South Tapanuli Regency, North Sumatra 22738 Indonesia**
Website	**www.agincourtresources.com**
Date of Incorporation	**14 April 1997**
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. 192, dated 30 November 2019, made before Jose Dima Satria S.H, M.Kn., the Notary at Jakarta.**
Company Status	**Domestic Investment**



Line of Business and Product [102-5]	**Mining, Gold and Silver**
Authorised Capital	**USD85,000,000 or equal to IDR 692,115,000,000, consisting of 5,000,000 A Series shares and 80,000,000 B Series shares.**
Issued and fully paid capital (shares)	**USD85,000,000 or equal to IDR 692,115,000,000, consisting of 5,000,000 A Series shares and 80,000,000 B Series shares.**
Number of Employees	**1.196 permanent and contract employees as of 31 December 2020**

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

PTAR is a mining company that engages in the exploration, mining, processing of gold and silver. Martabe Gold Mine is our primary mining site located in North Sumatra. Martabe Gold Mine bullion is refined in Jakarta by a state-owned refinery for export and sales. PTAR does not brand or advertise our product since gold and silver are commodities. The main customer purchase specifications are based on purity percentage and physical form (usually bar or granules). Instances of out-of-specification products are extremely rare. Our main customers are banks located in Singapore.

Sustainability Roadmap and Milestones

We have a roadmap for sustainability and these are our milestones:

2016

- First organic farming project
- Completion of the Grand Mosque
- Completion of the hanging bridge
- Completion of the Community Management Plan
- Approval of Barani AMDAL Addendum

2015

- CSR Best Practice for Sustainable Development Goals
- Completion of Batangtoru Health Clinic

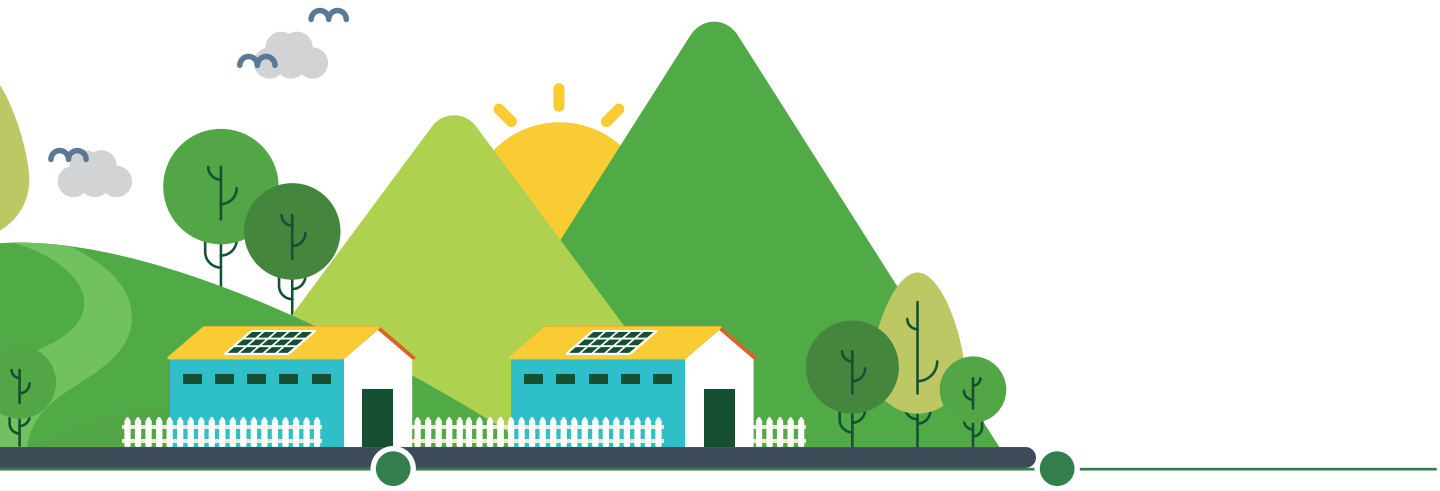
2017

- A record number of people from local communities are employed at the Martabe Gold Mine, totalling 1,852 people or 74% of all employees.
- Completion of a major public infrastructure project, the Sopo Daganak public auditorium, in Batangtoru, with funding from PTAR.
- Completion of environmental and social impact studies in support of the Tor Ulu Ala prospect.

2018

- The Integrated Team, established by the decision/the Decree of the Governor of North Sumatra, completed an independent verification of our water processing plant (WPP) discharge compliance for six consecutive years.
- An updated mine closure plan is submitted to the Government for approval.
- A safety performance on par with the best results were seen in the mining industry.
- Ongoing implementation of the Company's Gender Diversity Programme achieved a record of 28% of PTAR superintendent and manager roles being filled by women.
- Approval of an AMDAL Addendum addressing a range of operational improvements and the mining of the Tor Ulu Ala deposit.

Social General Environmental



2019

Obtained a permit for the remaining processed water release into Batangtoru River from the Regency of South Tapanuli which is valid for five years (2019-2024) as a legal basis to support PTAR in maintaining its environmental commitment.

Inauguration of the integrated farming area at Batuhula Village. The optimisation included an irrigation system, hydrant pump and solar panels.

The handover of the construction of the Batangtoru Sub-district Office to the local government with a total area of 3,600 m2. The office complex is also equipped with other facilities such as a fire station and libraries for children.

Inauguration of the operation of Martabe substation MT-01 feeder with 10 MVA transformer capacity, with PLN UIW North Sumatra UP3 Padangsidimpuan. It is expected to help PLN to improve the electricity supply to the people in Batangtoru and the surrounding areas.

Zero lost time injury incidence. This achievement is in line with the zero fatality and zeroes occupational disease targets.

2020

Handed over 'Rambin Martabe', a hanging bridge located in Sumuran Village, in the Batangtoru Sub-District. The Rambin Martabe Bridge that stretches for 70 metres above the Garoga River in Sumuran Village was built to help the people of the village carry out their day-to-day activities.

The handing over of corn processing facilities for post-harvest activities was also inaugurated to be managed by the Karya Mulia Bhakti Cooperative, in Sumuran Village, Batangtoru Sub-District. This facility consists of a drying floor, input warehouse, product warehouse, corn thresher, fan machine, engine room, office building and toilets.

Construction of clean water facilities in the Village of Batuhoring, Batangtoru, including a water reservoir (intake), installation of a pipe of high-density polyethene (HDPE) along 1,520 meters and five water furnaces with two water taps to be used by six villages in Batuhoring.

Handed over the construction of dug wells for clean water access at four locations in Telo Village, Batangtoru. This facility has given access to clean water to 100 heads of families, as well as supporting the Open Defecation-Free Programme as one of the Community-Based Total Sanitation pillars.

Secured the Best Award in the Indonesia Sustainable Business Award (SBA) 2019 in Indonesia initiated by the Global Initiatives and PWC Singapore and Indonesia in Jakarta. The Best Award for Land Use & Biodiversity Category was gained from the PTAR's commitment to rehabilitation and recovery of the forest ecosystem.

Secured an award from the Director-General of Conservation of Natural Resource and Ecosystem (DJKSDAE) for the support in releasing the Sumatran Tiger 'Sri Nabila' into Gunung Leuser National Park.

Gained the Pratama Achievement Award for the Application of Good Mineral and Coal Mining Engineering Principles (Bronze) in the Mineral Mining Safety Management Category from the Directorate General (Ditjen) of Mineral and Coal, Ministry of Energy and Mineral Resources (KESDM).

Received the Occupational Health and Safety (OHS) Award for the year 2020 for zero accident commitment from the Directorate General of Fostering of Supervision Manpower and Occupational Health and Safety.

Groundbreaking of the South Tapanuli Sipirok Botanical Garden View Tower. It has an area of approximately 580 square metres with a height of 31.5 m asl, consisting of seven floors connected by an elevator (lift).
All buildings will use prestressed concrete piles which are tied with reinforced concrete beams. The frame structure uses a steel frame with reinforced concrete composite floor construction.

△ Social △ General △ Environmental

Aek Pahu is an agricultural area assisted by PTAR which is located next to the mining area. This area is simultaneously prepared and designed as education, training and development related to technology and marketing efforts for organic rice fields and animal husbandry.

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 and personnel movement to the drill pads is normally by helicopter, minimising disturbance due to ground travel. The pads are rehabilitated following the 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 ("TSF") embankment rather than in waste rock dumps as is done at most mines. Mining is conducted by a mining service contractor, which is currently PT Macmahon Mining Services and they utilise their equipment.

Processing

The process plant at the Martabe Gold Mine is a conventional Carbon-In-Leach (CIL) plant with a capacity of over 6.1 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 and stockpiling, grinding and conversion, leaching of gold and silver, adsorption of gold and silver, removal of gold and silver, recovery of gold and silver and smelting to produce dore bullion bars ready for shipment.

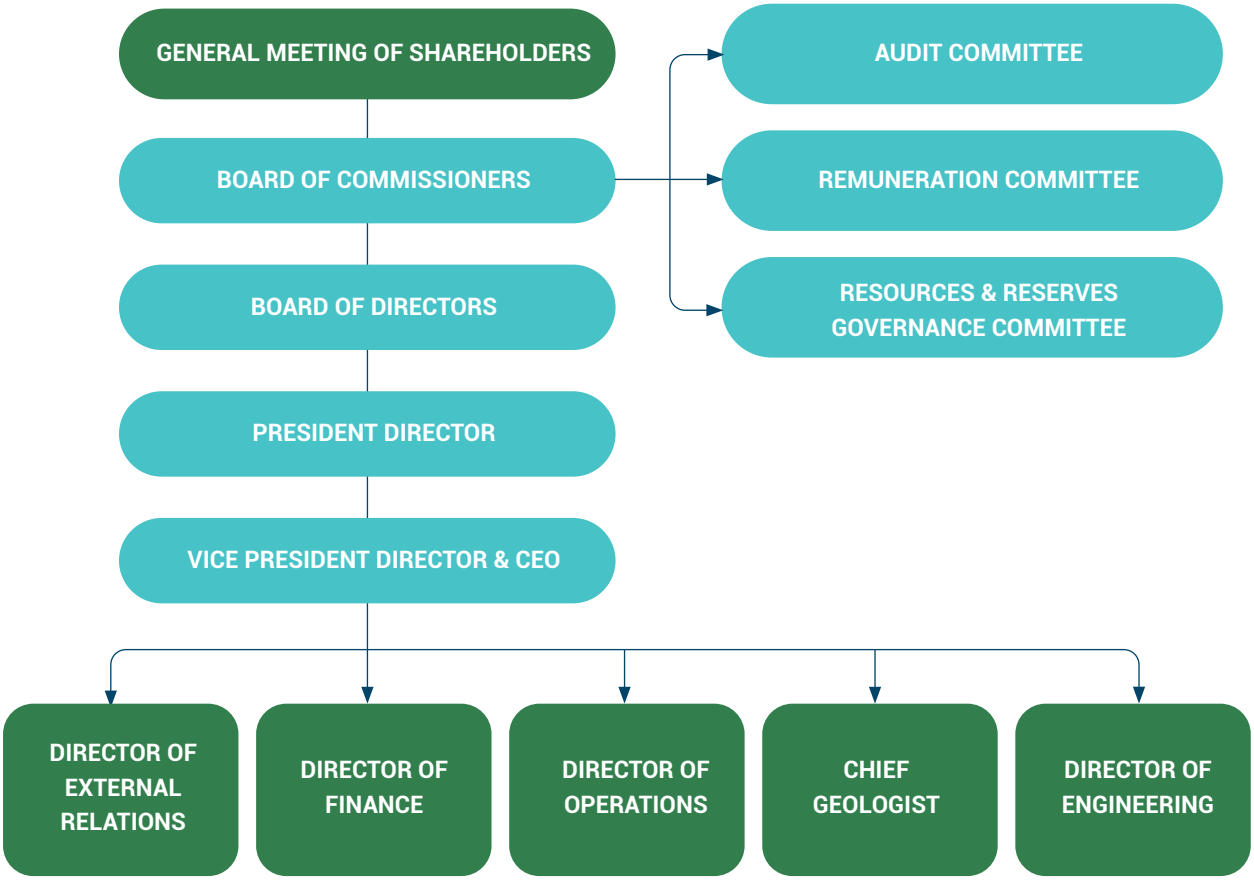
Production at the Martabe Gold Mine requires the usage of a wide range of inputs and yields a range of other outputs besides gold and silver. Careful management of all of these inputs and outputs is necessary across various activities such as transport, storage, handling, utilisation, collection and disposal. The management of these activities has been quite successful without significant issues since the commencement of operations. This testifies to the systematic application of operational controls for risk mitigation at the Martabe Gold Mine.

Organisational and Management Structure

The organisational structure of PTAR branches into Executive and Supervisory. The Executive branch consists of the President and Vice President Director as Chief Executive Officers who lead other directors, focusing on important operational aspects such as 1) External Relations; 2) Finance; 3) Operations; 4) Exploration; and 5) Engineering.

The Board of Commissioners coordinate all supervisory tasks, including the following Committees:

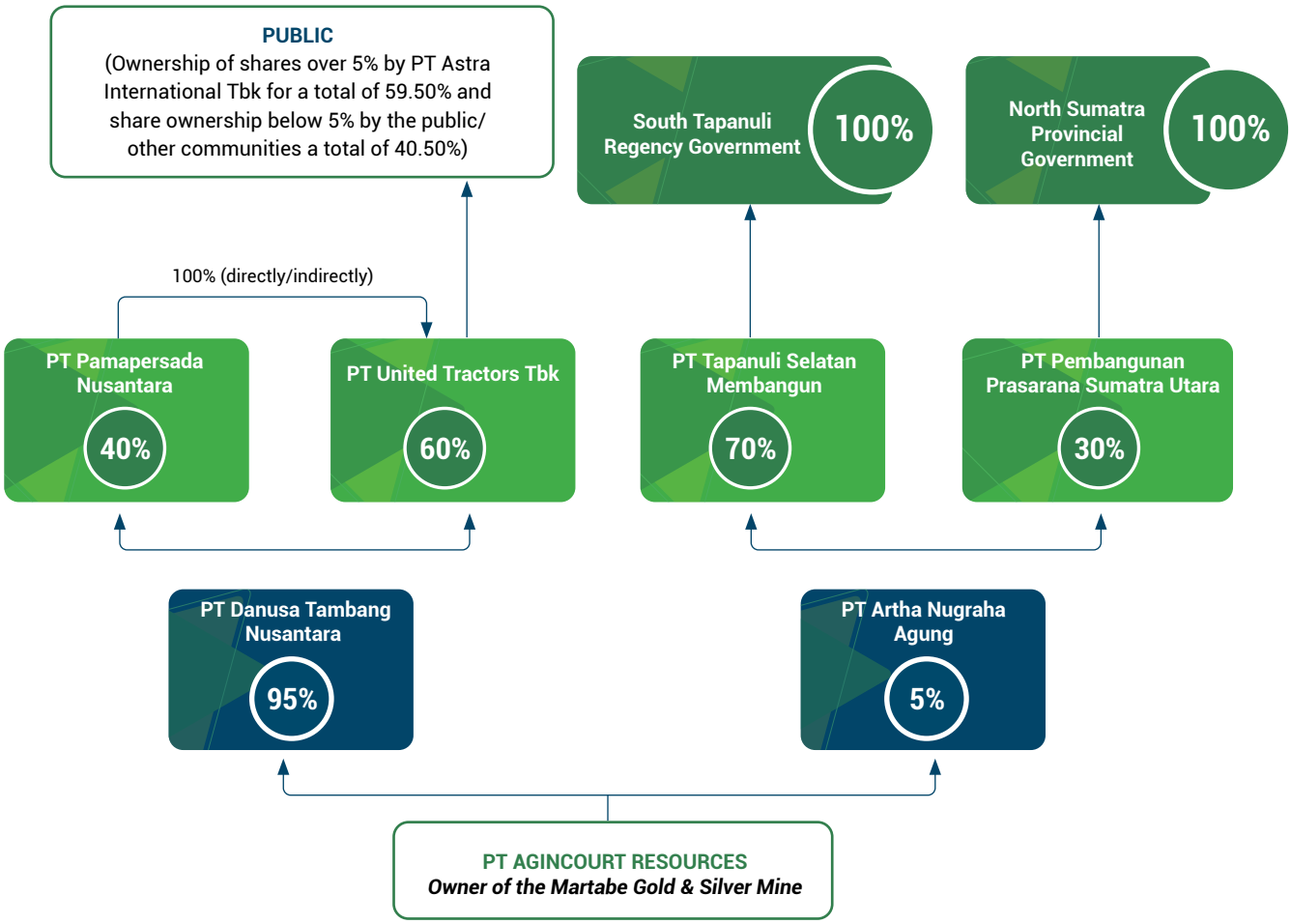
1. Audit Committee
2. Remuneration Committee
3. Resources and Reserves Governance Committee.



Shareholders

The majority shareholder in PTAR is PT Danusa Tambang Nusantara, which is owned by PT United Tractors Tbk (60%) and PT Pamapersada Nusantara (40%), with a total share of 95%. PT United Tractors Tbk is a public company whose shares are listed on Indonesia Stock Exchange and also a subsidiary of PT Astra International Tbk. PT United Tractors Tbk's share ownership consists of 59.50% by PT Astra International Tbk and 40.50% by the public. PT Pamapersada Nusantara is 99.9% owned by PT United Tractors Tbk.

5% of the Company's shares are owned by PT Artha Nugraha Agung which is jointly owned by PT Pembangunan Prasarana Sumatra Utara with 30% and PT Tapanuli Selatan Membangun with 70%.



Vision, Mission and Core Value [102-16]

VISION

To achieve world-class sustainable operations with top performance in the gold mining industry.

MISSION

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

CORE VALUES

Success at PTAR is driven by our people who live by our GREAT values:

Growth and added value - for all our stakeholders.

Transparency - via openness, listening skills, engagement and honesty.

Respect - to every individual, culture and the environment.

Excellence - via effort, enthusiasm and commitment.

Action - via performance and delivery of our commitments.

Through dialogue and consultations with the stakeholders, the highest governance body and the senior executives continuously update the purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social topics. [102-26]

The Scale of Organisation [102-7]

Description	Unit	2020	2019	2018
Number of Operation [102-4]	Countries	1	1	1
Permanent Employees	People	878	858	814
Outsource Employees		318	531	282
Total Workforce		1,196	1,389	1,096
Revenue				
Total Sales	Million USD	482	561	574
- Gold	Million USD	439	525	522
- Silver	Million USD	42	36	52
Total Capitalisation	Million USD	581	575	579
Total Assets	Million USD	805	767	710
Output				
Gold Poured	Ounce	306,594	391,031	410,387
Silver Poured	Ounce	2,360,694	2,340,707	2,895,380

Supply Chain [102-9]

The Martabe Gold Mine operations are supported by several suppliers and service providers. Examples of their valuable contribution to PTAR include:

- A logistics services contractor manages the transportation of goods purchased nationally and internationally;
- Other major site contractors are involved in the provision of medical, laboratory, site security, camp administration and catering, geotechnical engineering and drilling services;
- A security service provider is responsible for the secure transport of bullion from site to a refinery in Jakarta and subsequent delivery of gold and silver to buyers;
- Several consultant companies provide specialised recommendations and technical studies;
- Other important purchasing contracts include those for bulk chemicals, grinding media, fuel, lubricants and spare parts.

Key Material Inputs and Outputs of Martabe Gold Mine 2020 [301-1]

Material Input

- Diesel Fuel: 17,523,377 L/tonnes
- Blasting Materials - ANFO plus High Explosives: 2,660 tonnes
- Electricity: 155,779 MWh
- Mined Ore: 6,123,910 tonnes
- Grinding Balls: 7,740 tonnes
- Oils & Lubricants: 48 tonnes
- Sodium Metabisulphite: 4,476 tonnes
- Quick Lime: 7,958 tonnes
- Caustic: 2,199 tonnes
- Cyanide: 3,680 tonnes
- Hydrochloric Acid: 1,324 tonnes
- Tailings Flocculant: 432 tonnes
- Hydrogen Peroxide: 551 tonnes
- Activated Carbon: 340 tonnes
- Other Chemicals: 79 tonnes

Material Output

- Gold: 9.5 tonnes
- Silver: 90 tonnes
- Overburden: 4,444,614 million tonnes
- Tailings: 6,109,281 million tonnes
- Emissions Equivalent: 63,102 CO_2 tonnes (Scope 1)
- General waste: 4,664 tonnes
- Industrial (B3) waste: 415 tonnes

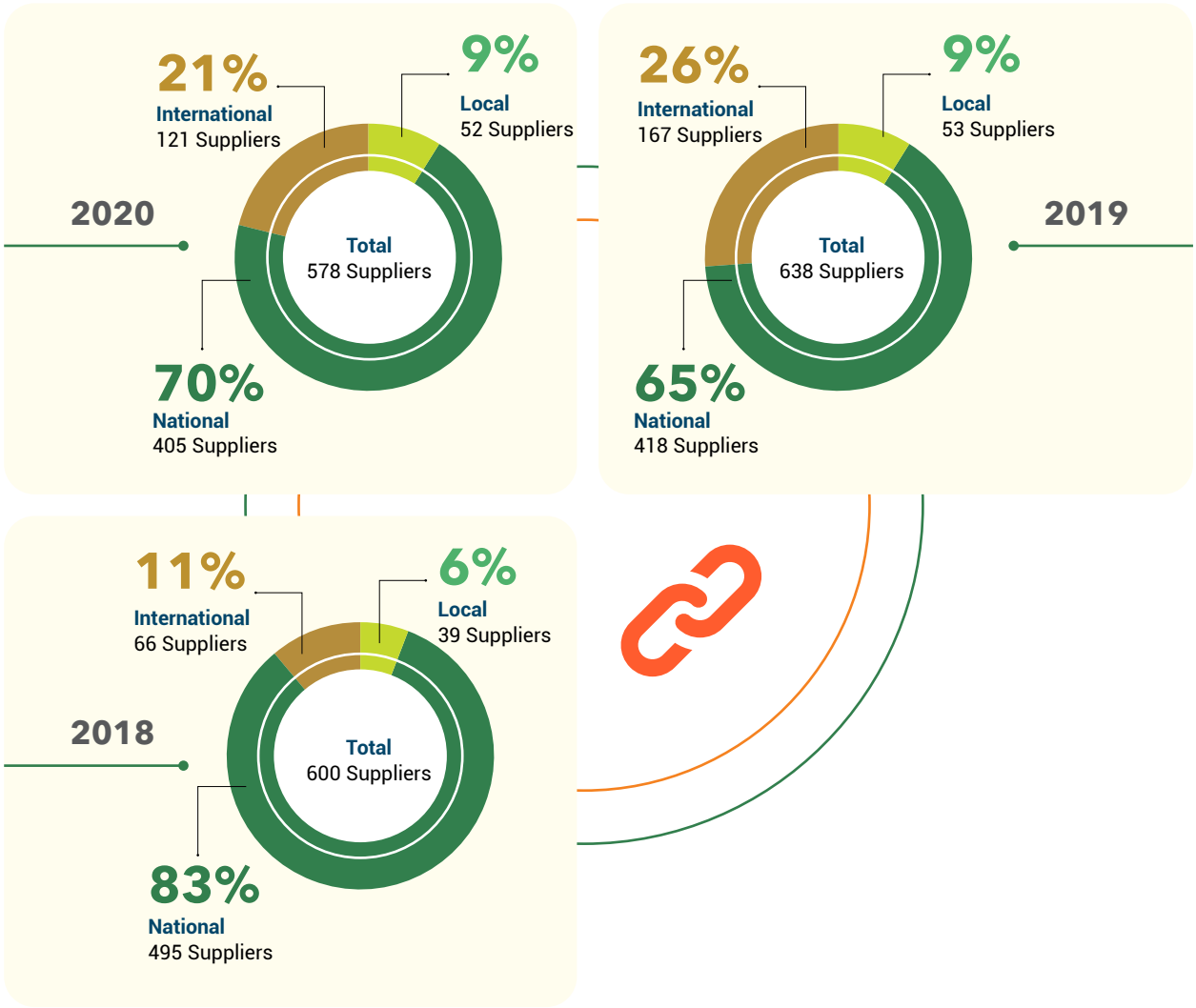
Supplier

PTAR has four supplier categories, including:

1. Surrounding; suppliers from 15 Directly Affected Villages (DAVs).
2. Local suppliers from South Tapanuli, Central Tapanuli, Sibolga and Padangsidimpuan areas.
3. National suppliers from other areas within Indonesia.
4. International suppliers from overseas.
5. Suppliers mentioned in this report mean all of the above.

PTAR is also committed to support local suppliers through preferential procurement of products and services from local contractors based on appropriate cost and quality, as well as providing technical consultation service.

Total and Percentage of Suppliers [204-1]



Satu, Suryadi, Suhartini and Sri Dewi, farmers from the Mulia Bakti Farming Group are planting corn. Koperasi Mulia Bakti is one of PTAR's partners that has received support in the form of warehouse construction, repair and modification of corn thresher/crusher machines.

CHAPTER 2

Sustainability Strategy for Sustainable Development Goals & Governance

PTAR is fully committed to supporting the Indonesian Government in achieving its development goals which are derived from global sustainable development targets set in the Sustainable Development Goals (SDGs). We are committed to designing and implementing various activities within the framework of a comprehensive Corporate Social Responsibility (CSR) programme. The programme aims to ensure improved performance in social, environmental and economic aspects while meeting the expectations of our stakeholders.

Supporting the Sustainable Development Goals (SDGs)

As a continuation of the Millennium Development Goals (MDGs), the Sustainable Development Goals (SDGs) allow countries to commit to sustainable development approaches, with goals and targets discussed by all member states of the United Nations.

Indonesia is one of the countries that pledged its commitment to achieving the Sustainable Development Goals together with the citizens of the world and this commitment is shown through the Presidential Regulation (PP) No. 59 of 2017 on 'The Implementation of Achieving Sustainable Development Goals.' Through this regulation, all levels of government, both central and regional, are mandated to synergise and optimise the management of all available resources to efficiently support the SDGs.

PTAR is committed to supporting the Indonesian Government in these efforts and thus has started to integrate the SDGs into operational management targets.

SDG Compass

The priority mapping of Sustainable Development Goals (SDGs) is implemented in the SDG Compass Stage.

Understanding the Sustainable Development Goals (SDGs)
Continuous updates on how each SDG goal is aligning with sustainable business activities, for example, through the second quarterly analyst meeting on 21 January 2020.

Determining Priorities
Internal discussions with the Finance & Planning Director to map business strategies, objectives and targets related to SDGs. As a result, PTAR prioritises supporting six relevant SDGs.

Reporting and Communication
All targets and performance achievements are evaluated regularly and submitted to the Director of Planning & Finance as part of our improvement process.

Determining the Targets
The targets are determined by following the business strategies and objectives under the SDG support priority.

Integration
The integration stage involves mapping each target into a key performance indicator (KPI) for each work function. In addition, developing a learning culture to fulfil the SDGs.

In 2020, PTAR identified six relevant SDGs to its mining operations. [102-12]

PTAR will identify clear targets for each SDG and integrate them into PTAR's Sustainability Roadmap for the next step.

Priority SDG	Key Action	Achievement
3 GOOD HEALTH AND WELL-BEING	• Continuous improvement of health and safety performance in our operations • Continuous improvement of environmental performance by reducing pollution • Contribution to community health	• Zero occupational illness • Total emission scope 1 until 3 is 229,483 tonnes of CO_2 Eq • USD2 million in support of community development activities, including health programmes
4 QUALITY EDUCATION	• Training and education through Marsipature Programme, OHS and Community Development Programmes	• 71,605 hours of an employee training and development and 48,732 hours of OHS training • 73% local employment
5 GENDER EQUALITY	• Gender diversity in the workplace	• 27% of employees are women
8 DECENT WORK AND ECONOMIC GROWTH	• Improving economic performance • Implementing nondiscrimination-policy	• Total taxes and state revenues paid in 2020 amounted to USD96.4 million, including Corporate Income Tax of USD53.9 million • There were zero discrimination cases
10 REDUCED INEQUALITIES	• Diversity and equal opportunity in the workplace • Equal remuneration for male and female employees based on their skills, experience and performance	• Zero human rights violations • Zero gender pay gap
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Ethical business practices • Transparent, effective, inclusive and open engagement with all of our stakeholders	• Compliance with the mine closure plan • Signing of Code of Ethics and Business Conduct by 100% of employees and suppliers

Trash can unit, as support from PTAR for SMKN 2 Batangtoru to cultivate Industrial Culture. This support is also part of the fulfilment of the requirements towards linking and matching with the business world and the industrial world (DUDI).

Sustainability Strategy and Principles

PTAR Sustainability Policy documents our sustainable development strategy. The policy was developed based on two important protocols for assessing progress in sustainable development. These are the United Nations Sustainable Development Goals and the 10 Principles of the International Council on Mining and Metals (ICMM). With our Sustainability Policy as guidance, we are committed to conducting all business activities by following goals and principles:

- A robust corporate governance system that leads to ethical business practice;
- Full compliance with applicable laws and regulations;
- Effective risk management through well-developed management systems;
- Full environmental and social impact assessments implemented to all new projects and significant changes to existing operations;
- The continuous improvement of health and safety performance since the safety and health of our employees and local surrounding communities are paramount;
- The continuous improvement of environmental performance for the protection of biodiversity and prevention of pollution;
- Protection of basic human rights within the organisation and in engagements with all stakeholders;
- Respect for all cultures, customs and values of local communities;
- Continuous contribution to the development of local communities;
- Maintaining transparent, effective, inclusive and open engagement with all stakeholders.

Sustainability Principles

Our business engagement at the corporate level and all sites comply with the following guiding principles to support our commitment to sustainable development: [102-20]

Ethical business practices;

↓

Risk management;

↓

Continuous improvement of health and safety performance in our operations;

↓

Continuous improvement of environmental performance;

↓

Protection of basic human rights;

↓

Respect for community cultures, customs and values;

↓

Contribution to the development of our local communities;

↓

Transparent, effective, inclusive and open engagement with all of our stakeholders.

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

Key Impacts, Risk and Opportunities of PTAR's Operations [102-15]

The significant social and environmental impacts, risks and opportunities associated with PTAR 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 and economic benefits
- Local employment and employee development
- Improvement of the local community services and infrastructure
- Local business development
- Local government capacity-building
- Support for community values

Putri Kaslia and Carla Quina, children from Batuhoring, Ronggang Village take an afternoon bath together. PTAR supports the provision of clean water facilities in Batuhoring through the construction of a 1,520 meter long HDPE pipe and an intake tank to collect water, as well as five water stoves distributed to the community.

Sustainability Roadmap 2021

The three pillars of sustainable development are environmental, social and economic performance. Since the commencement of the project, our goal has always been the continuous improvement of the management of these outcomes at the Martabe Gold Mine and they will continue to be key priorities of the management team in 2021. Specific outcomes and initiatives in this regard will include:

Environment

- Strengthening the biodiversity management at the Martabe Gold Mine based on the required improvements of operational controls stipulated in the PTAR Code of Practice for Biodiversity Management, as well as an independent expert evaluation of the PTAR Code of Practice and overall strategy for biodiversity management.
- The completion of a two-year study on the implementation of 'dry' tailings placement at the site to allow for its subsequent commencement in late 2023. Placement and compression of dewatered tailings in a disposal facility offer significant benefits in terms of environmental risk and site closure compared to conventional wet tailings disposal. Successful implementation of this technique at the Martabe Gold Mine will set a new standard for tailings management, especially for sites in areas of higher risks of rainfall and seismic hazard.
- The commencement of a three-year programme to achieve full compliance with the Global Industry Standard on Tailings Management released in 2021. PTAR believes that full implementation of the controls stipulated in this standard will allow for continuous improvements in tailings management at the Martabe Gold Mine.
- The implementation of significant improvements to our greenhouse gas (GHG) accounting and reporting practices to fully meet the requirements of the Greenhouse Gas Protocol (GHGP) and the Global Reporting Initiative (GRI) Standards.
- Maintaining continuous compliance with government regulations on water quality requirements before being discharged from the Martabe Gold Mine and support for an independent 'River Health' monitoring programme implemented by the Universitas Sumatra Utara to ensure that the condition of natural waterways receiving the water discharged from the mine are monitored properly.
- The implementation of the newly developed ReCYN technology allows the recovery and reuse of almost all cyanide contents in tailings before leaving the processing plant. This process will reduce the quantity of cyanide produced and transported, while significantly reducing operating costs.

Social

- Sustainable implementation of a comprehensive employee health programme addressing COVID-19 risks, proving highly effective in controlling the outbreak within the workforce.
- Continuous support for the local community development through the sustainable implementation of CSR programmes, among others, in addressing key areas such as health, education, local business development and infrastructure. For 2021, this support will specifically address COVID-19 through awareness programmes, access to free testing and other initiatives.
- Consistent implementation of industry-leading practices based on a well-developed management system and visible safety leadership practised by all levels of management to further reduce occupational health and safety risks and workplace injury rates. This will include a senior management meeting in early 2021 to review OHS performance in 2021 and identify opportunities for improvement.

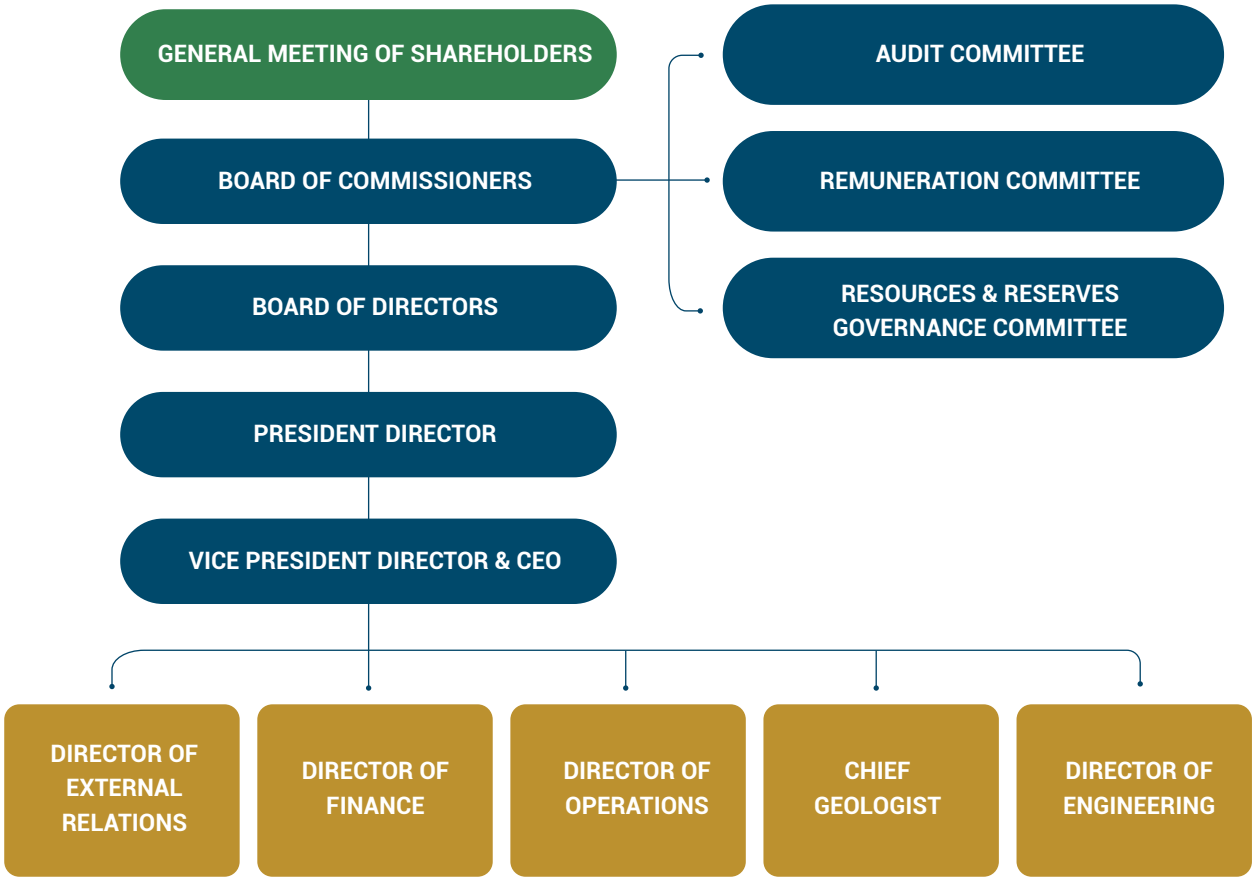
Economic

- Building on the significant improvements in operational and financial performance achieved each year since commencement and the continuation of an active exploration programme aiming to support sustainable long-term growth with ongoing benefits for all stakeholders.
- Mitigating the economic impact of the COVID-19 pandemic on local communities by maintaining mine operations and site employment, as well as continuing wage payments to those unable to work at the site due to pandemic restrictions.
- Follow-up on key government approvals received in 2021 allowing for a significant increase in processing rate and ore tonnes. Together with other operational improvements, we will see an extension of mine life to 2033.
- Continuous commitment to employment inclusion of >70% local workers and supporting female participation through our Gender Diversity Programme to achieve >25% female workers and >40% female in management roles.
- Continuous commitment to developing and supporting local businesses, as well as suppliers and contractors across Indonesia.

These and other initiatives planned for 2021 will deliver improvement in the environmental, social and economic performance over the remaining mine life until its closure.

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

PTAR's governance structure is a two-tier board, comprising executive function and supervisory function. The management function is led by the President and Vice President Director & CEO who manages the other directors that focus on important operational aspects of the company: 1) External Relations; 2) Finance; 3) Operations; 4) Exploration and 5) Engineering. The supervisory tasks are coordinated by the Board of Commissioners, who also supervise the following Committees: 1) Audit Committee; 2) Remuneration Committee and 3) Resources and Reserves Governance Committee. In PTAR, the chairperson of the highest management body is not an executive officer. [102-23]



In 2020, members of the Board of Commissioners and Board of Directors attended seventeen conferences, workshops and training events about mining and the business economy. This activity is done to expand their competency and keep them informed about the most recent industry trends. [102-27]

The Board of Commissioners performs a regular evaluation of the performance of the Board of Directors. The Board of Commissioners and Board of Directors regularly hold meetings and joint meetings. The information on the regular meetings is included in our 2020 Annual Report under the Good Corporate Governance section. [102-28]

PTAR's nomination mechanism and policy are established based on Board Members and Steering Committee discussion. [102-24]

The General Meeting of Shareholders (GMS) holds the highest level of authority. The GMS has the policy to appoint and dismiss board members, distribute dividends and amend the Company's Articles of Association. In 2020, the Company held one Annual GMS. The Company did not hold any Extraordinary GMS.

The GMS appoints members of the Board of Commissioners. In addition, members of the Board of Directors are appointed by the GMS for one term of office. The composition of the members of the Board of Directors of PTAR is by the provisions in the Company's Articles of Association and the prevailing laws and regulations. For more details, see the 2020 Annual Report on page 92.

Complete information relating to the composition of the highest management bodies and committees, including their performance evaluations can be found in the 2020 Annual Report.

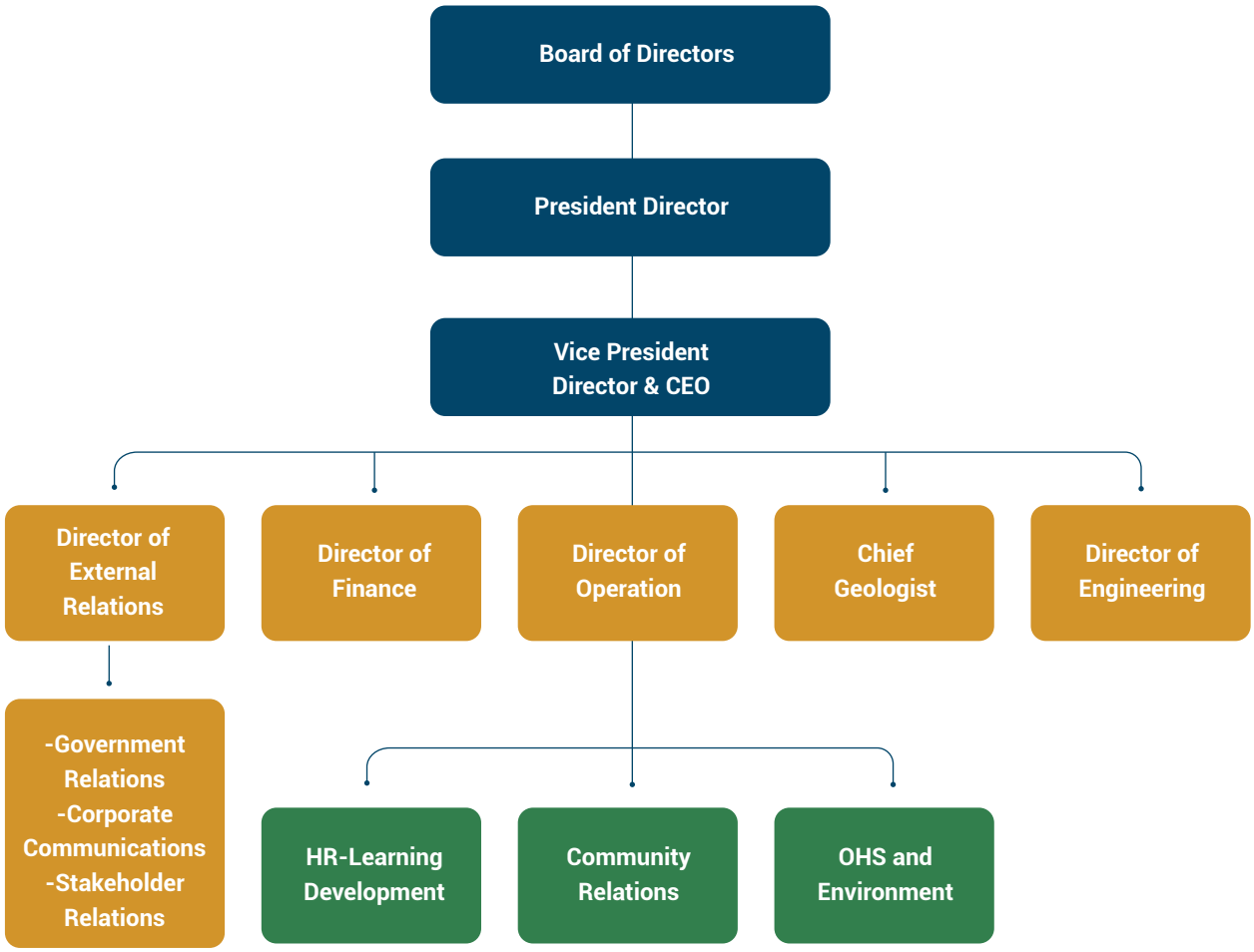
Directors' Duties in Sustainability Governance

The Director of External Relations and the Director of Operations are the officials responsible for decision making and impact management on economic, environmental and social aspects. They report directly to the Vice President, our CEO. The President Director and the other five Directors are also collectively responsible for the implementation of Sustainability Management, but the primary coordination lies with the two directors. The management functions under the Vice President include economic, environmental and social performances. The Board of Directors ensures that there is no conflict of interest in the aspects of sustainability management. We deliver our sustainability performance report to our stakeholders through the General Meeting of Shareholders (GMS). [102-19] [102-20]

The main duties of the Directors of External Relations and Operation associated with sustainability management include building and applying sustainable management culture in various aspects of the organisation, ensuring the application of the principles of sustainable management and the implementation of the Sustainability Strategy, publishing Sustainability Reports and following up on the developments of sustainable management issues. These duties are supported by all other members of the Board of Directors as well as the Board of Commissioners whose duties are to oversee all sustainable management planning and implementation. The highest committee or position formally reviews and approves the organisation's Sustainability Report and ensures that all material topics are covered. [102-32]

The divisions responsible for sustainability reporting and coordination across relevant units are the Corporate Communications Division and Stakeholder Relations Division under the Director of External Relations. The Corporate Communications Division coordinates closely with other related divisions, including Community Relations, Occupational Health and Safety, Environment, External Relations and Training and Development for the development of a sustainable governance culture in all of our operational activities. These divisions submit reports on the performance of sustainability management to the Vice President and CEO.

Positioning of SR reporting and monitoring in PTAR [102-18]



Role of Steering Committees to Advance Sustainability Issues

The management of sustainability outcomes at the PTAR requires contributions from a range of technical specialists and team leaders across several departments. Therefore, several steering committees are established to coordinate and direct efforts, each targeting a specific area of operational risk or opportunity. These include: [102-33] [102-34]

- Acid Mine Drainage Management Steering Committee
- Gender Diversity Committee Steering Committee
- Life of Mine Approvals Steering Committee
- Risk Management Committee Steering Committee
- Safety and KTT Steering Committee
- Site Water Management Steering Committee
- TSF Safety Committee
- Biodiversity Steering Committee

These committees report to the Directors and are selected through an assignment process by the highest governance body, with consideration of diversity and expertise, as well as approval in the Annual GMS.

The Internal Control implements the due diligence process of managing the economic, environmental and social aspects, audited by independent parties associated with the relevant aspects. An independent auditing firm conducts the audit for economic performance, while the community, independent verifiers and local government are involved in managing the impacts of the social and environmental performance of our operations to the surrounding environment. The highest governance body does not directly engage in identifying economic, environmental and social aspects. [102-29]

Throughout 2020, PTAR did not receive any fines or sanctions related to legal violations of the regulations of the Ministry for Energy and Mineral Resources and the Ministry of Environment and Forestry or other mining-related regulations. This shows our continuous record of sustainability management compliance with all applicable regulations.

Precautionary Approach [102-11]

Our management system comprises multiple instruments working together to support continuous improvement towards predetermined targets and goals. These systems include a range of codes of practices, policies, procedures, standards, databases, checklists, training materials, among other instruments. Safety and environmental management address related areas of operational risk and are therefore readily met by a single integrated management system, as they undertake many similar processes and controls.

Furthermore, the controls under the PTAR Codes of Practice associated with sustainable development outcomes include:

- Protection of biodiversity;
- General workplace safety;
- Hydrocarbon management;
- Incident management;
- Job Safety Environment Analysis (JSEA);
- Management of pregnancy-related work restrictions;
- OHS management – measurement, monitoring and improvement;
- Safe tailings disposal;
- Site water management; and
- Waste management.

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

PTAR has implemented an enterprise risk management programme since 2014, which falls under the Internal Audit Function. Annual enterprise risk assessment workshops are held to identify and rate risks that are critical to the achievement of business outcomes. Risks are assessed regularly on their consequences to issues such as safety, environmental, community, government, reputational, financial and compliance.

The highest management is involved during the assessment and evaluation of its results. The progress of the risk management plan is reported to the management team in the form of risk management scorecards to address the most significant risks identified in this process. The annual Enterprise Risk Workshop is held by the Board of Directors without including the Board of Commissioners. Further information regarding risk management is presented on the 2020 Annual Report page 98.

Our efforts in managing sustainability are directed towards key sustainability risks and opportunities. In compliance with applicable regulations, 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)

Stakeholder Definition and Engagement

In 2015, PTAR implemented stakeholder mapping and analysis during the exploration and construction phase through an integrated research project. We plan to review and update the stakeholder mapping interests in 2020. [102-42]

PTAR always engages significant stakeholders, identified based on research results, in all activities according to the roles and needs of each stakeholder. These identified stakeholders are involved in the process of preparing this report, especially as consideration for determining material topics related to economic, social and environmental aspects. The Director of External Relations with the Community Relations & Development Function provides consultation to all stakeholders and is responsible for introducing topics of stakeholder engagement in board meetings. Stakeholder consultation is carried out on the field and discussed with the Director of Operations and the Board. [102-42] [102-21]

Effective stakeholder engagements are essential to maintain and strengthen our operational social licence. We have been carefully managing stakeholder relationships since the commencement of the Martabe Gold Mine project. Our approach includes:

- Understanding the needs, concerns and aspirations of identified stakeholder groups;
- Building trust with all stakeholder groups by seeking active dialogue, including those in potentially marginalised groups such as women, the elderly and the youth;
- Providing timely and accurate information about all aspects of operations at the Martabe Gold Mine to stakeholders;
- Showing patience in dealing with others and having genuine respect for their viewpoints, beliefs, cultural values and practices;
- Supporting the employment of local people as well as implementing fair and transparent processes for recruitment and procurement;
- Ensuring that regulatory bodies are supported in discharging their regulatory obligations, including the implementation of approval processes and site inspections;
- Ensuring that all government reporting requirements are met in an accurate and timely manner; and
- Facilitating the open reporting of stakeholders' concerns and grievances on our activities.

Since the Martabe Gold Mine is the only mining operation in South Tapanuli, many local stakeholders have a limited understanding of mining and the management of environmental and social impacts associated with mining operations. Therefore, we provide an active broad-based communications programme to ensure that local stakeholders have a good understanding of operations at the Martabe Gold Mine. The programme main components include:

- Providing a guided tour of the mine to a broad range of stakeholder groups;
- Publication of Tona Nadenggan (which translates to 'the good message' in the local Angkola language), a bi-monthly magazine for local stakeholders covering topics of interest such as 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) which includes access to sustainability reporting as well as information on community relations and community development activities;
- Dissemination of our Sustainability Reports, in Indonesian, English and the Angkola languages;
- Distribution of media releases and media briefings, as well as site visits for media groups;
- Participation in a range of exhibitions, conferences and workshops.

We carefully and consistently maintain engagement and dialogue with each stakeholder to reach the same understanding and perception on various topics in identifying the main priorities in the social responsibility implementation for a harmonious relationship.

The stakeholder engagement mapping results are described below: [102-40] [102-43] [102-44] [102-45]

Stakeholders	Stakeholder Engagement Method and Frequency	Significant Issues and Stakeholders' Needs	Responses and Further Actions from the Company
Shareholders	• Biannual General Meeting of Shareholders • Annual General Meeting	• Biannual update on the latest operational performance • Annual reports • Returns and benefits	• Dividend distribution • Results from the General Meeting of Shareholders
Employees	• Weekly meeting • Safety briefing every day and safety forum every two weeks • Monthly safety campaign (OHS)	• Remuneration and other benefits (including recognitions) • Training and education • Occupational Health & Safety (OHS) • Gender equality	• Rewarding employees every year • Training and education plan • Regular training takes place throughout the year • OHS Procedure: Golden Rules
Local Communities	• Monthly consultation through Martabe Consultation Committee (LKMM) • Site visits	• Local employee involvement • Preference for local employment • Donation for infrastructure and others • Training and education • Environmental protection • Rehabilitation and mine closure	• Implementing the Five Pillars of Community Empowerment Programme (PPM). The programme operates various activities throughout the year • Local advertisement for all job vacancies • Training and education for local communities implemented throughout the year • Meeting all environmental protection commitments sustainably
National, regional and local government as well as agencies	• Regular meetings • Discussions for community development activities	• Tax and other contributions • Community development • Compliance • Rehabilitation and Mine Closure	• Timely tax and contribution payments • Conducting PPM • Submitting reports to the government regularly • Conducting monthly water sampling
Suppliers	• As necessary	• Timely payments • The quality of services and goods	• Providing required information at the early stage of the tender
Contractors	• Daily meetings	• Occupational Health & Safety (OHS) • Working agreement	• Education and training as required • Business ethics implementation continuously
Educational Institutions	• Meeting as necessary	• Internship • Community study	• Providing internship opportunities as needed • Engaging and report as necessary • Conducting E-coaching quarterly
Media	• Meetings and briefings as necessary • Comparative Study & Site Visits	• Communications & publications • Press releases • Site visits • Training and education	• Providing news regularly, especially on important events and activities • Capacity building • Annual competition & comparative study

Nurhapni Oktaria Harahap, Senior Field Assistant, Rehabilitation, Environment was doing the care for local plant seedlings in the Nursery facilities. Throughout 2020, the implementation of rehabilitation was carried out by planting 3,640 tree seedlings.

CHAPTER 3

Environmental Performance

In alignment with PTAR's Environmental Policy, the Company committed to ensuring full compliance with all applicable legal requirements are verified through regular evaluations of environmental audits.

Legal Basis and Environmental Management Approach [103-1]

The operations of Martabe Gold Mine fall under a wide range of environmental laws and regulations. The PTAR Environmental Policy requires the Company to comply with all legal requirements and identifies responsibilities to manage the compliance. Several permits relating to the discharge of treated water and the operation of hazardous (B3) waste temporary storage facilities demand highly specific compliance requirements from the site.

PTAR designs and implements environmental management as part of mining operational activities, according to the following laws and regulations: [103-2]

- Government Regulation No. 78 of 2010 Regarding Reclamation and Post-mining
- Government Regulation No. 82 of 2001 Regarding Management of Water Quality and Control Over Water Pollution
- Minister of Environment Decree No. 68 of 2016 regarding Wastewater Threshold
- Government Regulation No. 101 of 2014 Regarding Hazardous Waste Management
- Minister of Environment Decree No. 202 of 2004 Regarding Wastewater Quality Standards for Gold/ Copper Ore Mining Activities
- Decree of the Minister of Energy and Mineral Resources No. 1827 of 2018 concerning Guidelines for the Implementation of Good Mining Rules
- MEMR Regulation No. 26 of 2018 Regarding the Implementation of Good mining Principles and Supervision of Mineral and Coal Mining

Compliance and Regulations [103-2]

PTAR's Environmental Policy prioritises environmental protection to minimise impacts. The management of environmental compliance performance is achieved by fully integrating main environmental management outcomes throughout the planning process, from project feasibility to mine closure, which includes:

- Identification of potential environmental impacts, management and maintenance efforts from the approved AMDAL document planning stage;
- Adopting world-leading environmental management practices to minimise environmental impacts;
- Performing environmental management and monitoring from the planning stage based on the approved Environmental Impact Analysis for mining operations;
- Compliance with all applicable laws, regulations and operational permits;
- Safe disposal of tailings and waste rock;
- Pollution prevention;
- Protection of biodiversity;
- Restoring disturbed areas into safe, stable and productive areas.

The objectives of environmental compliance performance management is to:

- Identify, assess and manage all potential environmental impacts
- Prevention of environmental pollution;
- Protection of biodiversity;
- Restoration of disturbed areas to become safe, stable and productive areas.

Environmental Compliance

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

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

PTAR selects all new contractors/suppliers that will become partners with the Company by including environmental and OHS criteria. This is regulated by the OHS Code of Conduct Policy No. 00533. Supplier compliance is one of the aspects checked at the procurement of services or goods and is carried out at the pre-qualification stage in the bidding process. In 2020, there were 578 new service suppliers selected by entering these criteria with a 100% passing rate. [308-1]

Environmental Management Monitoring [103-3]

The Chief Mine Officer (KTT) is responsible for environmental compliance management. All environmental management duties are performed by respective operational departments and monitored by the Environment Department. To monitor effectiveness, PTAR's environmental compliance management is audited annually by the parent company, ASTRA, through their AGC (ASTRA Green Company) programme. In addition, the Company also undergoes external annual audits by the Ministry of Environment and Forestry through their PROPER programme and assessment of Environmental Management Performance by ESDM Mining every two years to verify the environmental management efforts.

The Senior Management Team must always have up-to-date information on the environmental compliance status of the Company. The Environmental Department produces a monthly Environmental Compliance Report documenting all compliance monitoring results and relevant regulatory limits, as well as the status of all required environmental permits.

Allocated Resources for Environmental Management

In 2020, PTAR allocated USD6,450,628.11 for environmental management and monitoring, including resources for environmental management. These resources include financial support to implement environmental management, human resources to perform environmental management duties, as well as the use of appropriate technology to ensure optimal environmental management. These resources are allocated to ensure that the implemented environmental management meets quality standards and applicable regulations for the maintenance of the environment and its carrying capacity.

Reported Incidences

PTAR's environmental management aims to fulfil all environmental management and monitoring responsibilities according to the approved Environmental Impact Assessment and following all applicable laws, regulations and operational permits. In 2020, there were no issues raised regarding environmental compliance. The Company did not face any financial or administrative sanctions regarding violations of environmental regulations. [307-1]

PTAR received the PROPER BLUE award from the Ministry of Environment and Forestry as well as the UTAMA Charter for Environmental Management of Mineral and Coal Mining from MEMR. This achievement shows that the Company complies with the environmental regulations in Indonesia and applies sufficient effort to meet the standards.

> ***BLUE PROPER***
>
> ***The BLUE PROPER rating from the Indonesian Ministry of Environment and Forestry is an important achievement in the management of environmental performance.***

Environmental Quality Mitigation

PTAR has a complete environmental impact analysis document for all operational activities. The document stipulates the management and monitoring method that must be carried out. In addition to the environmental documents, PTAR also conducts risk analysis for operational activities with high environmental risk (impact) value so that the risks can be mitigated until the risk value is manageable.

Impact, Response and Mitigation of Environmental Quality

Impact	Source of Impact	Environmental Programme
Noise	Operational production facilities	• Implementation of noise monitoring activities • Manage noise level at the production site
	Transportation on site	• Maintenance of transport equipment • Work time management • Traffic control on site
Waste pollution	Production activities	• Increase competencies in handling liquid waste • Add liquid waste handling equipment • Storage of tailings • Disposal of B3 waste in collaboration with competent and licensed independent partners
	Operational activities	• Install a container for temporary waste storage • Disposal of non-B3 waste to a licensed landfill • Wastewater treatment operations of both production and domestic activities with a wastewater treatment plant (IPLC)
Water pollution	Production operational activities	• Wastewater treatment operations of both production and domestic activities with a wastewater treatment plant (IPLC) and a cycle plant
Air pollution	Emissions of production equipment, processing plants and operational vehicles and offices	• Develop inventories of the emissions • Identify potential mitigation actions • Regular maintenance of AC units in offices
	Dust emissions from transportation and rock crushing	• Maintenance and improvement of the performance of the processing plant • Maintenance and inspection of leaks in the fuel storage installations • Maintenance and improvement of the performance of the transportation heavy equipment fleet
Disruption of biodiversity	Clearing of land	• Special analysis process for planned land clearing • Collaboration with third parties on biodiversity initiatives • Land rehabilitation activities

Waste Management

PTAR realises that its business activities have an impact on the environment. Waste is one of the main environmental challenges for gold and silver production at Martabe Gold Mine, especially via tailings and waste rock. Therefore, PTAR strives to carry out various prevention and routine monitoring efforts to minimise the potential pollution of waste to the environment. For this purpose, in 2020, the Company allocated up to USD5,700,000 for waste management.

The overburden decreased by about half from the previous year, due to three months of reduced activity due to COVID-19. The process of rock recovery was slower due to issues with location placements of instruments for regular readings.

The total amount of Overburdens, Tailings and Sludge [MM3]

Description	Unit	2020	2019	2018
Overburden	Tonnes	4,444,614	6,476,519	6,059,445
Tailings	Tonnes	6,109,281	6,035,959	5,572,205
Sludge	Tonnes	0	0	0

Note: Total tailings as the weight of milled dry tonnes (ore) minus weight of the metal extracted.

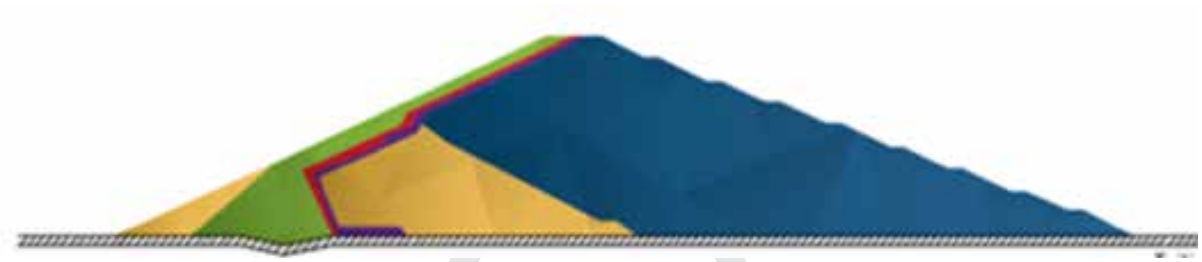
Candra Sakti Siregar and Yoramo Gulo, Senior Field Assistant, Monitoring, Environment took water samples from the SGW DGW 07 monitoring well. PTAR consistently conducts monitoring of water quality to ensure good environmental management and complies with government regulations.

Disposal of Tailings

Martabe Gold Mine produces a stream of waste called tailings through ore extraction processes to gold and silver. The composition of these tailings is mostly water, ground rock, lime and residual cyanide. Similar to most gold mining operations, Martabe Gold Mine disposes of tailings in a Tailings Storage Facility (TSF). Martabe Gold Mine TSF consists of an engineered embankment in a valley. A containment fitted upstream of the embankment stores the tailings. The embankment itself is made of conventional 'rock-fill' downstream construction and has several distinct internal zones, each serving a specific function.

The disposal of treated tailings waste is carried out using a spigot pipe that is sprayed into the backside of the dam. The opening of the spigot pipe is arranged in such a way that the deposition process goes according to plan and forms a grade/slope towards the supernatant pond. The measurement process by the survey team is carried out on a daily and monthly basis to ensure that the tailings elevation has a safe distance/freeboard.

In addition to tailings processing management, PTAR manages overburden. Before carrying out the excavation, the Geology Team will install the waste block. The overburdened material will be transported by an Articulated Dump Truck (ADT) to the TSF dam according to its level, to be placed following Acid Mine Drainage (AMD) specifications and typical design sections. The material will be tested periodically so that it conforms to the expected technical specifications.



Simplified Cross-Sectional View of The Martabe Gold Mine TSC Embankment

Rock Fill

Provided stability for the first stage of construction. The pit was not yet operational, so quarried rock was used.

Zone 1

Low permeability material (clay) on the upstream side of the embankment was designed to limit seepage from the tailings into the embankment.

Zone 2

A sand filter layer is designed to collect any seepage passing through Zone 1 and direct it to the base of the embankment. Water building up in the embankment can reduce stability and lead to internal erosion.

Zone 3

The structural zone of the embankment. This zone provides stability and forms the bulk of the earthworks. It also provides a storage location for almost all waste rock from the pit.

Zone 4

A second filter layer is 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.

To provide sufficient storage capacity for the continuous production of tailings, run-of-mine waste rock is used to progressively raise the height of the TSF embankment. Upon completion, the embankment crest will have a height of 112 metres above the foundation (at centre-line) and a length of 1,220 metres.

The following are key objectives to TSF safety:

- No uncontrolled discharge of tailings or water (due to overtopping or damage to the embankment);
- Mitigation of impacts on groundwater from seepage;
- Prevention of wildlife death within the TSF;
- Continuous control of acid mine drainage in the embankment; and
- Rehabilitation of the structure to a safe and stable condition after closure.

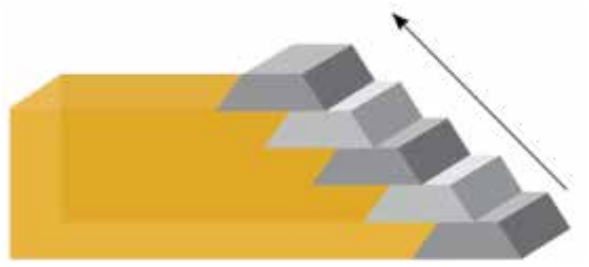
Minimising TSF risks requires the implementation of a diverse range of risk controls during the design, construction, operation and closing stages of the TSF. These controls consist of design specifications, construction methods, QA/QC programmes, as well as operational controls such as procedures, staff training, management change, condition monitoring, inspections, reviews and audits. The following is a summary of the most important aspects of these controls.

Key Risk Controls in TSF Design and Construction

The TSF design was done by an international geotechnical engineering consultant team, recognised for its expertise in this field.

- The progressive construction of the TSF embankment uses the 'downstream lifting' method. This enables the construction of a zoned rock-fill embankment that is inherently more stable than embankments built using the 'upstream lifting' method used by several other mining operations.
- The design specifications follow the dam safety guidelines published by the International Committee on Large Dams (ICOLD).
- Embankment stability is widely recognised as a key performance criterion. Therefore, the TSF was designed to maintain its integrity during 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 consultant engineer is responsible for the: a) construction of the TSF; b) accountable to ensure that it follows the approved design; and c) that a construction QA/QC programme 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).
- A permanent record of compliance with the engineering specifications is provided through certified and safeguarded construction QA/QC records.

Upstream lifting Method of TFS 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 in TSF Operation

- All tailings are treated before leaving the processing plant to reduce cyanide to a low level (below 50 mg/L), as specified by the International Cyanide Management Code. This ensures there is no risk to wildlife coming into contact with the water held in the dam.
- Tailings are placed in the TSF in thin layers onto a 'beach' of tailings. Each layer is allowed to settle, drain and dry before a new layer of fresh tailings is overlaid. This method offers several benefits that include increased strength of the stored tailings and elimination of residual cyanide by exposure to natural ultraviolet light.
- The TSF pond water content is kept to a minimum since excess water held within it may increase the risk of overtopping, reduce the stability of the embankment, impair tailings consolidation and increase seepage rates. Excess water at the TSF is removed by pumping it to a water polishing plant (WPP) for treatment before finally being released from the site.
- A comprehensive TSF monitoring programme is in a place to detect any changes that might lead to unsafe conditions. 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.

The performance of TSF is monitored, by employing expert consultants that conduct annual independent reviews of all aspects of the TSF safety. This also ensures that the ongoing design construction and operation of the TSF reflects industry best practices. A monthly TSF Stewardship Report informs senior management on TSF risks and the status of ongoing initiatives, so they can take actions to further minimise the risks.

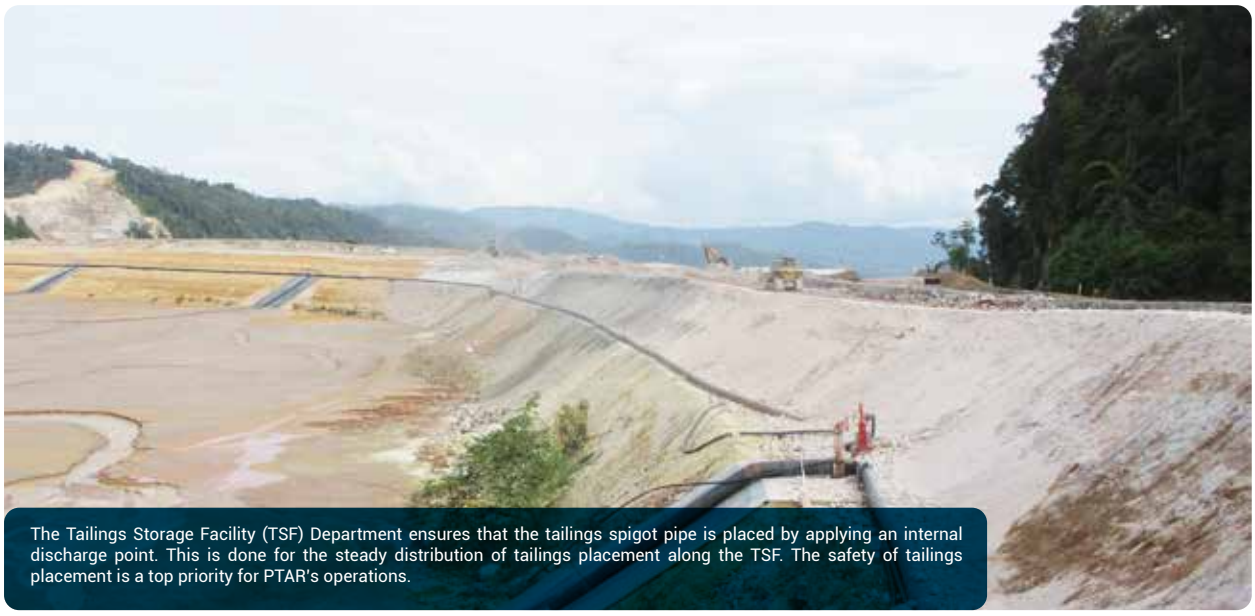
Results Achieved in 2020

In 2020, a total of 6,109,281 tonnes of tailings was stored in the TSF without incident and in compliance with operational requirements in the Code of Practice for Safe Tailings Placement. Key outcomes in this regard include:

1. The placement of tailings is carried out even with several discharge points along the top of the dam to control the consistency of the dam's carrying capacity.
2. Tailings placement throughout 2020 was also successful by providing an upstream slope to avoid concentrated water in the dam core.
3. Water from the remaining processing results is well collected on the north side of the tailings beach so that the operational needs of the processing plant are maintained.

Total Tailings Filled and the Percentage of Recycling

Total tailings waste 2020	Total tailings waste 2019	Total tailings waste 2018
6,109,281 Tonnes	6,035,959 Tonnes	5,572,205 Tonnes



The Tailings Storage Facility (TSF) Department ensures that the tailings spigot pipe is placed by applying an internal discharge point. This is done for the steady distribution of tailings placement along the TSF. The safety of tailings placement is a top priority for PTAR's operations.

Special initiatives implemented in 2020 to further reduce TSF risk includes:

1. Continuation of an Independent Technical Review Panel for TSF involving international and national experts;
2. A study for the seismic activity to verify earthquake parameters used in planning;
3. Adding inclinometer, piezometer, prism monitoring instrumentation and additional technology to observe dam movement using the Insar satellite method;
4. Taking samples of TSF construction materials from the drilling process to be tested in the laboratory to verify the parameter values in the planning.

Key outcomes of this process include:

1. Lift spigot tailings pipe
2. In 2020, the TSF was raised to RL 352 metres (the permit is valid until RL 360 metres)
3. Support of the process to apply for a new permit to increase the TSF height to 370 metres RL

Specific initiatives implemented in 2020 to further reduce TSF risks include installing additional instruments, such as piezometers and inclinometer.

Disposal of Waste Rock

Waste material management in TSF dams focuses on 2 things, namely:

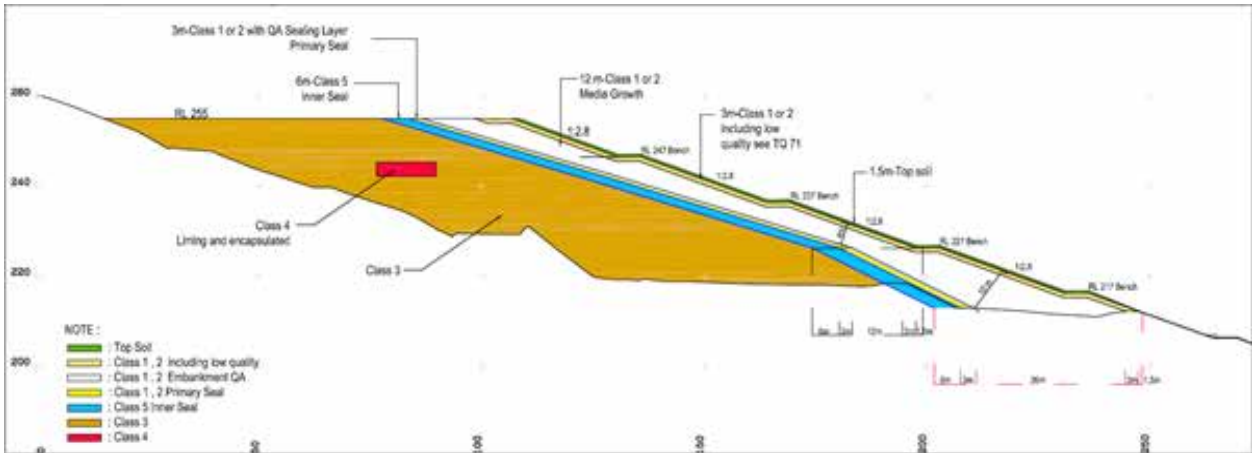
1. Acid Mine Drainage (AMD) Aspect

Material placement is carried out based on the AMD class. The material is arranged in such a way that the water flowing from the TSF dam is following the expected standard. Monitoring of AMD is also carried out at the TSF dam and once a month, a joint sampling is carried out by the Mine Geologist Team for quality control purposes so that the planned AMD is following what is done in the field. The below is the AMD Typical Section.

2. Technical Aspects of Construction and Quality

The waste construction method in the TSF dam is carried out with the Engineering Fill concept (layer by layer) and compaction is carried out using the Vibro compactor tool. Quality tests will be carried out on the waste material so that the waste material is by the expected specifications. The tests carried out include: sand cones, water replacement density, particle size distribution, Atterberg and Dutch cone penetration.

Waste material management in TSF



Waste rock is the second major waste stream requiring careful management to avoid environmental impacts at the Martabe Gold Mine. It consists of rock that must be mined to allow pit development but contains insufficient gold to warrant processing. Almost all of the waste rock produced under the current mine plan of the Martabe Gold Mine is used for the construction of the TSF embankment. As such, there is no need to dispose of waste rock in large dumps as is the case with the majority of other mining operations. The fully engineered structure of the TSF embankment could sufficiently meet both tailings and waste rock disposal requirements for the site.

Some of the waste rock at the Martabe Gold Mine could potentially form acid due to the oxidation of naturally occurring sulfide minerals contained in the rock. This is quite common in many metalliferous mines. When rainwater flows through it, such material may become acidic and accumulate elevated levels of metals. This process of Acid Mine Drainage (AMD) may pose a significant risk of causing pollution if not managed properly.

The most commonly used and effective method of managing AMD is by sealing potentially acid-forming rocks to restrict the rate of oxygen entry, thus reducing the rate of acid production to a very low level. Martabe Gold Mine has successfully implemented a strategy to achieve this sealing by the use of compacted layers of rock or clay. Rocks with acid-forming potential are sealed within the TSF embankment by up to two metres of compacted rock or clay. The identification of waste rock as Non-Acid Forming (NAF), Potentially Acid Forming (PAF) or other intermediate categories is more challenging at the Martabe Gold Mine. This is due to its relatively complex geological conditions, featuring several types of rocks in different states of weathering with various amounts of sulfide content.

PTAR has been implementing a range of technical studies over the years to develop the best AMD management practice. The following is the summary of key milestones of this ongoing initiative:

- Detailed studies on the classification of rock waste characteristics;
- Classification of types and classes of waste rock based on their geochemical and physical attributes;
- Development of life-of-mine waste timelines;
- Development of a sealing layer specification based on advanced computer modelling with verification through field testing;
- Progressive implementation of selective waste placement and sealing; and
- Performance assessment to validate the waste sealing design and implementation.

The development of the AMD Management Programme at Martabe Gold Mine is the result of the continuous efforts from key technical teams in areas of exploration, mine geology, mine planning, TSF construction and the environment. The results of this work are documented in the Martabe Gold Mine AMD Management Technical Manual. This manual contains an overall framework for AMD management at Martabe Gold Mine, providing technical guidance for all aspects of waste rock management. Further information on AMD management at the site can be found in several published papers on this topic.

PTAR assigned an AMD consultant with considerable international experience to evaluate waste rock management at the site regularly to ensure that the site is implementing industry best-practice in the management of waste rock.

Results Achieved In 2020

In 2020, 3,116 kilo tonnes of waste rock were filled into the TSF construction. The ongoing implementation of the AMD Management Programme of the site in 2020 include:

1. Placing material with a medium to high acid risk classification in the upstream position so that it will be re-encapsulated later;
2. Using material with low acidity risk and not acidic classification as cover or capsule material;
3. Evaluating the pH value of the material from the pit so that the placement of the material remains by its designation.

For 2021, PTAR has plans to add AMD monitoring stations and flow meters to determine the performance of the sealing layer/material capsule as well as to determine the surface water discharge in the TSF.

Management of Hazardous Industrial Waste

Hazardous and toxic waste is regulated by the Indonesian Law No. 32/2009 on Environmental Protection and Management as is any waste that can cause pollution or harm the health of humans and other living organisms. Any party engaged in the placement, storage, transport or treatment of B3 waste is required to have a specific permit. The Martabe Gold Mine produces various types of waste that are classified under B3 waste per regulation as is typical for all mines, including:

- 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 the necessary permit to deposit tailings in the site's Tailings Storage Facility (TSF) as well as other permits to set up other temporary B3 waste storage facilities on site. Excluding the tailings, all other B3 waste is transported to an off-site licensed commercial waste processor.

The importance placed in B3 waste management shows our commitment to ensuring compliance with proper practices through the establishment of several control measures, including:

- Implementation of the mandatory requirements for B3 waste management at the site; the PTAR Code of Practice for Waste Management applies to all PTAR and site contractor employees;
- The PTAR Workplace Condition Inspection (WCI) Programme that specifies the scope of the B3 waste management requirements;
- A PTAR training course for B3 waste management;
- New employees are provided with information on key B3 waste management requirements during the site HSE introduction which is also disseminated through the site HSE poster programme;
- A monthly Environmental Compliance Report handed to the Senior Management Team informs them of any instances of B3 waste non-compliances, as well as the status of contracts with B3 waste transportation and processing contractors;
- The remaining capacity in the site's temporary B3 waste storage facilities is reported at the PTAR daily production meetings.

Hazardous waste management carried out in 2020 is still the same as the previous year where tailings waste was placed in the TSF according to the permit Minister of Environment and Forestry's Decision No. 611/2016 while another hazardous waste is sent to third parties, PT Prasadha Pamunah Limbah Industri (PPLI) and PT Wiraswasta Gemilang Indonesia (WGI), to be processed and managed by existing regulations. In 2020, the total hazardous waste was reduced by about 50 tonnes, which is the result of reduced mining activities due to COVID-19.

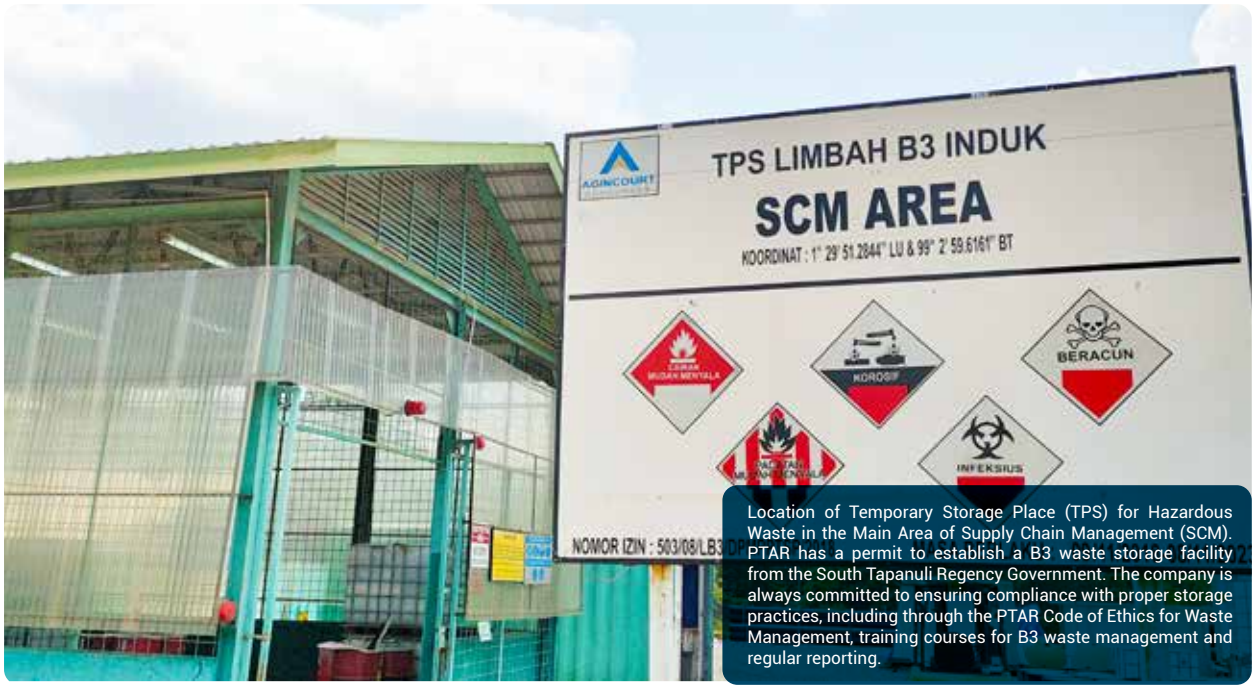
Waste by Type and Disposal Method [306-3] [306-4] [306-5]

Description	Unit	2020	2019	2018
Total hazardous waste	Tonnes	419	463	529
Recovery	Tonnes	210	230	257
Disposal place (off-site)	Tonnes	210	233	272
Total non-hazardous waste	Tonnes	4,664	5,538*	1,613
Landfill	Tonnes	4,664	5,538	1,613

Notes:

- Data on on-site tailings placement is not included but documented in MM3.
- The monthly calculation of waste disposal from the site is managed by PTAR Environmental staff. Off-site disposal is regulated by contract. All hazardous waste is disposed of by licensed waste disposal companies subject to Government regulations.

* Re-statement from Sustainability Report 2019



Location of Temporary Storage Place (TPS) for Hazardous Waste in the Main Area of Supply Chain Management (SCM). PTAR has a permit to establish a B3 waste storage facility from the South Tapanuli Regency Government. The company is always committed to ensuring compliance with proper storage practices, including through the PTAR Code of Ethics for Waste Management, training courses for B3 waste management and regular reporting.

Hazardous Waste Transportation [306-2]

Transported and Delivered to Third-Parties
2020
419
Tonnes

Transported and Delivered to Third-Parties
2019
462
Tonnes

Transported and Delivered to Third-Parties
2018
529
Tonnes

Note:
- All waste identified under regulations as hazardous and toxic (B3) is transported off-site to licensed waste treatment.

Significant Spills

Description	Unit	2020	2019	2018
Total Amount of Spills	Total	5	3	6
Total Volume of Spills	Litre	198	235	1,428
Oil:				
• Soil	Litre	93	50	118
• Water		0	0	0
Fuel:				
• Soil	Litre	105	0	305
• Water		0	0	0
Waste:				
• Soil	Litre	0	0	0
• Water		0	0	0
Chemicals:				
• Soil	Litre	0	0	5
• Water		0	0	0
Others:				
• Soil	Litre	0	0	0
• Water		0	0	1,000

Note:
- All spills are recorded in the Company's incident management system.
- No significant impacts are resulting from the spill and all spills are completely cleaned up. The 1000 L spill recorded as 'Other' in 2018 was non-toxic drilling.

Site Water Management

The management of site run-off water is a common requirement for open-cut mines in wet tropical regions. There are several key factors to consider in the development of mine water management systems to minimise the risk of non-compliance and/or downstream environmental impacts:

- Rainfall on large areas of exposed soil and rock disturbance, which is typically caused by surface mining, will mobilise sediments and sometimes metals and acid. Hence, site run-off water may require treatment before it is discharged from the site.
- Generally, mineral processing plants require a substantial amount of water. This is particularly true for gold mines where their extraction process is based on rock slurry.
- Pits and site infrastructures such as TSF may disrupt natural absorbency which could cause a significant reduction of clean water flow available for users downstream.
- Local rural communities consider the waterways and local groundwater as important resources as they are typically used for irrigation and bathing, as well as the main water source for their home.
- The significant value of downstream waterway's biodiversity must be protected.

Site Water Balance Model

The first step to successful water management at a mine site is the water balance model. This model is an important tool in developing a robust site water management strategy as well as in identifying necessary water management infrastructures including ponds, structures, pumps and piping systems.

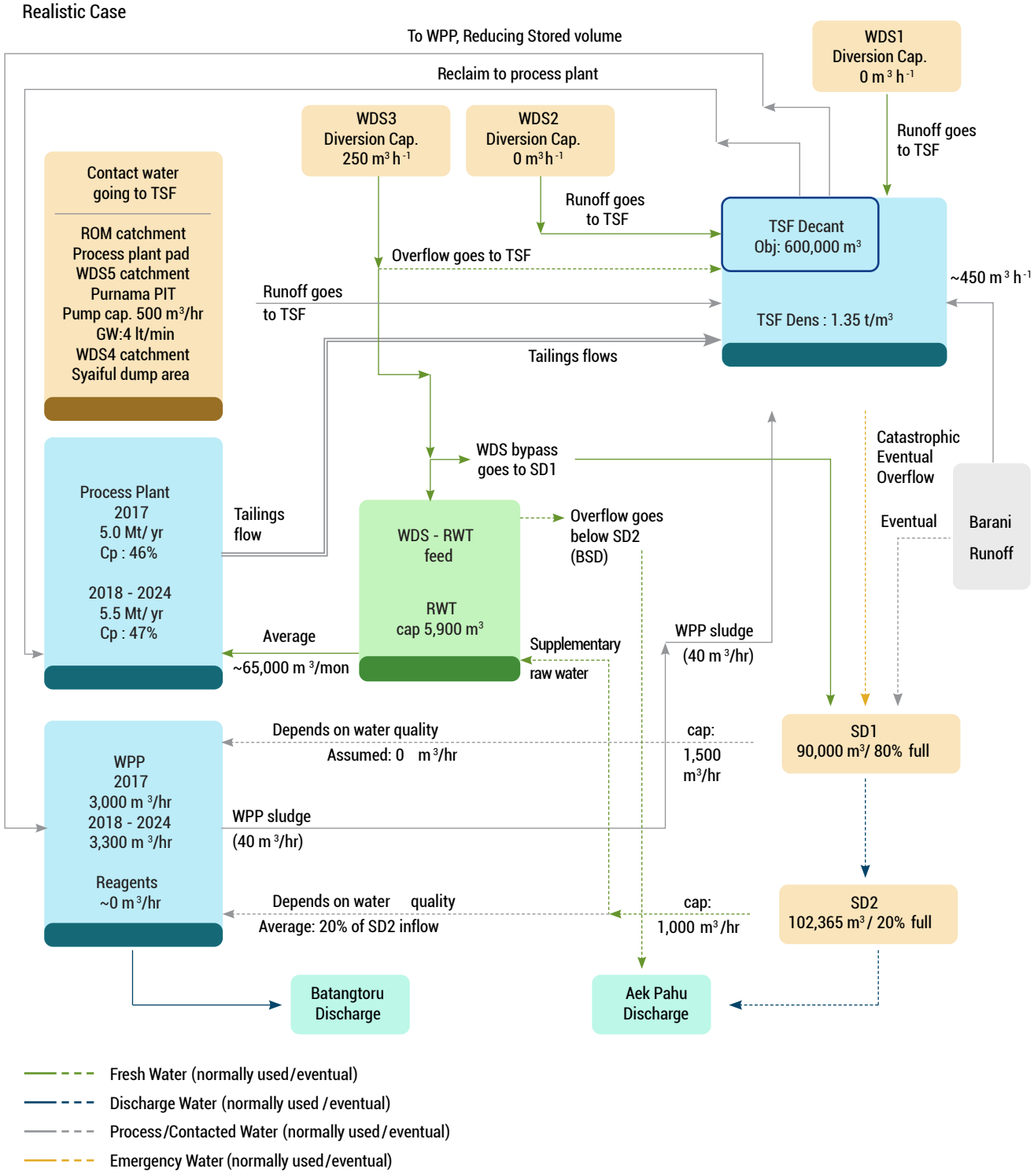
Our specialist consultants have developed a complex site water balance model for Martabe Gold Mine used for planning purposes. This 'probabilistic' model considers a wide range of natural variables of local rainfall by running numerous simulations of different storm events. It integrates the results to produce estimates of water accumulation at certain levels of probability.

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

Candra Sakti Siregar and Yoramo Gulo, Senior Field Assistant, Monitoring, Environment measured the water discharge in the Aek Pahu River. PTAR consistently continues to monitor the quality and quantity of water around the mining operational area as a form of responsibility, also the best and sustainable environmental management.

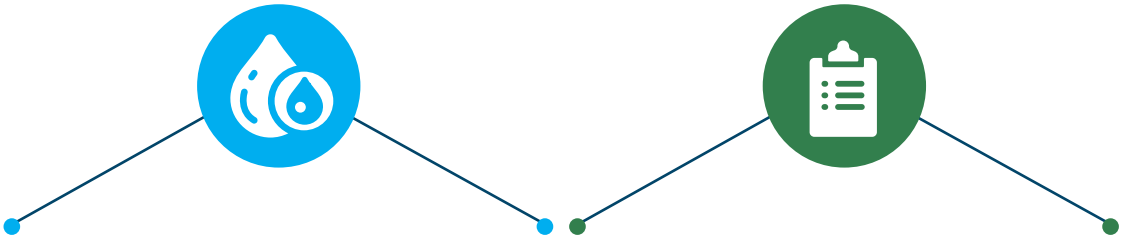
Martabe Water Balance Upgrade

Realistic Case



Site Water Management System

The site operates a water management system carefully designed in recognition of the importance of water management. This operation is documented in the Code of Practice for Site Water Management.



Water Management System

The Water Management System is implemented for the following objectives:

- Minimising the risk of non-compliant releases from the site (exceedances of water quality limits mandated by Ministry of Environment Decree No. 202/2004);
- Minimising the risk of environmental impacts on downstream waters, including the protection of aquatic biodiversity;
- Ensuring that the continuity of raw water and processed water supply to the processing plant is sufficient to meet its production needs; and
- Minimising water held in the TSF continuously.
- Run-off from the processing plant, the TSF embankment and most areas disturbed by mining processes cannot directly leave the site. The water needs to flow to TSF or other large water management ponds as a part of the water management system. This approach ensures control over the quality of water leaving the site.

Water Quality Control

The following are control measures to ensure the accuracy and independence of water quality assessments:

- Compliance with applicable reporting requirements of the necessary permits and approvals;
- Compliance with limits on the stack and generator emissions;
- Maintaining an unbroken record of discharge compliance with water quality requirements for discharge from the Water Polishing Plant (WPP) since we started operations;
- Compliance with applicable requirements for the handling, storage and disposal of hazardous (B3) waste;
- Compliance with environmental monitoring and reporting requirements under AMDAL Environmental and Social Monitoring Plan (RPL); and
- Compliance with the requirements of reclamation assurance.

Data Accuracy and Independence

on water quality compliance are achieved by implementing the following assurance measures:

- The sampling process is conducted by trained technicians following a standard protocol to ensure the preservation of the sample before testing.
- All analyses are conducted by a certified and independent testing service provider located in Jakarta.
- A system of sample identification is used to obscure the sampling location from the receiving laboratory to avoid unintended bias in data reporting.
- A formal QA/QC process is implemented to minimise the possibility of sampling and analytic errors (using sample blanks and duplicates).
- All results are managed using an environmental monitoring database.
- An expert consultant in tropical aquatic ecosystems review the water quality monitoring data regularly through a biannual visit the site to audit water sampling practices.

Results Achieved in 2020

One of PTAR's commitments to water management within the site is the management of acid water in the Sediment Dam. This activity aims to ensure that water quality is by with environmental quality standards before being channelled through the arrangement point. This monitoring is done once a month with a license issued from the regional government and the applicable regulation from the Ministry of Environment and Forestry.

All mine wastewater discharged into public waters has met the quality standard which is based on the Decree of the Minister of the Environment No. 202 of 2004 concerning Wastewater Quality Standards for Gold and or Copper Ore Mining businesses and/or activities.

In addition, waste that is discharged into public space has met quality standards based on the Minister of Environment Regulation No. P68 of 2016 concerning Domestic Wastewater Quality Standards, to ensure the environmental quality in the area surrounding Martabe, the Universitas Sumatra Utara (USU) monitors the aquatic biota of water for PTAR every three months.

There is an increase in the total amount of water discharged to the Batangtoru River because the rainfall in 2020 is greater than in 2019. So, in 2020, PTAR was not draining water for only 28 days while in 2019 PTAR was able to not drain wastewater into the Batangtoru River for 99 days. However, based on a new Decree of the Regent of South Tapanuli No. 503 of 2020, PTAR received a new permit to manage up to 3,300 m^3 per hour, while in 2019, PTAR was limited to a maximum of 3.000 m^3 per hour.

Water Release Based on Quality and Purpose [303-4]

Description	Unit	2020	2019	2018
Water Polishing Plant (WPP) to Batangtoru River	m^3/year	16,025,878	12,641,770	17,339,551
Site Domestic Wastewater Treatment Plant to Aek Pahu River	m^3/year	57,912	55,257	66,197
Total Water Active Discharge	m^3/year	16,083,790	12,697,027	17,405,748

Note:
- Dismissal from WPP is fully permitted by Indonesian law.
- Discharge from the site waste treatment plant is fully permitted by Indonesian law.
- All treated water is released into natural waterways and is not directly provided to other parties for use.
- The displayed volume is the measured volume.
- Site run-off is generally not included in the table above.

Water Intake Based on the Source [303-3]

Remarks	Unit	2020	2019	2018
Total volume of intake of water	m^3/year	16,120,240	16,125,073	16,120,392
Groundwater	m^3/year	120,240	125,073	120,392
Rainwater	m^3/year	16,000,000	16,000,000	16,000,000

Note:
- The input of rainwater is estimated for an annual average based on on-site water balance modelling. This cannot be measured directly.
- The groundwater withdrawal is measured.

Water Sources Affected by Significant Impacts of Water Withdrawal [303-2]

Description	Unit	2020	2019	2018
Reduction of the Aek Pahu River stream due to interference of water catchment by TSF	m^3/hour	1,826	1,826	1,826

Note:
- This figure represents the reduction in mean flow to the Aek Pahu River as determined by site water balance modelling and represents water captured by the TSF and sediment ponds. This water is released back into the Batangtoru River after processing at the water treatment plant.
- The water source is not a Protected Area status.

Recycled and Reused Water

Description	Unit	2020	2019	2018
The volume of water recycled	m^3/hour	Until 451	Until 451	Until 451
Percentage of recycled water	%	Until 60	Until 60	Until 60
Percentage of water reused	%	0	0	0

Note:
- This is the percentage and total volume of water recycled via flow from the TSF to the treatment plant for a one-year average as determined by the site water balance.

Amount of Clean Water Extraction and Consumption

Description	Unit	2020	2019	2018*
Freshwater taken	m^3/year	120,240	125,073	187,597
Freshwater consumed	m^3/year	120,240	125,073	187,597

Notes: 2018 data is taken from well data and processing plant data from WD2 & WD3. After 18 Sept 2018, there is no more water withdrawal from WD2 & WD3.

Water usage of supporting facilities in the PTAR office channelled from groundwater reserves reaches 120,240 m^3. Plant operations' use of freshwater obtained from a water spring reaches 95,951 m^3 while the reuse of treated water from TSFs reaches 5,748,576 m^3.

Erwinsyah Lubis and Maya Fitriani Agustina, Senior Field Assistant, Monitoring, Environment, were taking water samples in Ronggang. Monitoring of water quality is consistently carried out by PTAR to always ensure good environmental management and compliance with government regulations.

Energy Management

Energy management is a key measure to reduce PTAR's operational fossil fuel consumption as a part of our sustainability commitment. This is also by MEMR regulation No. 70/2009 whereby industries above 6,000 Tonnes of Oil Equivalent (TOE) should install an energy management system. Currently, the energy management is carried out by the maintenance officer at PTAR. To ensure sustainability, we monitor our energy management system carefully.

Martabe Gold Mine's main sources of energy consumption include excavating machinery, transport, the processing plant and office buildings. The intensity of the energy used is divided by tonnes of gold and silver production. For the time being, PTAR does not calculate energy consumption resulting from outside the company, such as from our supply chain or other vendors. [302-2]

Total Internal Energy Consumption and Energy Intensity [302-1] [302-3]

Details	Unit	2020	2019	2018
Electricity	GJ	560,804	512,164	515,288
Diesel + Fuel	GJ	684,051	733,605	697,924
Total Energy	**GJ**	**1,244,855**	**1,245,769**	**1,213,213**
Gold Production	Tonnes	9.54	12.16	12.76
Energy Intensity	GJ/Tonnes	130,543	102,425	95,050
Tonnes Milled	Tonnes	6,109,364	6,036,044	5,572,308
Energy Intensity	**GJ/Tonnes**	**0.20**	**0.21**	**0.22**

Since there is no standardised 20% & 30% biodiesel conversion value from litres to joules yet, a weighted average of 20%/30% biodiesel and standard diesel was used to calculate energy conversion factor.

Fuel Type	Unit	2020	2019	2018
Diesel	L	0	0	12,650,450
Biodiesel (B30)	L	16,544,099	0	0
Biodiesel (B20)	L	979,278	18,005,134	3,462,346
Total	L	17,523,377	18,005,134	16,112,796
Sub Total Energy	**GJ**	**670,960**	**716,604**	**681,771**
Gasoline	L	11,451	13,492	10,557
Gasoline	**GJ**	**507.28**	**597.70**	**467.68**
Liquefied Petroleum Gas	L	31,000	79,772	115,542
Liquefied Petroleum Gas	**GJ**	**1,370.20**	**3,525.92**	**5,106.96**
Kerosene	L	17,200	22,560	16,400
Kerosene	**GJ**	**753.36**	**988.13**	**718.32**
Aviation Turbine Fuel (AVTUR)	L	237,200	269,600	223,600
Aviation Turbine Fuel (AVTUR)	**GJ**	**10,460.52**	**11.889.36**	**9,860.76**

Fuel Type	Unit	2020	2019	2018
Sub Total Energy	GJ	13,091.36	17,001.11	16,153.71
Total Energy	**GJ**	**684,051**	**733,605**	**697,924**

Reduction of Energy Consumption [302-4]

PTAR is committed to consistently taking energy-saving measures. These programmes are implemented to maintain an efficient, reliable and sustainable production process. The implementation of the Energy Management System is one of our main priorities, considering:

1. Up to 70% of total production costs are for energy consumption.
2. Government Regulation No. 70 of 2009 mandated that every company with an annual energy consumption equal to or greater than 6,000 TOE must implement energy efficiency. We are subjected to this regulation due to our overall energy consumption of 1,100,000 TOE per year.
3. Compliance with the requirements of PROPER assessment.
4. Compliance with the requirements of GRI standard and to support the nationally determined contribution (NDC) of the Indonesian government to achieve a low-carbon future by managing natural resources sustainably.

Periodically, an energy mapping programme is implemented to monitor the efficiency level of energy usage. A gap analysis is then carried out from the mapping results, which outputs several recommendations for the improvement of daily operations as well as the implementation of an improvement programme in energy mapping.

Regarding efficiency, PTAR has moved towards less onsite electricity production via inefficient diesel generators and has switched to the provision of electricity by PLN. In 2019, due to blackouts by PLN the 32 MW diesel plant was still in use frequently. However, in 2020, due to some upgrades to the PLN power grid, the 32 MW diesel genset was not running at all and electricity was solely consumed via the PLN grid.

Management and Reduction of Greenhouse Gas Emissions

PTAR understands the significant risks posed by climate change to the global community. We worked with expert consultants in 2020, who supported the implementation of significant improvements to our Company's greenhouse gas (GHG) accounting and reporting practices, to fulfil the requirements of the Greenhouse Gas Protocol (GHGP) and the Global Reporting Initiative (GRI) Standards. This effort was taken to better understand the Company's greenhouse gas (GHG) emission footprint and to identify potential emission reduction measures, such as energy efficiency improvements. [305-5]

Through this effort, PTAR were able to identify three categories of GHG emissions, namely direct GHG emissions (scope 1), indirect GHG emissions (scope 2) and other indirect GHG emissions (scope 3) which are produced by PTAR's operations.

Direct GHG emissions include emissions from the combustion of natural gas and coal fuels to support production activities (energy sector), use of natural gas to produce products (IPPU sector) and the liquid waste management sector. Indirect GHG emissions include emissions from PTAR's imported energy in the form of electricity and steam from third parties. Other indirect GHG emissions include emissions that are a consequence of organisational activities but resulting from sources that are not owned or controlled directly by PTAR. The gases included in GHG emission calculations at PTAR are CO2, CH4 and N2O.

Scope 1: Genset fuel consumption
Scope 2: Electricity
Scope 3: Aeroplane transportation and land transportation (Jakarta to the site).

The GHG emissions calculation method is based on the calculation guidelines by In-Pit Crushing and Conveying (IPCC) 2006 Volume 2 for the calculation of GHG emissions in the energy category, Volume 3 for calculation of industrial category GHG emissions (in which there is a calculation for the ammonia industry) and Volume 5 for GHG emissions calculation for the category of liquid waste. The calculation of GHG emissions uses:

GHG Emission: Activity Data x Emission Factors

Notes:
- GHG emission = greenhouse gas emission (CO_2 Tonnes eq)
- Activity Data = Quantity of activities that produce emission (activity units)

The base year for making the PTAR emissions baseline calculation is 2016. This base year is determined based on mutual agreement between members of the executive team.

Direct Greenhouse Gas Emissions (Scope 1) [305-1]

Description	Unit	2020	2019*	2018*
On-site Fuel Usage: Mobile Combustion (Scope 1)	CO_2 Tonnes Equivalent	49,564	44,371	45,259
On-site Fuel Usage: Stationary Combustion (excluding fuel used in power plant) (Scope 1)	CO_2 Tonnes Equivalent	228	186	93
On-site Fuel Usage: Stationary Combustion in Power Plant (Scope 1)	CO_2 Tonnes Equivalent	0	6,313	1,793
Usage of Petroleum Oils and Greases used as Lubricants (Scope 1)	CO_2 Tonnes Equivalent	93	110	96
Explosives Usage (Scope 1)	CO_2 Tonnes Equivalent	497	604	200
Soda Ash Usage (Scope 1)	CO_2 Tonnes Equivalent	2.6	2.5	3.4
Refrigerant Usage (Scope 1)	CO_2 Tonnes Equivalent	975	676	1,499
SF6 Usage (Scope 1)	CO_2 Tonnes Equivalent	9.4	9.4	9.4
Land Clearing/Revegetation (Scope 1)	CO_2 Tonnes Equivalent	11,178	9,529	10,750
Exploration (Scope 1)	CO_2 Tonnes Equivalent	552	665	585
Total Direct (Scope 1) Emissions tonnes CO_2 Eq.	CO_2 Tonnes Equivalent	**63,102**	**62,489**	**60,297**

Note:
* Restated from 2019 Sustainability Report
- Based on data from the Martabe project
- IFC Carbon Emissions Estimation Tool 2014 is used to calculate GHG emissions
- The consumption of fuel and electricity includes gases: CO_2, CH_4, N_2O

Indirect Greenhouse Gas Emissions - Bought Electricity (Scope 2) [305-2]

Description	Unit	2020	2019*	2018*
Electricity Purchased from PLN	CO_2 Tonnes Equivalent	127,116	116,090	116,799

Notes:
* Restated from 2019 Sustainability Report
- The IFC Carbon Emissions Estimation Tool 2014 was used to calculate the GHG emissions.
- We purchased all of our electricity from PLN in 2020 whereas in 2018 and 2019 we still operated the diesel power station so less power was purchased from PLN.

Indirect Greenhouse Gas Emissions (Scope 3) - services [305-3]

Description	Unit	2020	2019*	2018*
Employee Commute	CO_2 Tonnes Equivalent	0	0	0
Employee Business Travel - Non Local	CO_2 Tonnes Equivalent	1,084	2,465	2,482
Employee Business Travel - International	CO_2 Tonnes Equivalent	29,062	180,861	242,819
Fuel Usage - Transportation of Consumables to Site	CO_2 Tonnes Equivalent	3,928	3,622	3,273
Fuel Usage - Transportation of Dore to Refinery	CO_2 Tonnes Equivalent	223	230	275
Fuel Usage - Transportation of Gold and Silver to Sales	CO_2 Tonnes Equivalent	165	170	205
Fuel Usage - Transportation of Waste Off-Site	CO_2 Tonnes Equivalent	15	20	14
Landfill Emissions	CO_2 Tonnes Equivalent	4,787	1,803	1,135
TOTAL Scope 3 Emissions	CO_2 Tonnes Equivalent	**35,337**	**185,549**	**246,930**

Notes:
* Restated from 2019 Sustainability Report

Greenhouse Gas Emissions (GHG) Intensity [305-4]

Description	Unit	2020	2019	2018
GHG Emission Intensity – Dore Bullion Produced	CO_2 Tonnes Equivalent per kg Dore	2.7	4.3	4.1
GHG Emissions Intensity – Ore Milled	CO_2 Tonnes Equivalent per tonne Ore Milled	37.6	62.3	76.8
GHG Emissions Intensity – Gold Poured	CO_2 Tonnes Equivalent per kg Gold Poured	24.1	30.2	33.5
GHG Emissions Intensity – Silver Poured	CO_2 Tonnes Equivalent per kg Silver Poured	3.1	5	4.8

Notes:
• Calculated based only on gold production (excluding silver).

Together with the consultant team, PTAR will determine new measures to reduce GHG emissions in 2021. One of the activities include switching from diesel consumption on-site to using the PLN power grid.

Ozone-Depleting Substances (ODS)

Since 2012, PTAR no longer uses any type of halocarbon refrigerants (CFCs), which could potentially damage the ozone layer and has replaced them with ozone-friendly refrigerants. We have replaced refrigeration units in mining sites, processing plants, offices and employee housings and ensure that no more ozone-depleting substances are used in our business process. [305-6]

Other Emissions

In addition to GHG emissions, PTAR also produces conventional gas emissions from the production process. Based on the Ministry of Environment and Forestry Regulation No. 4/2014, PTAR conducts some measurement of air quality from our processing plants for the furnace and boiler stack. The measurement stated that all emissions SO_2, NO_2, particulate dust monitoring complies with the regulation. Air emissions are calculated using direct measurements by registered and accredited service providers in registered environmental laboratories at the Ministry of Environment and Forestry.

Biodiversity Management

Sri Nabila, the Sumatran Tiger. PTAR provided support for Sri Nabila's release by helicopter to the Gunung Leuser National Park Area. This support is proof of the commitment that PTAR does not only support environmental management around the mining area but also the protection of flora and fauna.

PTAR understands the impact of mining operations on biodiversity around the site. Land clearing for mining is one of the main concerns of biodiversity. However, we also implement land rehabilitation after use and ensure that there are no protected wildlife species at the land clearing location. We also have strict regulations in place applicable to all employees and contractors on the prohibition of hunting and capturing wildlife in the Martabe site area. This has a positive effect on maintaining the protection of wildlife species that exist in the location. In addition, we work together with other third parties in the protection of biodiversity, especially through education, socialisation and prevention regarding wildlife poaching and trade. [304-2]

The following are several collaborations done for biodiversity management:

Cooperation with MoEF regarding Nature Conservation in North Sumatra

PTAR supports the Ministry of Environment and Forestry (KLHK) through the North Sumatra Natural Resources Conservation Agency (BBKSDA) to release the Sumatran Tiger 'Sri Nabila' to the Gunung Leuser National Park (TNGL). Support is provided in the form of transportation facilities or means of transportation such as helicopters and pilots from Patiambang Airport in Gayo Lues, Aceh to place 'Sri Nabila' in the Kappi Forest, TNGL. Kappi is a Core Zone located in the GLNP area in Gayo Lues, Aceh.

Non-Governmental Organisation (NGO) Partnership

Collaboration with SCORPION Foundation Indonesia

PTAR collaborates with SCORPION Foundation Indonesia and BBKSDA to continue to support the protection and conservation efforts in South Tapanuli, such as supporting the rescue of protected birds, such as Red Parrots *(Red lory/Eos bornea)*, Big Beaked Birds *(Buceros sp.)* and Eagles *(Nisaetus cirrhatus)*. There are several main activities in support of BKSDA-SU including:

- Mitigation of animal conflict with communities and animal rescue
- Support for Sumatran Tiger 'Sri Nabila' to be released to the wild

Major activities through partnership with Scorpion:

- Sumatran Tiger survey within Martabe Mine in January 2020
- Wildlife patrol in forest area within Martabe Mine
- Community education for wildlife protection in Batangtoru
- Early warning for any sightings of endangered animal species

Partnership Programme with Educational Institutions

Partnership with major universities to establish cooperation in education, science, research and conservation. Memorandum of Understanding has been signed with Institut Pertanian Bogor (IPB), Universitas Nasional (UNAS), Universitas Sumatra Utara (USU), Universitas Muhammadiyah Tapanuli Selatan (UMTS) and Universitas Aufa Royhan (UNAR) in Padangsidimpuan. Several major activities with the university:

- Periodical general lecture, thematic focus discussion group and site visits for local universities.
- Regular discussion with bio-diversity experts from IPB, UNAS and USU.
- Flora-fauna survey with a group of researchers from IPB, UNAS and USU in December 2020.
- Support engagement from biodiversity experts: Dr Rondang SE Siregar, Dr Puji Rianti, Dr S. Suci Utami Atmoko and Hirmas Fuady Putra, MSi.

PTAR's Environment Department since 2013 has consistently carried out land stabilisation in mining operational areas, one of which is around the Tailings Storage Facility (TSF). Land stabilisation around the TSF is important to maintain slope stPTAR's Environment Department since 2013 has consistently carried out land stabilisation in mining operational areas, one of which is around the Tailings Storage Facility (TSF). Land stabilisation around the TSF is important to maintain slope stability and minimise erosion.

Site Rehabilitation

Nursery facilities at the Martabe Gold Mine. In this facility, PTAR during last year has prepared 5,828 seedlings from 45 plant species. The seeds of this plant will be used to reclaim mine land.

PTAR implements an immediate reclamation strategy on land that is no longer used. The formation of reclamation land is carried out according to the design and contours before topsoil being spread. Furthermore, the land is planted with legumes *(Leguminoceae)* to prevent erosion and fast-growing plants to form a canopy, so that the quality of the soil and the environment can be improved. Seedlings of local plants are planted after the canopy is formed. On sloping land, rehabilitation is carried out to prevent erosion and maintain slope stability by using cocomesh media so that the cover crop can adhere and grow. Cover Crop planting on sloping land is carried out using the hydroseeding method. Routine plant care is carried out to maintain the plant survival and growth rate. [103-2] [103-3]

PTAR is committed to implementing sustainable environmental management practices within the operational environment of the Martabe Gold Mine, one of which is through a rehabilitation programme. In 2019, PTAR submitted a mine closure document revision with a guaranteed value of USD28 million so that all mining operational areas have a mine closure plan. During 2020, 35.5 hectares of the area was stabilised with cover crops and 2,886 seedlings were planted. In addition, the Company prepared 5,828 seedlings from 45 plant species in the nursery. [304-3]

The land rehabilitation process commences as soon as it is ready instead of waiting for mine closure. In situations where the land surface is not ready for final rehabilitation, a temporary cover of legumes may be used to stabilise the site to minimise erosion from rainfall. Structurally, mining rehabilitation is the responsibility of the Chief Mine Officer (KTT) as the highest person in charge of mining activities at the site. At the operational level, this responsibility is carried out by the Mining Operations Department from planning to land management and followed up by the Environment Department for the planting and maintenance of reclamation plants.

A Mine Closure Plan document was developed in 2020. Approval from the Ministry of Energy and Mineral Resources was obtained in 2014 for the Mine Closure Plan and costs for the Purnama Pit. The document is currently in the process of being amended to cover additional mine closure plans and costs for the Barani Pit and the Ramba Joring Pit. [MM10]

The following are general steps that the Martabe Gold Mine takes in rehabilitating the disturbed area, which is similar to most other mines:

- Re-shaping the area to achieve a design slope;
- Installation of run-off control structures such as contour drains;
- Spreading 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.

The establishment of a plant nursery at the mine is aimed to support the Site Rehabilitation Programme and to provide an ongoing supply of native tree species for planting. Another important part of the Site Rehabilitation Programme is topsoil management.

To achieve a significant improvement in the number of plant species present and the rate of seedling growth, thin layers of topsoil are deposited over the final surface areas being rehabilitated. This is beneficial due to the topsoil's adequate contents of seed and rootstock of native species, bacterias that break down organic plant material and fungal networks boosting nutrient uptake as they form a symbiosis with tree roots. For this reason, the soil in areas being cleared is stripped and stored in temporary stockpiles for later use in the Site Rehabilitation Programme.

Reclamation activities are implemented in stages. The growth and success of the plants through routine maintenance are monitored regularly. Every year, the team from the Ministry of MEMR reviews the success rate of reclamation plant growth and the overall condition of the area. [103-3]

PTAR is committed to perform mine rehabilitation under the 2017-2021 Reclamation Plan and to plan mine closure in compliance with applicable regulations. The PTAR Mine Closure Plan gained approval in 2014 for the Purnama pit mining area and the TSF MRL 360 tailings dam with a guaranteed mine cover value of USD23 million. By 2020, a Mine Closure Plan had been developed for all (100%) PTAR operational areas. [MM10] [MM2]

Results Achieved in 2020

In 2020, PTAR's 2017-2021 Reclamation Plan, approved by MEMR, is targeted to implement rehabilitation on a total of 3.34 hectares of operational and exploration areas. The rehabilitation achievements of 2020 exceed this plan, with a total area of 3.81 hectares.

Disturbed and Rehabilitated Land [MM1]

Description	Unit	2020	2019	2018
Total disturbed land at the beginning of the year	Ha	477	465	450
Disturbed land	Ha	19	17	20
Rehabilitated land	Ha	3	4	5
Total disturbed land at the end of the year	Ha	497	477	465

Rehabilitated Disturbed Area

Year	Unit	2020	2019	2018
Additional rehabilitated disturbed area	Ha	3	4	5
Total rehabilitated disturbed area	Ha	18.94	16.33	12.45
Seedlings planted	Amount	2,399*	1,886**	3,640

Note:
* 2.59 Ha of reclamation area converted into mine road
** Restated from the 2019 Sustainability Report

Location of Operation Adjacent to Protected Areas or Areas with High Biodiversity Value [304-1]

Description	Unit	2020	2019	2018
Number of sites owned, managed or adjacent to protected areas and areas with high biodiversity value outside protected areas	Number	1	1	1
Distance from the nearest point	Km	4	4	4
Operation location size	km^2	5	5	5

Note:
- The site does not operate on land below its surface or underground.
- The mine site is about 4 km from the protected forest at the nearest point.
- Most of the landscape before construction within the mine footprint was forest, degraded forest, plantations, cleared land and trails. Due to its proximity to rural areas, small towns and large plantation areas, the area has previously experienced significant disturbances, including the existence of many roads used by rubber plantation workers.

Hafnita Ramadani, Field Assistant, Mine Geology conducted a collection of rock drill samples from cyclone reserves development.

Mine Closure

We are committed to rehabilitating disturbed areas at the Martabe Gold Mine into a safe, stable and productive state following the completion of mining and processing activities. This stage of operations is called mine closure. The Mine Closure Plan prepared by PTAR is based on Government Regulation No. 78 of 2010 on Reclamation and Post Mining as well as Regulation of the Minister of Energy and Mineral Resources No. 26 of 2018 on the Implementation of Good Mining Principles and Supervision of Mineral and Coal Mining. There were no targets/plans or realisation of mine closure activities in 2020.

PTAR's Environmental Policy prioritises environmental protection to minimise environmental impact by adopting world-leading practices in its mining activities. Mine rehabilitation and closure will integrate key environmental management outcomes into the planning process, from project feasibility to mine closure, including:

a. Compliance with all applicable laws, regulations and operating licenses held;
b. Biodiversity protection;
c. Restoration of disturbed areas into safe, stable and productive areas; and
d. Ensuring that adequate arrangements are made for all mine closure costs.

Mine Closure Strategy

The following is the summary of the approved Mine Closure Plan (MCP):

- Based on the timeline of the closure study which is reviewed and updated annually, detailed technical studies will be completed during operations.
- The processing plant and relevant infrastructures such as offices and workshops will be removed after the completion of processing activities. Any remaining chemicals will be collected and delivered to a licensed waste processor. The site's concrete foundations will either be taken down or covered with rock and soil.
- The TSF embankment surface will be covered with layers of rock and soil, then revegetated.
- Before the final rehabilitation takes place, the scheduled mining of the other pits will try to ensure that completed pits can be backfilled with waste rock from active areas of mining.
- Soil sampling is the method used to survey areas that may potentially be contaminated, like workshops and chemical storage areas, for remediation as necessary before rehabilitation.
- Most tracks and haul roads, once ripped by bulldozers, will be revegetated. The main haul roads connecting the pits and the processing plant area will be preserved.

- Several water management infrastructures including the WPP will remain operational for many years after closure to allow for continuous treatment of mine water until all sites are fully rehabilitated.
- A small team of workers will remain at the site for some years after the completion of operations to support further activities required in the closure process. Additionally, we will continue to run an environmental monitoring programme until relinquishment.

The Indonesian government has implemented a system to address the risk of high mine closure costs. Under MEMR Decree No. 18/2008, every mining company in Indonesia must pay an annual closure bond during operations based on estimated mine closure costs. When a mining site closes, these funds will become available for use by the Company.

The value of the closure bond is determined based on a detailed estimate of mine closure costs documented in the Mining Closure Plan (MCP). PTAR has an approved mine closure plan for the Martabe Gold Mine and is implementing closure bond payments per this regulation. The plan is updated progressively following every significant expansion of activities at the site. The original MCP for the site was approved 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 and is currently being evaluated.

Looking Forward

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.

By 2021, PTAR will continue the sustainability strategy road map to further improve its environmental performance to achieve GREEN PROPER certification by 2023 or 2024.

Therefore, the following areas will be the focus for 2021:

1. To enter partnerships with biodiversity-related NGOs and academia;
2. Increase TSF by 4 metres to 356 RL and follow up on the permit extension to 370 metres;
3. Continue to use power from PLN rather than self-owned diesel generators.

Land stabilisation and replanting in the Sabar Dump have been carried out since 2020. This activity was carried out to restore the function of the forest. By 2020, PTAR has stabilised an area of 35.5 hectares by replanting 2,886 seedlings.

Ilham Perwira, Senior Officer 1, Village Based Development (VBD), Community Development, assisting farmers in Aek Pahu Griya Upa Tondi, Darman Sinaga, Rafly Abdul and Hasbin Hasibuan to spread fertiliser on their rice fields. Aek Pahu is an agricultural area assisted by PTAR which is located next to the mining area. This area is simultaneously prepared and designed as education, training and development related to technology and marketing efforts for organic rice fields and animal husbandry

CHAPTER 4

Community

Introduction

PTAR believes that operational activities have an impact on the surrounding community, positive or negative. The Company is committed to optimal impact management that maximises the benefits for all stakeholders.

The Company's positive impact on the surrounding community includes community development and empowerment programmes in the perspective of Asset Based Community Development (ABCD), which emphasises the importance of identifying, utilising and creating ownership of the assets by the community. Community assets and their potential are key indicators for the success and sustainability of community development programmes. The following is a roadmap that serves as the basis for the Community Development Programme. It was developed by the Grahatma Semesta Consultant Team. [413-1]

No.	Village/Urban Village	Potency	Community Development Programme
Batangtoru Sub-District			
1.	Batu Hula	Rice, Rubber, Cacao, Oil Palm, Cloves, Cows, Compost House, PAMSIMAS, Cooperatives, Children's Reading Park, Art Groups (Kuda Lumping, Campur Sari, Keroncong and Ketoprak)	• Improvement of road infrastructure to rice fields and village community plantations • Increasing community capacity in agriculture/ plantation as well as in the field of entrepreneurship through training, technical guidance and continuous education • Improving public health and culture by building cultural/ customary studios in the village • Sustainable production of organic fertiliser
2.	Sumuran	Corn, Rubber, Palm Oil, Coffee, Rice, Durian, Salak, BUMDesa, PAMSIMAS, Cooperative, Children's Reading Park	• Counseling, technical guidance and field schools • Assistance in business capital • Marketing of agricultural and plantation products
3.	Aek Pining	Rubber, Cacao, Coconut, Home Industry (tofu, tempeh, crackers), South Tapanuli Batik, Children's Reading Park, Art and Culture Potential (Kuda Kepang)	• Human Resources Training • Capital support for local business development • Cooperation for marketing of local products (shared stores or outlets)
4.	Napa	Rubber, Rice, Mangosteen, Lubuk Larangan, Bagasta Outlet, C-Category Excavation, Sopo Daganak Building, Griya Upa Tondi/ Organic Centre, Cooperative, Library & Children's Reading Park	• Strengthen the harmony and social solidarity of the community (especially in terms of deliberation and cooperation) • Positively treat each other
5.	Wek III	Rubber, Palm Oil, Coffee, Peanut, Corn, Rice, Children's Reading Park	• Capital support for local business development
6.	Wek IV	Rubber, Rice, Corn, Areca Nuts, Palm Oil, BUMDes, Children's Reading Park, Taklim Council Group	• Cooperation with companies to support the marketing of local products • Multi-party cooperation for skills development in the creative economy, automotive, handicrafts, agriculture, animal husbandry and plantations • Availability of adoptive fathers in the economic development of the village
7.	Wek I	Rubber, Cacao, Palm Oil, Coconut, Durian, Mangosteen, Rice, Children's Reading Park	• Technical guidance / Counseling • Venture capital cooperation • Provision of business support equipment • Build a Smart House
8.	Wek II	Rubber, Coconut, Rice, Home Industry, Batangtoru Market, Compost House, Cooperative, Children's Reading Park	• Human resource capacity development for culinary business development • Supporting facilities for culinary businesses • Development of sewing business • Development of culinary centres • Provision of clean water facilities for residents (PAM)
9.	Telo	Rubber, Palm Oil, Rice, Palawija (corn, peanuts, etc.), Fruits (Durian, Mangosteen, Mango, Kuini, etc.), Galian C, Children's Reading Park, *Wirid* Yasin Group	• Multi-party cooperation (Community, Indigenous leaders, religious leaders, youth organisation, local government and Investors) to develop the potential of the village

No.	Village/Urban Village	Potency	Community Development Programme
10.	Batangtoru Plantation	Rubber, Oil Palm, Coconut, Children's Reading Park	• Pollution-free environment • Technical guidance for the youth • Collaboration between PTPN and PTAR for community development
11.	Hapesong Baru	Rubber, Rice, Corn, Durian, Mangosteen, Banana, River Tourism, Inland Fishery, Kali Stone Material, Saroha Home Industry Group (dried banana fritters products and various cakes) and *Marsada* (sewing), Youth Skills (screen printing), Children's Reading Park, Art Group (Tor-tor, Kuda Kepang, Maena dance)	• Cooperation in the field of capital for local business development • Training for the community
12.	Sipenggeng	Rice, Rubber, Palm Oil, Cacao, Vegetable Products, Durian, Mangosteen, Waterfall Tourism, Lubuk Larangan, Cooperatives, Children's Reading Park, Farmers Groups, PAMSIMAS, Nasyid Group	• Strengthening *gotong-royong* (cooperation) • Cooperation in the field of business capital • Human resources and material support from the company • Cooperative/BUMDes funding to accommodate agricultural and plantation products • Canning river fish
Muara Batangtoru Sub-District			
13.	Bandar Hapinis	Palm Oil, Rubber, Coconut, Cacao, Palawija (maize and nuts), Rice, Inland Fisheries, River stone and gravel materials, Children's Reading Park	• Implementation of *posyandu* services in each region; • Training activities or capacity building for cadres are given equally (not only representatives) • Company support for the provision of posyandu facilities
14.	Hutaraja	Oil Palm, Rubber, Coconut, Areca Nut, Rice, Banana, Inland Fishery, BUMDes Bersama, Village Market, Palm Oil Cooperative, Children's Reading Park, Band Group	• Cooperation with the Company to develop the potential that exists in the village
15.	Muara Hutaraja	Oil Palm, Rice, Banana, Rubber, Galian C, Freshwater Fish Market, Children's Reading Park	• Support for the construction of a chain bridge from Dusun Mabang I to Bandar Tarutung • Support for the construction of gabions on the riverbank where the sand dug is located (1.5 Km long)

Local communities are impacted by the construction and operation of a nearby mine. Support for community development by the mine operator provides compensation for these impacts and is essential to a mining company's social licence to operate. Also, support for local community development may reflect a company's commitment to corporate social responsibility. Well-designed community development programmes can benefit communities long after mine closure and provide for the needs of future generations - a key aspect of sustainable development.

Several other identified negative impacts include: [413-2]

- Noise caused by helicopter operational noise and detonation
- Truck's traffic transporting mining materials passing through community villages
- Occasional mud sedimentation

PTAR's support for local community development commenced early in the development phase of the Martabe Gold Mine. The first community socioeconomic study was conducted in 2001 and its first community health survey was carried out in 2004. The Company's first community development plan was released three years before the commencement of operations in 2009.

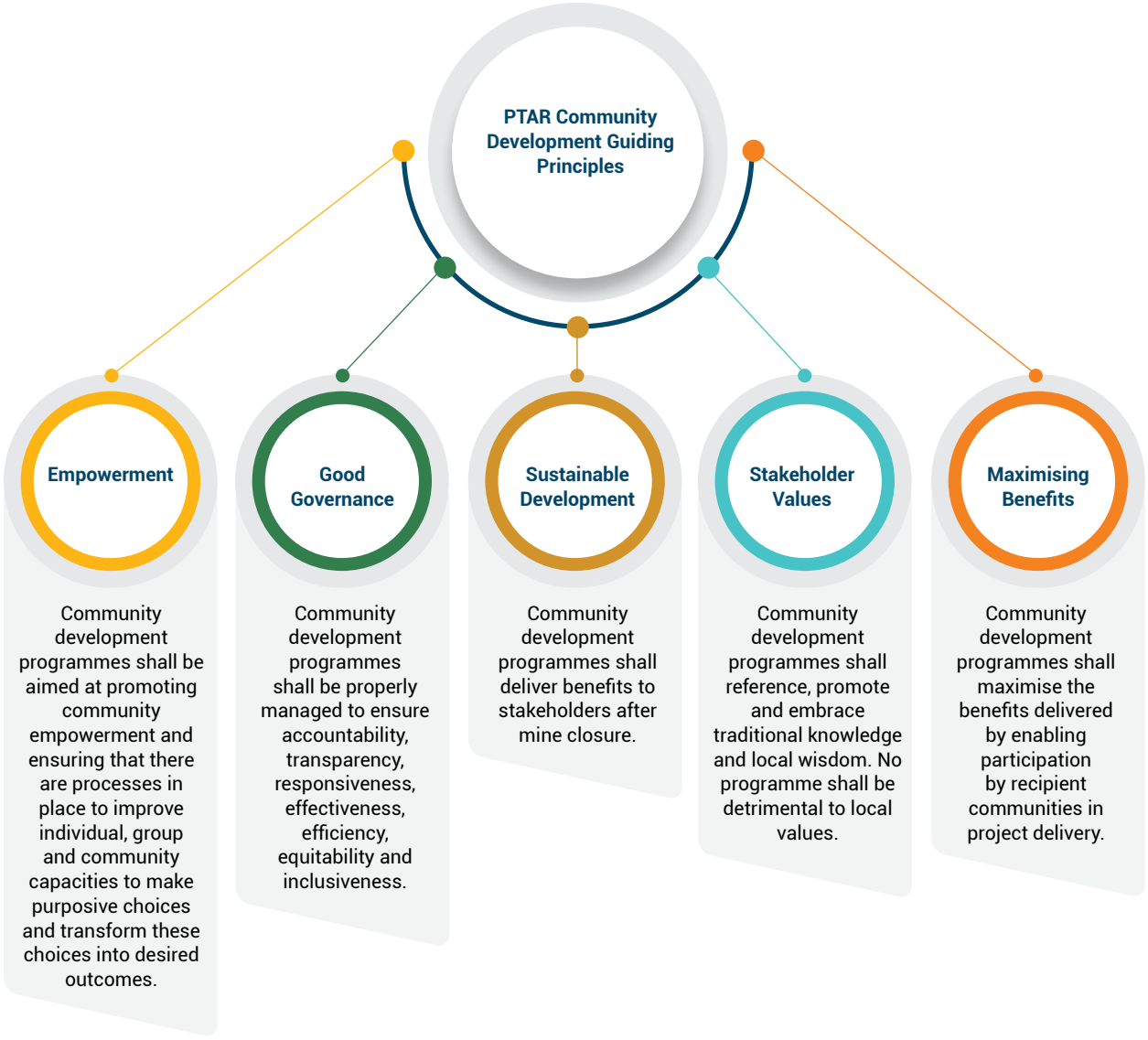
Based on industry guidance, local community surveys and stakeholder consultation, the Company has consistently targeted the following main areas for its Community Development Programmes:

- Health
- Education
- Agriculture
- Business development
- Infrastructure

Traditional culture still has a strong influence on everyday life in the communities surrounding the Martabe Gold Mine. In addition to community development programmes, the Company provides support for local culture. The following sections provide an overview of the management approach being applied by PTAR in supporting community development and the results achieved in 2020.

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

The Company's community development support is focused on 15 village communities located near the Martabe Gold Mine categorised as Directly Affected Villages (DAVs). Some initiatives have delivered benefits to a much broader area, such as support for programmes to provide free cataract surgery. PTAR has established a set of guiding principles for the design and implementation of its community development programmes, as follows:



Planning

Indonesian mining companies are required to develop and implement a Community Development and Engagement (PPM) Master Plan by implementation guidelines issued by the Ministry of Energy and Mineral Resources (MEMR). PTAR met this requirement with a PPM Master Plan for the period 2018 to mine closure. This was replaced the previous Community Management Plan (2016-2020) and likewise was developed concerning the following industry guidance:

- The United Nations' Sustainable Development Goals
- The International Council on Mining and Metals (ICMM) Community Development Toolkit
- The International Finance Corporation (IFC) Strategic Community Investment Handbook
- ISO 26000 Guidance on Social Responsibility

The MEMR guidelines specify eight priority programmes to be addressed by the PPM Master Plans. These cover similar areas to the community development and engagement programmes already established at the Martabe Gold Mine.

Priority Programmes - PTAR Community Development and Engagement Master Plan

Programme	Goal
Education	Increasing the acceleration of quality and education services
Health	Revitalisation and acceleration of quality and public health services
Income and Employment	Diversification and development of local potential-based livelihoods
Economic Independence	Development of various local potential-based business centres. Development of training centres for entrepreneurship, creative industries and sustainable agriculture
Infrastructure Development	Increasing access and quality of basic social infrastructure for urban settlements, supporting economic activation and public administration
Community Relations	Environmental protection programmes towards sustainable settlements. Disaster Risk Reduction Programmes
Community Institutional Capacity	Capacity building of government officials to improve the performance of public services. Strengthening and developing community business networks
Social and Cultural	Programmes to conserve biodiversity and revitalise the wealth of local arts, religions and cultures. Development of achievements in sports, arts and local culture

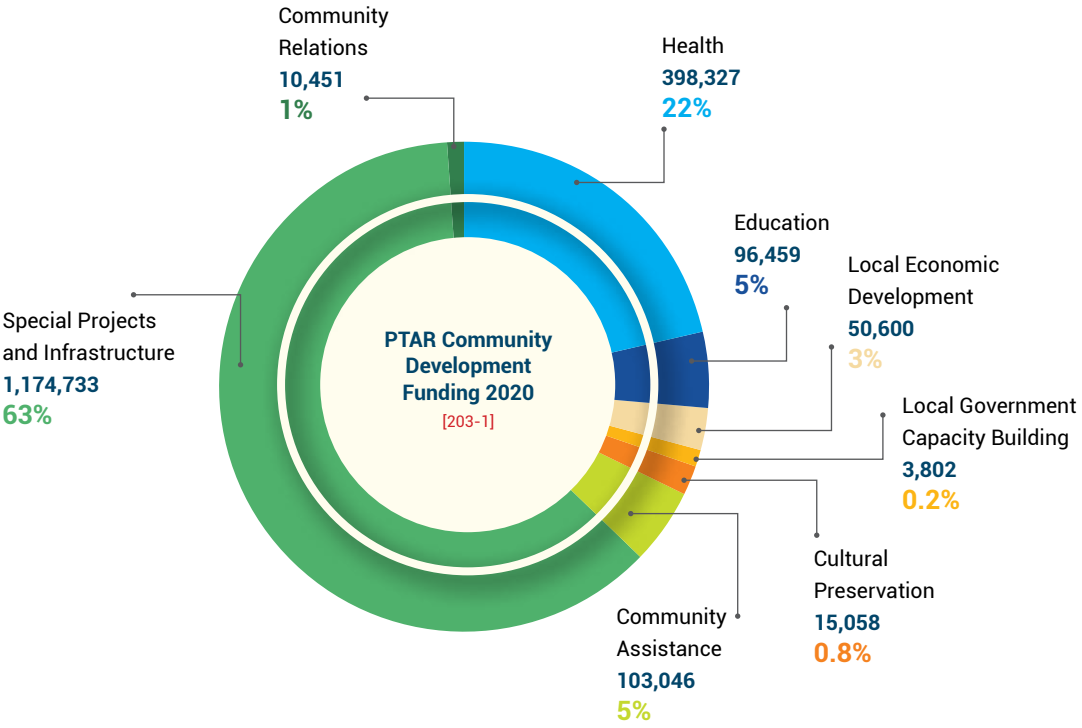
The PPM implementing guidelines require that the costs of community development and engagement programmes under a PPM Master Plan are treated as operational costs and included in the annual Working Plan & Budget (WP&B) and addressed under project Feasibility Studies approved by MEMR. These requirements support increased transparency and accountability in the delivery of community development programmes by mining companies.

PTAR's community development and community relations are managed by a Community Relations Department based at the Martabe Gold Mine, comprising 52 employees at the close of 2020. Community development programmes generally are delivered in collaboration with local authorities and organisations such as the Bureau of Education of South Tapanuli, the Bureau of Health of South Tapanuli and the Indonesia Medical Association of South Tapanuli.

Performance in 2020

General Overview

In 2020, PTAR spent USD1.9 million on Community Development Programmes in support of the PPM Master Plan. This was in addition to dividends paid to the regency and provincial governments and payment for the provision of goods and services by local contractor companies. PTAR also distributed in-kind aid in the form of building materials for infrastructure development, such as the construction of the Rambin Martabe Bridge.



Description	Unit	2020	2019	2018
Community Empowerment Costs	Million dollars	2	1	1
Procurement Value of Local Goods and Services	Million dollars	16	14	11
Total		18	15	12

In 2021, support for community development assistance was focused on the continuation of existing programmes. In addition, significant assistance was also provided to local communities and government agencies in managing the COVID-19 pandemic.

dr. Muhammad Rafi Junior Adnani, SpOG, a gynaecologist examining a patient at the Batangtoru Public Health Centre. Maternal and child health is one of PTAR's main concerns in various community development programmes, one of which is through improving the services of the Batangtoru Public Health Centre by providing paediatricians. Throughout 2020, the provisions of gynaecologist have served 786 patients.

Education

Education is key to sustainable community development and central to the aspirations of the local community for the future of their children and grandchildren. Accordingly, improving access to quality education is an important part of PTAR's community development programme. The Company's plans for supporting community education in 2020 were significantly disrupted by the COVID-19 pandemic. Most teaching and learning activities were not practicable, although some vocational training could be delivered based on video conferencing.

Community education outcomes supported by PTAR in 2020 included:

- Enabling access to quality education for 200 students from underprivileged families in local communities;
- Donation of 300 sets of study desks and chairs to sixteen elementary schools in local communities;
- Collaboration with the Education Quality Assurance Agency (LPMP) of North Sumatra in the delivery of a programme aimed at assessing the quality of education delivery by local schools and identifying opportunities for improvement using online management tools.;
- Collaboration with PT United Tractors Tbk. In the establishment of a Memorandum of Understanding with a high school in Batangtoru in support of vocational training. The Company also donated 104 units of safety equipment and hand tools in support of a safety training programme at the school.

Health

In 2020 the Company's plans for supporting the community health care were disrupted by the rapid development of the COVID-19 pandemic and from the second quarter of the year, the Company's support was largely directed to government-led programmes and activities for controlling the pandemic and mitigating its consequences. Recipients included the North Sumatra Province, the South Tapanuli and Central Tapanuli Regencies and the cities of Padangsidimpuan and Sibolga. Other health outcomes supported by PTAR included:

- An outreach communication session addressing the prevention of COVID-19 transmission in collaboration with local government COVID-19 Task Forces. This was attended by 140 participants from local communities;

- The distribution of disinfectant, spray equipment and information leaflets to local 32 villages as part of a programmes for sterilising public offices, schools, mosques, churches and traditional markets. Pamphlets, posters and banners were also distributed to local communities;
- Support for the recovery of children suffering from malnutrition through the donation of infant formula and routine health checks by a paediatrician;
- Improvement in the quality of local health care through the assignment of specialist doctors at the Batangtoru Public Health Centre. This included a paediatrician (635 patients), a gynaecologist (786 patients) and an internist (384 patients). Medical equipment and blood sugar test kits were also provided;
- Free medical assessment and treatment for seventy patients living in remotes areas;
- A community-based sanitation initiative;
- For the ninth consecutive year, collaboration with the Bukit Barisan Military Command and A New Vision in providing free eye examinations and cataract surgery for local communities. Since the commencement of this programmes, over 25,000 people have received eye examinations and 7,131 people have received cataract surgery. In addition to financial support from PTAR, employees from the Martabe Gold Mine worked as volunteers to help prepare patients for surgery and provide post-surgery care. The restoration of sight can contribute to relieving financial hardship within the families of the people receiving surgery, as both the person with restored sight and their family career are then able to work or otherwise support the household.
- A review of local health care programmes in collaboration with the South Tapanuli Regional Health Office, including evaluation of programmes delivered in 2019 and planning of programmes for delivery in 2020.

Solih Siregar, Community Liaison Officer, Community Relations accompanied Pinda Rahayu, one of the assisted batik groups in Kampung Pasir, Aek Pining Village. During the COVID-19 pandemic, these assisted groups remained active in fulfilling requests for fabric and cloth masks. Not only that, this group also continued to attend online training held by the Yogyakarta Batik Craft Centre.

Income, Employment and Economic Independence

PTAR contributes to local income, employment and economic independence in several ways, including direct employment, support for agriculture and local business development.

Direct Employment

PTAR is committed to providing local communities with access to employment opportunities at the Martabe Gold Mine. Since the beginning of the project, the Company has had the goal of at least 70% local workforce. Local employment is supported by employee access to a wide range of training courses and opportunities for government certification in a range of skills including equipment operation. The Company also aims to maximise the employment of its workforce from within Indonesia. At the end of 2020, almost 73% of the Martabe Gold Mine employees were local people, exceeding the target of 70% set in the Environmental Impact Assessment.

Agriculture

In recognition of the predominantly rural nature of local communities, increasing the diversity and productivity of local agriculture has been an important element of PTAR's support for community development since project commencement. Outcomes supported by the Company in 2020 included:

- An integrated livestock development programme for village youth groups;
- Ginger cultivation and sale by community groups in two villages;
- Capacity development for village-based fish farming through the replacement of purchased fish food by self-grown live feed;
- The introduction of new rice variants better suited to meet market demand;
- Various works in support of village-based farmer groups, including the construction of a storeroom and access road and repair of irrigation ditches;
- Fruit-crop cultivation in five villages.

Local Business Development

The Company maintains a policy of preferential purchase of goods and services from local suppliers, if compatible with requirements. In 2021, procurement of local goods and services by the Company amounted to USD16 million. Other support for local business development by the Company in 2020 included:

- Production of traditional batik cloth and clothing in one village including online training delivered by the Yogyakarta Batik Craft Centre;
- Village-based furniture making including repair of a workshop and supply of machinery and equipment;
- Assisting local contractors engaged at the Martabe Gold Mine for improving management, quality of service and compliance.

Infrastructure Development

Public infrastructure improvement has been an ongoing focus of PTAR's community development programme, with benefits to a wide cross-section of the community. This has included improvements to water supplies, toilets and washing facilities, roads and bridges, school buildings and public facilities. These improvements have generally been implemented by village workgroups or by local contractors with materials provided by the Martabe Gold Mine. Public infrastructure projects supported by PTAR in 2020 included:

- Construction of a 31 metre tall public observation tower at the Sipirok Botanical Garden;
- Completion of a 70-metre-long suspension bridge;
- Renovation and improvement of public facilities including mosques and ablution facilities and construction of a new mosque;
- Provision and repair of clean water facilities including construction of wells, pipelines and holding tanks;
- Construction of roads to improve access to a village and a school.

Community Relations

Outcomes addressing community relations supported by the Company in 2020 included:

- Basics of firefighting training for 30 members of the South Tapanuli Regency fire brigade including supply of equipment
- A disaster response training course for volunteers from local villages;
- Assistance to flood victims in 18 villages in Central Tapanuli Regency.

The dancers of the Sopo Daganak Art Studio. PTAR provides assistance and support for the growth and development of children around the Martabe Gold Mine, one of which is through routine training in traditional arts.

Social and Cultural

PTAR understands that the traditional culture of communities surrounding the Martabe Gold Mine is unique and essential to the sense of identity, social stability and quality of life enjoyed by residents. In 2020 the Company supports a local cultural performance programme involving training in the playing of traditional music and regular performance events in collaboration with the South Tapanuli Arts Council, the Indonesian Art Institute of Yogyakarta, the Medan Batindo Nusantara Music Art Group and the Batangtoru Music Group.

PTAR Guidelines for Grievance Redressal Procedure

PTAR has a well-defined procedure for grievance redressal, including for any critical concerns. It is handled by the Community Relations Department, reported directly to the Board of Directors. The objective of the Grievance Redressal Procedure is to guide the management of grievances from local stakeholders concerning the impacts of the Martabe Gold Mine operations. [102-17] [102-33]

The guidelines contain the procedures for complaint admissions, records/registrations, problem-solving mechanisms and communications both internally and externally with all parties involved. PTAR places great importance in ensuring any grievances from either individuals or groups on the impact of mining operations are responded to quickly, are well documented, analysed, handled and answered effectively and are measured, to prevent further issues in the future.

A grievance is an issue concerning the impact of mining operations on socio-cultural life, the economy, health, education or the environment submitted directly by local stakeholders to the Company. The Grievance Procedure covers various aspects of a community, from government agencies, residents both individuals and groups, community institutions, to private institutions located in DAVs and/or Batangtoru and Muara Batangtoru Sub-Districts.

PTAR categorises the types of grievances arising due to mining operations into distinct impacts, including impacts on socio-cultural life, economy, health, education or the environment. The PTAR database ensures automatic archiving of all documentation.

Support for school road access for SMKN 2 Batangtoru along 210 meters by PTAR. Apart from road access, PTAR also provides support for improving road drainage and installing traffic signs.

Grievance Mechanism and Handling Procedure [102-33]

1. All grievances are filed by a Senior Community Liaison Officer (SCLO) or Community Relations staff member who formally records a grievance into a Grievance Form.
2. The completed Grievance Form is forwarded to the Community Relations Supervisor (CRS) and within 36 hours the completed form is registered in the Grievances Matrix. Where possible, urgent cases are resolved quickly.
3. The CRS and Superintendent of Community Relations (SCR) reviews and investigates the grievance based on detailed information and makes preliminary recommendations to the Community Relations Manager (CRM).
4. The CRS, SCR and CRM (the grievances adhoc team) will, if necessary, consult with the 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, religion and or government representatives as appropriate. Formal notes documenting the meeting are issued and signed by attending representatives. If an 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 legalise the agreement.

Grievances During 2020 [102-34]

Until the end of 2020, the Company did not receive any significant grievances regarding employment and local communities. PTAR continues to improve communications as we believe that good communication is the key to a harmonious relationship with the local employees and community.

The harmonious relationship between PTAR and the surrounding community was marked by the absence of strikes throughout 2020, either by the community or employees, which could have potentially disrupted operations for more than one week. Moreover, the company's activity area is not directly adjacent to local (indigenous) communities and hence disputes on land use or customary rights with local communities could be avoided. The risk of community mining is always a challenge for mining companies. However, PTAR does not operate on areas directly adjacent to any community mining. Furthermore, there has never been any case of community resettlement so far. [MM4, MM5, MM6, MM7, MM8, MM9].

Number of Public Complaints Received and Followed Up

Type of Grievance	2020		2019		2018	
	Number of Grievances Received	Number of Grievances Resolved	Number of Grievances Received	Number of Grievances Resolved	Number of Grievances Received	Number of Grievances Resolved
Significant Disputes Related to Land Use, Customary Rights and Indigenous People	0	0	1	1	3	3

Ismail Alamsyah, one of the breeders for Integrated Animal Husbandry Development (PADU) in Aek Pining Village is feeding the goats. PADU is a programme for the introduction of alternative livelihoods based on local economic potential. PTAR has provided support in the form of land preparation, building cages, procuring broodstock, training and mentoring.

CHAPTER 5

Supporting Economic Development

PTAR is fully committed to carry out its operational activities in line with its mission statement: 'To develop a long term sustainable business generating positive outcomes for all stakeholders PTAR applies the latest information the technology-based programme combined with operational techniques and innovations in production and distribution, to ensure that the Company produces quality gold and silver.

Sarian, a member of the Mulia Bakti Cooperative, Sumuran Village, Batangtoru, is drying the corn. Mulia Bakti Cooperative is one of PTAR's partners that consistently sells dent corn and other derivative products. Sales are not only in Batangtoru, but also reach Padangsidimpuan and Sibolga.

Economic performance is regarded as one of the three pillars of sustainable development alongside environmental and social performance. It is valuable information about the Company's performance in managing its resources and reaching its objectives. It is important to understand whether the company's operation is managed effectively, the impact of the impact of the economic cycle or market conditions on the company and other factors that may affect the Company's performance. The most common indicator to measure the Company's economic performance is via its profits

In other words, a company makes a profit when its revenues are more than its costs, including the opportunity cost of all resources, for a given period.

A good economic performance also contributes to the social and environmental performance, as part of the profits can be used to fund Corporate Social Responsibility (CSR) activities. It places at its centre the society and takes responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and the environment. The profits also contribute to increasing the quality of life for employees and their families, for the local community and society at large.

Economic Value Generated and Distributed

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

The main objective of managing the economic performance of the Company is to achieve added value for all stakeholders, such as customers, suppliers, employees, shareholders, communities and the government, as well as the environment.

The Martabe Gold Mine's operation generates a range of economic impacts on a local, regional and national scale. The net economic impact is highly positive and thus contributes to the Company's sustainable development objective.

The economic performance is under the responsibility of the President Director & CEO and it is monthly reported to the Board of Directors (BOD). The Board of Commissioners and shareholders review and approve the developed economic performance of the Company. Then, under the direction of the BOD, the Company target is delegated from the highest to the lowest possible level. In 2020, the Company targeted to reach 290 Koz gold sales and USD185 million in net profit after tax.

The yearly budget of the Company is approved by the Board of Commissioners and Shareholders. The budget is developed by considering the Company's resources, the life of the mine and the forecasted market conditions. The approved budget is then submitted to the Ministry of Energy and Mineral Resources for government approval. The results will be reported back to the government and to the shareholders justifying if any changes to the work programme were made. [207-1]

The Audit Committee ensures that all operations of the Martabe Gold Mine are according to the standards. The Audit Committee monitors the Company's operations and provides feedback to the Board of Commissioners (BOC) and prompts the BOC to take important decisions if needed. Further, the BOC may ask the Audit Committee to investigate areas of their interest. Its yearly tasks include conducting a specific review of the Company's operations, review the interim and year-end financial reports, manage and monitor the Company's risks and supervise the activities of the internal audits. An independent auditor also audits the annual financial statements of the Company to achieve higher quality and credibility towards its shareholders. The results are contained in the annual report which is available to the public via the Company's website. [207-2]

Despite the COVID-19 pandemic, the Company was able to acquire strong financial results in 2020.

Total Economic Value and Distribution [201-1] [207-4]

Description	Unit	2020	2019	2018
Total Economic Value Generated – Revenues (A)	USD '000	481,420	560,887	574,197
Total Economic Value Distributed (B)	USD '000	294,173	345,094	437,727
Total Operating Costs	USD '000	183,391	203,471	269,366
Wages and Benefits to Employees and Directors	USD '000	28,315	28,172	29,018
Community Investments	USD '000	1,859	1,099	1,308
Total Payments to Government	USD '000	**80,608**	**112,352**	**138,035**
• Royalties Expense	USD '000	26,231	21,356	21,301
• Other Taxes	USD '000	8,504	8,119	12,823
• Tax Expenses	USD '000	45,874	82,877	103,911
Total Economic Value Retained (A – B)	USD '000	**187,246**	**215,792**	**136,470**

Note:
*Restated from 2019 Sustainability Report, including hedge securities

Fiscal Economic Benefits

Since its establishment, the Company has supported the development of Indonesia through the payments of its taxation obligations. The Company complies with all laws and regulations of the relevant authorities regarding revenues and taxes.

There are two categories of economic contributions by the Company, namely fiscal (payments to the government) and economic (payments to the general public).

Fiscal contributions of PTAR consists of: [207-1]

- Corporate income tax;
- Various other taxes at central and regional government levels such as land and building taxes;
- Personal income tax on employee wages;
- Royalties on gold and silver sold;
- Dividends.

The majority of state revenues and taxes flow to the Central Government via Corporate Income Tax. Following Law No. 33 the year 2004, other taxes such as land-rent and royalties are payable to regional and local government offices where the Company operates.

Dividends are not a common fiscal benefit provided by mining companies, however under a voluntary divestment by PTAR, the 5% ownership of PTAR by PT Artha Nugraha Agung (PT ANA), which itself is 70% owned by the South Tapanuli Regency Government and 30% owned by the North Sumatra Provincial Government. The Company's support to the state revenue is significant and equal to 51% of Net Profit After Tax (NPAT) in 2020 and 66% of NPAT in 2019. This voluntary divestment by the Company ensures the regional and provincial governments receive economic benefits from the operation of the Martabe Gold Mine. Under the agreement, PT ANA allocates 40% of the dividends to community development projects in the area surrounding the Martabe Gold Mine. [207-1]

In 2020, the Company did not receive any financial assistance from the Government [201-4]

The development of a South Tapanuli batik assistance group by PTAR in Kampung Pasir, Aek Pining Village. During the COVID-19 pandemic, these assisted groups continued to actively participate in virtual training held by the Yogyakarta Batik Craft Centre.

Economic Benefits [201-3][102-41]

Salaries, wages and other benefits to the employees are important economic benefits passed to the community by the Company's operation. PTAR, via its PTAR Collective Labour Agreement (CLA), confirms that salaries, wages and associated benefits meet or exceed government minimum working requirements, both locally and nationally.

In addition to social and health security programmes, PTAR provides on-site health services for all employees and their families. This is required by law. Social security provides insurance for work accidents, death, JHT and pension benefits. In addition, the Manpower Act requires every retired employee to receive severance pay and other compensation. The pension contribution follows the BPJS (Indonesian Social Security) employment provision

Pension security is social security that aims to maintain a decent standard of living for participants and/or their heirs by providing income after the participant enters retirement age, experiences permanent total disability or dies. A pension benefit is an amount of money that is paid monthly to participants who enter retirement age, experience permanent total disability or to the heirs of participants who pass away.

There are two types of retirement plans: [201-3]

1. Normal Retirement, for employees who have reached the age of 57 years and then add 1 (one) year for every 3 (three) subsequent years until they reach the Retirement Age of 65 years.
2. Early retirement, for employees who have reached the age of 50 and who have worked for PTAR for 10 consecutive years. Employees who meet these criteria can write a pension proposal to the management.

Until the end of 2020, PTAR had no additional pension scheme nor had an education and training programme been implemented on employee retirement preparation. [404-2]

Currently, pension funds are recorded as liabilities in the Company's balance sheet where the total value of liabilities is based on actuarial calculations carried out at the end of each year's financial reporting period. For 2020, it was recorded at USD10,299,101. There is no pension programme other than BPJS that the company participates in. The pension payment scheme at PTAR is adjusted to government regulations which are also set out in the PTAR collective work agreement.

Pension Guarantee Programme Contribution

- The monthly wages that are used as the basis for calculating contributions consist of basic wages and fixed allowances. Since March 2021, the maximum wage limit used as the basis for calculation is set at IDR8,754,600 (eight million seven hundred fifty-four thousand six hundred rupiahs). BPJS Ketenagakerjaan adjusts the number of wages by using a 1 (one) multiplier plus the previous year's gross domestic product annual growth rate. Furthermore, BPJS Ketenagakerjaan will determine and announce the adjustment of the highest wage limit no later than 1 (one) month after the institution that administers government affairs in the statistics sector (BPS) announces the gross domestic product data.

The Company also distributes indirect economic value to the community, especially to its residents via CSR activities. It supports community development by providing employment, support education and public facilities in the direct vicinity of the Martabe Gold Mine. Especially during the COVID-19 pandemic, the Company provided health support beyond its Community Management Plan.

Prioritising Local Suppliers [102-9]

Members of the Mulia Bakti Cooperative, Sumuran Village, Batangtoru, grind the harvested corn. Mulia Bakti Cooperative is one of PTAR's partners that has received support in the form of warehouse construction, repair and modification of corn thresher/crusher machines.

The Company's objective is to maximise the proportion of products and services made close to its operations at the Martabe Gold Mine. Therefore, the Company has carefully developed a supply chain system that can determine the geographic origin from which PTAR goods are sourced and the delivery terms of these goods.

A dedicated logistics strategy has been developed to ensure the guaranteed flow of goods and services to the remote location of PTAR's site. The strategy is a result of the two necessities, namely nature, origin and volumes of bulk goods needed to operate the mine as well as the most effective routes and modes to transport them. Standardised methodologies are used to ensure the effectiveness of the strategy to ensure that the costs for all delivered goods consumed at the site are efficient.

Priority is given to buy from reputable established local suppliers based in South Tapanuli, Central Tapanuli or Sibolga and can supply the goods on a competitive basis (price, quality, supply time, warranty and other commercial terms) compared to suppliers from other locations. Suppliers, especially linked to specialist equipment must also have appropriate original manufacturer support and distributor/dealerships. If goods are not available on a competitive basis locally, they are bought from suppliers based elsewhere in Indonesia or offshore.

Sustainability in Business

The Company implements the Martabe Improvement Programme (MIP) to ensure ongoing optimisation across all aspects of the business. Since its 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). Lower production costs result in lower ore cut-off grades thus increase economic outputs.

Climate change has an impact on businesses via physical impacts. In the mining process, heavy rainfall, one of the climate change impacts, can interrupt operational activities. Thus, PTAR has prepared the infrastructure and mining time plan, which takes into consideration the rainy season conditions. Throughout 2020, the rainfalls were still as anticipated, hence, there were no significant impacts due to climate change that could be identified. PTAR has never conducted a specific study on climate impacts that could affect the Company's operations. However, we have anticipated the annual rainfall by developing the water balance and managing the dam with sufficient capacity. Until 2020, PTAR monitored rainfall and has never experienced a change in rainy weather that could disrupt the company's operational activities. [201-2]

As described above, subject to quality and price competitiveness, PTAR also supports the Indonesian economy through the preferential purchase of goods and services locally and nationally. It also makes direct financial contributions to local community development programme and projects each year. Eventually, PTAR aims to transfer the sustainability of its business operations to the local society.

Results Achieved in 2020

By the end of 2020, the Company has booked USD187 million in net profit after tax and sold 291 Koz of gold, exceeding its target of USD185 million in net profit after tax and 290 Koz gold sales. The favourable results were achieved due to the projects to improve the gold recovery and cost reduction in processing. The expansion of the sulfide project also contributed to the increase in gold recovery.

Comparison of Target and Realisation of the Company's Financial Performance [201-1]

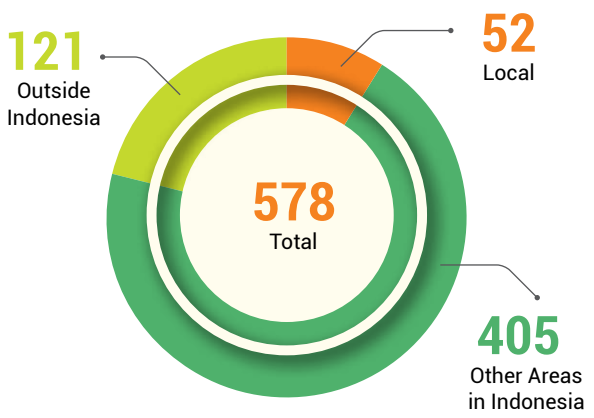
Achievement	Unit	2020		2019		2018	
		Target	Realisation	Target	Realisation	Target	Realisation
Revenue	USD Million	485	481	546,4	560.9	516	574
Cost of Goods Sold (COGS)	USD Million	203	199,9	245	230.5	219,7	205,5
Profit and Loss of the Current Year	USD Million	185	187	213,8	215.8	181	166,8

The Company's strong operational and financial performance in 2020 supported significant financial contributions to its stakeholders. These included: [201-1]

- Total taxes and state revenues of USD96.4 million, corporate income tax summing up to USD53.9 million;
- Tax and royalty payments to the government in the amount of USD126 million;
- USD28 million of wages and benefits paid to PTAR employees and contract staff. As a non-listed company, PTAR does not disclose specifically fixed or variable payments for the highest governance or senior executives. The process determining remuneration is presented in the Company's 2020 Annual Report [102-35] [102-36] [102-37] [102-38] [102-39]
- Dividends to shareholders totalling USD82.9 million in 2020, a slight increase from 2019 with USD82.4 million;
- USD16 million payments for the provision of goods and services by local suppliers ;
- Over USD1.09 million was spent on community development programmes (this value will rise and fall from year to year depending on the value of major infrastructure projects)

In 2020, the following suppliers were used and overall 79% of purchase was from local and national suppliers.

Total of PTAR Suppliers by Origin (2020)



Proportion of Spending on Local Suppliers [204-1]	Percentage	2020	2019	2018
Local	%	9	9	6
National	%	70	65	83
International	%	21	26	11

Notes:

- Local suppliers' are those suppliers that are registered in South or Central Tapanuli.
- 'National suppliers' are those suppliers registered elsewhere in Indonesia.

Lasmi Siregar, Operator, Processing, takes water samples from the Tailings Storage Facility (TSF). PTAR consistently continues to monitor the quality and quantity of water around the mining operational area as a form of responsibility and good and sustainable environmental management.

CHAPTER 6

Diversity Management and Competency Development

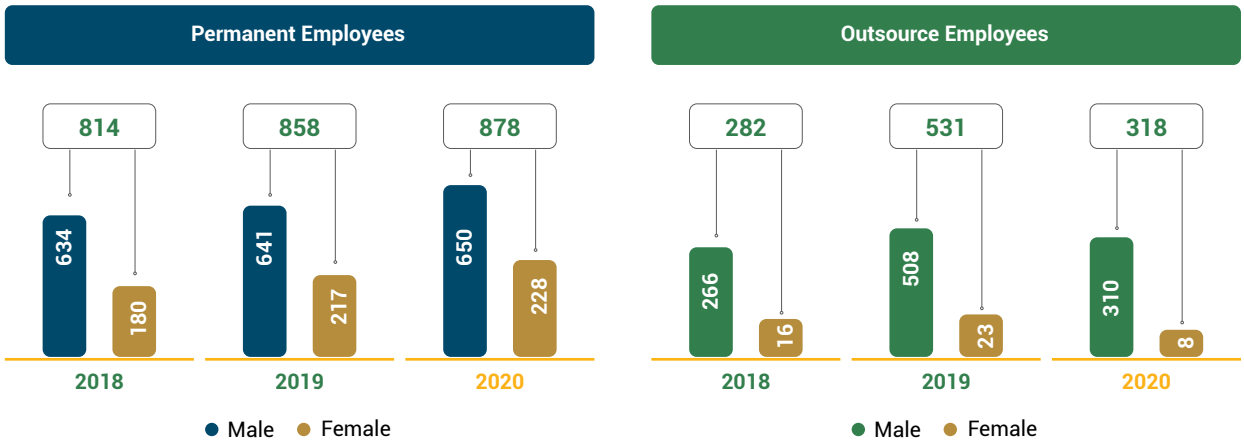
At PTAR, we consider our capable and diverse workforce as an invaluable competitive advantage, which contributes to the success of our business. We are committed to acquiring and retain high-quality individuals who have the right skills, experience, motivation and attitude to ensure better business growth and performance. We aim to achieve this through HR policies that encourage diversity in the workplace as well as training and capacity building for our employees to ensure that our existing workforce will be able to meet future demands

The COVID-19 pandemic demanded highly adaptive management by forcing us to demobilise significantly numbers of employees and then implement a carefully planned return to on-site work, Work From Home (WFH) mechanisms, etc. while continuing to pay our employees' welfare. Our health strategy involved the implementation of COVID-19-safe work plans for all employees through personal hygiene, forming an internal task force COVID-19, social distancing, regular testing, quarantine programme and provision of medical advice.

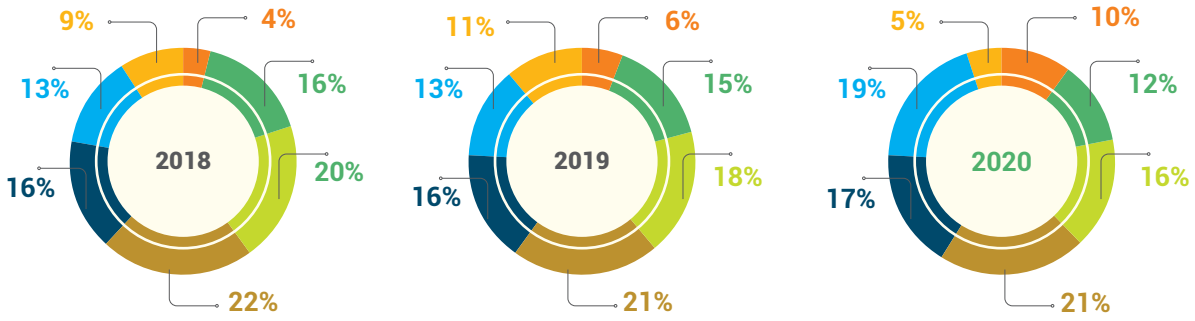
Our Workforce

In 2020, there were a total number of 2,971 individuals working in PTAR, consisting of 1,196 Company employees and 1,775 contractor employees. The Company's employees account for a total of 878 permanent employees and 318 contracted employees. Overall, 73% of our employees were recruited from within the country and less than 1% are foreign workers. PTAR aims to maintain a balance in age groups as well as different education levels. The trends in the PTAR workforce (age groups and education levels) are presented below.

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

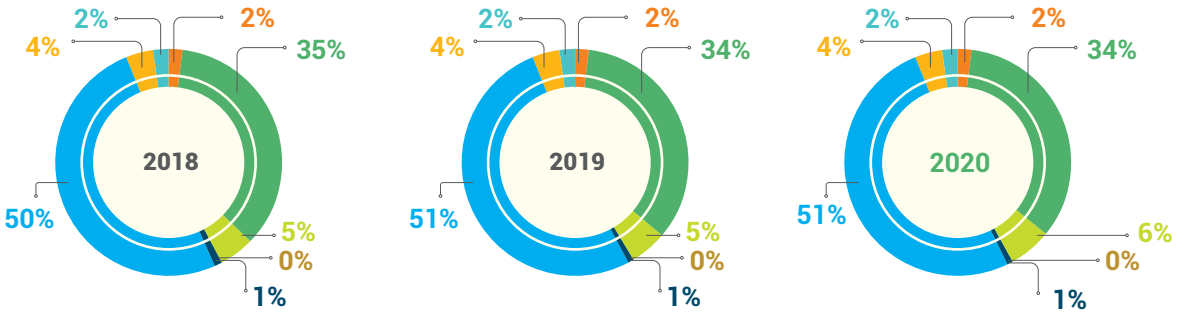


Number of Employees based on Age Group [102-8]



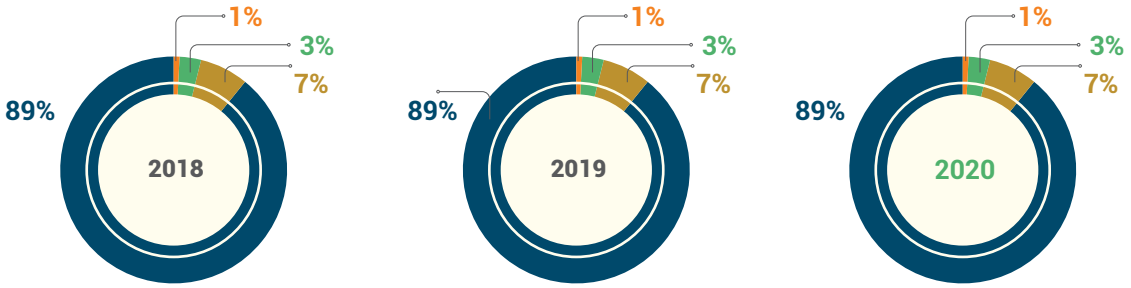
Note: Number of Permanent Employees

Number of Employees based on Education Level [102-8]



Note: Number of Permanent Employees

Number of Employees Based on Position [102-8]



Note: Number of Permanent Employees

Numbers of Management and Committee Based on Age Group and Gender [405-1]

Age Group	Directors		Commissioners	
	Male	Female	Male	Female
Under 30	-	-	-	-
31-40	2	-	-	-
41-50	2	-	-	-
Above 50	1	1	6	1
Total	5	1	6	1

Note: Number of Permanent Employees

Commitment And Policies In Human Resources Management

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

The Company realises that each employee brings their unique capabilities, experiences and characteristics to their work. These diverse perspectives have the potential to enhance our penalised strength, problem-solving ability and innovation. To realise these potentials, PTAR established various basic policies in the management and development of our HR competency, including creating a harmonious work environment.

To create and maintain a harmonious working relationship, we ensure that all employees or employee unions are involved in the formulation of most of our policies, including policies in HR management. For significant changes with a potentially big impact, such as the formulation of the collective labour agreement or changes in salary structure and employee welfare, the discussion is held for a minimum of four weeks but can be adjusted based on the scale of the project or changes that occur.

PTAR also complies with all applicable regulations, especially Article 68 of the Law of the Republic of Indonesia on Manpower. Under this law, PTAR applies a strict ban on child labour and complies with the stipulated minimum regional wages. The company has a wage structure and scale with the composition listed from the lowest to the highest wage level or from the highest to the lowest and the wage value listed from the lowest to the highest for each position. [408-1]

Entry-Level Employee Wages by Gender Compared to Regional Minimum Wages [202-1]

Description	Unit	2020	2019	2018
PTAR Male Minimum Wage vs. Regional Minimum Wage	Ratio	1	1	1
Minimum Wage for Women vs. Regional Minimum Wage	Ratio	1	1	1

Note: Minimum wage data are only relevant for national PTAR employees

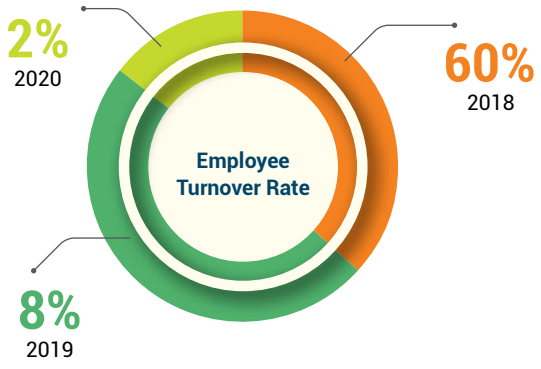
The pension programme is implemented according to applicable laws and regulations, especially early retirement regulations stipulated in the CLA. [201-3]

PTAR has maintained a low employee turnover rate and our HR Department also received a relatively small number of issues or complaints, indicating a high level of satisfaction among our employees. In 2020, the employee turnover rate was 2.3% or 20 employees. The reasons contributing to this figure include retirement and/or resignation.

New Employees [401-1]

2020		2019		2018	
Male	Female	Male	Female	Male	Female
46	15	59	54	31	25
61		113		56	

Employee Turnover Rate [401-1]



In the past few years, the three main areas we have strived to improve regarding our workforce include 1) Gender diversity, 2) Local employment and 3) Capacity building and employee development.

Gender Diversity

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

PTAR has established the Gender Diversity Policy No. MGT-GEN-CPO-00107-IE to improve diversity and equality in all of its activities and has actively implemented the Gender Diversity Programme since 2016. A more diverse workforce makes PTAR a stronger company by providing a competitive advantage, such as: [103-1]

- Enable the voicing of a wide range of ideas, problem-solving abilities and opportunities for innovation;
- Different personal qualities that contribute to the development of the company;
- Wide access to potential talents for recruitments;
- Gender diversity will make PTAR a better company by creating different perspectives on working processes.

Commitment to Gender Diversity Practices [103-2]

PTAR's achievements regarding gender diversity (GD):

1. 26.5% female employees overall and 28% female employees in management positions [405-1]
2. Employment and promotions considered irrespective of gender
3. Promotion of gender diversity in the workplace at all levels
4. Building a culture and work environment that promotes dignity and respect and a workplace free from discrimination, intimidation, bullying or harassment
5. Providing lactation facilities for breastfeeding mothers
6. Providing hygiene facilities for male and female employees
7. Implementing training and awareness programmes for employees to increase their understanding of gender diversity and equality issues
8. Implementing programmes that support work/life balance and career path planning with the flexibility to fulfil family responsibilities

PTAR has analysed some of the structural barriers to diversity in the workplace and has applied a progressive approach to removing these barriers. Several key areas of success include regular reviews and updates on work practices, the workplace environment and infrastructure. Several activities and projects that implement this strategy include: [103-3]

- Local employment strategies with equal opportunities for all employees;
- Establishing GD targets and commitments for all parties involved in PTAR operations;
- Mapping employee potential through recruitments;
- Removing barriers in achieving GD targets;
- Implementation of development programmes with training to provide equal career opportunities among male and female employees;
- Conducting a wage survey between male and female employees to overcome the wage gap between positions of equal responsibilities;
- Creating policies supporting GD programmes;
- Creating a review/monitoring schedule for the contribution and achievement of each department in GD programmes;
- Including GD targets into the KPIs/ KPIs of each department head;
- Conducting a campaign about GD programmes.

Gender Equality in Remuneration

PTAR continues to comply with applicable regulations on minimum wages not only for employees in significant operational locations but for all employees. We apply an equal ratio of basic wage and salary payment between male and female employees. All employees (100%) have received wages more than the minimum remuneration stipulated in the Government regulations, especially those in our significant location of operation, the Martabe Mining area. [405-2]

Maya Fitriani Agustina, Senior Field Assistant, Monitoring, Environment tests water samples in the nursery facility laboratory. Supervision of water quality is consistently carried out by PTAR to always ensure good environmental management and comply with government regulations.

There are several initiatives supporting gender diversity embedded into the Company's Human Resources Policy framework. They include a harassment policy, maternity and paternity leave benefits, initiatives to address gender pay gap issues and elimination of gender bias when evaluating promotions.

Moreover, we are committed to the protection of pregnant employees from workplace hazards through the implementation of controls contained in the PTAR Code of Practice for the Management of Pregnancy-Related Work Restrictions. This instrument allows our female employees to work safely until their due date.

Additionally, we have a Lactation Policy, providing nursing facilities for breastmilk collection and storage during work hours to take home for their infant. The Paternity & Maternity Leave Policy allows fathers fourteen days and mothers four months of leave. Meanwhile, the ongoing Anti-Harassment Policy is an effort to eliminate discrimination, intimidation, threat or harassment in the workplace. [401-3]

We engage with our employees regularly and consistently throughout the year to raise awareness of gender diversity. Activities include a week-long promotion and celebration of diversity leading up to Kartini Day each year. Our contractors also support the programme with formal obligations and commitments to achieve participation rates.

Results Achieved in 2020

The various Gender Diversity Policy initiatives resulted in 628 women (PTAR, direct payroll and contractors) or 26 % of the total workforce (including PTAR's contractors) had been employed by the end of 2020. A total of 23 women or 28% of female employees, hold management positions (Supervisors or Managers). At the top management level, two women were appointed as Commissioner and Director. There were special initiatives supporting gender diversity, including management workshops, career planning workshops and free cervical and breast cancer test for employees. Moreover, a 100% return to work rate after their parental leave was achieved.

Returning Employees and Retention Rates After Maternity Leave [401-3]

Description	Unit	2020	2019	2018
Entitled to Maternity Leave	Total	579	564	550
Taking Maternity Leave	Total	33	62	49
Return to Work After Giving birth	Total	32	61	49
Still Employed for Twelve Months After Returning to Work	Total	32	61	49
Retention Rate After Giving Birth	%	99	99	100

Local and National employment

We continue to prioritise Indonesian employees for managerial positions or higher. This is evident by the employment of 29 Indonesian employees consisting of two local employees and 27 non-local employees for managerial positions or higher. Only six expatriates are working for the Company at the managerial level or higher.

In addition, to maintain the Company's social license to operate and provide benefits from operations, PTAR is committed to providing local communities with access to employment opportunities at the Martabe Gold Mine. Based on the AMDAL, we are targeted to fulfil at least 70% of local employees since the commencement of the project. Local employees are defined as those residing in South and Central Tapanuli.

Employee access to a wide range of training courses and opportunities to obtain government certification in various skills including equipment operation are crucial in supporting local employment. We are also committed to penalised local recruitment from Indonesia.

PTAR implements an employee development programme called Marsipature to improve local employment opportunities and future career options for local employees. The strategy of the programme has been developed along with criteria and guiding principles. 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 Nabe.'

The "Marsipature Programme" includes improvement, technical, practical training and capacity-building activities to empower local employees with access to broader employment and career opportunities. As part of the "Marsipature Programme", each Department Head chooses which potential employees are to be included, as well as determines their department's target for gender diversity. The planning for all training activities is conducted in collaboration with the Training & Development and Localisation Development Department (LDD).

"Marsipature Programme" has three main components:

1. Non-trades (semi-skilled) Training Programme: Improvement of Current Employee Skills (for local employees)
2. General soft-skill training (for all employees)
3. Martabe Internship (trades) Programme (for local employees)

This programme has been approved and budgeted under the Professional Development and Internship Programmes.

The intranet facilitates all on-site and head office employees access to all HR-related information, such as policies on the management of employees and diversity as well as the social control of corporate values and culture; information on policies associated with the "Marsipature Programme". Additionally, since it is a paperless form of communication, the intranet assists the Company in reducing the use of paper.

Other activities supporting the "Marsipature Programme" are also published in internal bulletins and local/national newspapers. We also provide transparent information on the programme to local and regional governments through community relations and development. Information related to the "Marsipature Programme", especially on the composition of female employees in PTAR and its contractors are included in the monthly report submitted to the Manpower Agency.

PTAR implements evaluations on the "Marsipature Programme" through monthly reports. These reports contain the achievement of the gender diversity programme across departments, assessment results and solutions to eliminate barriers in achieving the Gender Diversity Programme targets. There are various types of programme-related reports submitted monthly, quarterly and annually. PTAR audit activities include monitoring, target determination, target achievement review, as well as discussion and implementation of improvements to better achieve the targets.

PTAR employees are holding a meeting to discuss Occupational Health and Safety (K3) or a weekly safety meeting in the Permata Office area. This routine meeting is held to discuss and remind each other of the potential hazards and accidents at work at the mine site. The OHS management at the Martabe Gold Mine made a very good achievement with 3 years of zero Lost Time Injury (LTI).

Local Employment [401-2]

By the end of 2020, almost 73% of the Martabe Gold Mine employees were locals, exceeding the target of 70% set in the Environmental Impact Assessment. This result, however, is 1% lower than in 2019. This was caused due to a reduction of exploration activities during the COVID-19 pandemic, which is usually assigned to contractors employing local labourers. By the end of 2020, the number of students participating in our internship programme were:

3 PEOPLE
Mechanical

4 PEOPLE
Electrical & instrumentation

4 PEOPLE
Boilermaker

Employee Training and Development

Employee training and development are critical to the sustainable success of the Martabe Gold Mine. PTAR has established Training and Development Policy No. TDV-TSY-CCP-00037-EN on Training and Assessment.

There are four main types of training provided to PTAR employees and site contractors:

- Training on health, safety and the environment
- Training on self-development
- Training on technical skills
- Training to obtain licenses to operate vehicles and equipment

Employees' training and development is the responsibility of the Department of Training & Development under the Division of Human Resources, which falls under the Director of Operations management.

Most of the course materials were developed by PTAR and the majority of this training is delivered on-site to ensure it meets employees' needs. Each employee has a list of the required training and the implementation of their development refers to the Training Need Analyst (TNA) that has been approved by their respective Department Heads.

Safety training is critical in preventing accidents. Therefore, in addition to a variety of safety training, we also provide a core set of safety competencies that are mandatory for all employees at the site.

In 2020, PTAR continued its employee development efforts by providing 135 training courses. The number of employees who participated in that training was 4,349, with an average of 73 training hours per employee; contractor employees received, on average, 26 hours of training, while permanent staff received 47 hours of training per year.

The employee training programmes in 2020 were mainly focused on work safety. Keeping up with the mining industry, PTAR also implemented training for the Primary Operational Supervisor (POP) and Intermediate Operational Supervisor (POM). In 2020, 60 PTAR employees and contractors have completed the POP training, consisting of 39 employees with new competency tests/certifications and 21 employees with extensions. Furthermore, 18 PTAR employees and contractors have also completed the POM training, consisting of 12 employees with new competency tests/certifications and six employees with extensions. [404-2]

Employee Training in 2020 [404-1]

Type of Training	Female			Male			Total		
	Number of Training	Manhour	Average hours	Number of Training	Manhour	Average hours	Number of Training	Manhour	Average hours
Language Skills	12	98	8	12	67	6	24	165	7
Technical Skills	68	2,442	36	135	4,404	33	203	6,846	34
Health, Safety and the Environment	578	7,582	13	2,662	41,150	15	3,240	48,732	15
Training to Obtain Licenses to Operate Vehicles and Equipment	62	992	16	355	7,091	20	417	8,083	19
Self-Development	86	4,238	49	213	3,541	17	299	7,779	26

Notes: Until the end of 2020, PTAR does not have any education or training programme to prepare employees for retirement.

Performance and Career Development Appraisal [404-3]

All employees or 100%, both men and women, receive regular performance and career development appraisals. This evaluation process applies to positions including managerial and higher, general staff and non-staff.

The Code of Ethics and Business Conduct (Kode Etik Perilaku Usaha/KEPU)

The Company's Code of Ethics and Business Conduct (KEPU) analyzed the high standards of business conduct required of all employees, officers and directors of PTAR and its subsidiaries (the Company). The KEPU has been formulated as part of the Company's ongoing efforts to ensure it complies with all applicable laws and acts responsibly and with integrity to its customers, suppliers and the wider community.

KEPU stipulates true information about the Company's operating principles and how employees, officers and directors are expected to act and behave. It follows the underlying core values of the Company, consisting of growth, respect, excellence, action and transparency. Clauses stipulated in the KEPU include anti-bribery and corruption, physical and intellectual property protection, conflict of interest, rules on analysis towards important stakeholders and reporting mechanisms in case of violation.

All employees, officers and directors of PTAR and its subsidiaries receive initial training on KEPU and need to sign the 'Compliance with the Code of Ethics' agreement before commencing work with the Company. The document is legally binding and staff can be penalised if any proof of breaching is found. The Company also provides a Conflict-of-Interest Form that can be submitted to the management. A report can be made to the director in case of a suspected breach of the code by employees.

In 2020, no corruption cases were recorded in PTAR. In addition, PTAR regularly conducts anti-corruption training for each new and joining employee. This training has been attended by as many as 870 participants during 2020 by employees up to management level. [205-2]

Erwinsyah Lubis and Yoramo Gulo, Senior Field Assistant, Monitoring, Environment took water samples in Ronggang. Monitoring of the water quality is consistently carried out by PTAR to always ensure good environmental management and comply with government regulations.

Delivery and Training of Anti-Corruption Policies and Procedures

Description	Unit	2020	2019	2018
The Signing of the PTAR Code of Ethics and Business Conduct				
All Employees	Total	870	843	796
Senior Management	Total	29	31	26
Staff	Total	446	431	722
Labour	%	100	99.7	99
The Signing of the PTAR Supplier Code of Conduct				
Service Providers	%	100	100	100

Note:
- Anti-corruption policies and procedures are explained in the Company's Code of Ethics and Business Conduct (KEPU).
- Clauses related to anti-corruption are included in the General Terms and Conditions for Suppliers.
- Anti-corruption is covered in the HR Induction presentation. Employees are required to sign the Code of Conduct as part of the HR Induction.

PTAR local employees are required to take random PCR swabs regularly to anticipate the spread of COVID-19.

CHAPTER 7

Occupational Health and Safety

Our Goals

At the Martabe Gold Mine there is no operational outcome more important than the health and safety of our employees. The Company will work at continually improving our health and safety performance thus delivering on our goal of zero accidents and incidents in all areas of the Company's operations.

General Management Approach [103-1]

One of the posters for the COVID-19 prevention campaign in the work area of the Martabe Gold Mine. Various campaign displays have been installed to remind PTAR employees to apply health protocols wherever they are.

A mining operation is a complex and dynamic work environment containing many hazards. Minimising the risk of occupational injuries in these circumstances requires a systematic and disciplined approach involving the efforts of all employees. The key outcomes as represented in the PTAR Occupational Health and Safety Policy and combination with committed leadership and strong safety culture within the entire workforce, great results could be achieved. The policy focuses on:

- Identifying, assessing and managing all health and safety risks associated with Company activities and the activities of site contractors;
- Making available the resources, equipment and training necessary for employees to work safely;
- Fully integrate health and safety outcomes as priorities within all planning processes from the feasibility of the project until the closure of the mine.

In support of these outcomes, the Company operates an integrated Health Safety and Environment (HSE) Management System developed for ten years. This system refers to industry-leading practices, international standards and Indonesian regulatory requirements applying to safety management systems for mining operations, known as SMKP Minerba. It includes documents, records, databases and special-purpose software, all readily accessible via the Company's intranet. [103-3] [403-1] [403-8]

The key operational controls in the HSE Management System is a range of Codes of Practices, each of which defines mandatory requirements for the management of a particular area of risk or outcome to risk management generally. The Codes of Practice addressing occupational health and safety management include: [103-2]

- Audits and Inspections
- Emergency Management
- General Workplace Safety
- HSE Accountabilities
- HSE Compliance
- Incident Management
- Industrial Hygiene Monitoring and Measurement
- Job Safety Environment Analysis
- Managing Pregnancy-Related Work Restrictions
- OHS Management. Measurement, Monitoring and Improvement
- Operational Risk Assessment and Control
- Permit to Work
- Personal Protective Equipment
- Work at Height
- Basic Safety Training [403-5]

In addition to the PTAR Codes of Practice, which establishes company-wide requirements, each PTAR Department maintains a range of standard operating procedures for departmental activities. These describe safety requirements specific to the activity in question.

Safety Supervisor, OHS Triana Primadewi is using a sound level meter to measure and ensure the level and control of noise risk around the Martabe Gold Mine operational/work area.

Major Workplace Hazards [403-2]

For reporting hazards that occur at the worksite, PTAR has INX Incontrol software is used and can be accessed by all employees anonymously. Incident reports received by INX control are investigated and followed up by the project manager who is in charge of the OHS. The process starts from incident classification, follow-up and corrective action. Every employee has the right to refuse a job if he or she sees the possibility of a work accident or work-related illness. Employees have the right to leave the work situation by reporting on INX control. PTAR has a procedure for every employee if they want to do a job by considering Take 5.

The term 'major hazard' is often used to describe workplace hazards that can readily result in serious injuries and fatal accidents if not properly managed. A systematic review has identified 19 major hazards for the Martabe Gold Mine, as follows.

- Contact with electricity
- Falling objects
- Filling tires
- Hazardous chemicals
- Helicopter operations
- Lifting and supporting loads
- Lightning
- Rotating and moving equipment
- Pressurised vessels
- Slope failure
- Tree felling
- Uncontrolled release of energy
- Vehicle and mobile equipment operation
- Blasting
- Drilling operations
- Flying camp
- Working at height
- Working in confined spaces
- Working on or near water

These results are typical and reflect a complex and dynamic industrial work environment common to mining operations in general. Understanding the major hazards at the Martabe Gold Mine supports a systematic approach to the development and implementation of controls to minimise safety risks.

Operational Safety Controls

At PTAR Mine the risk of workplace accidents is addressed by a range of programmes and standard procedures addressing workplace conditions, safe work practices, worker competency and worker behaviour.

Occupational Health Controls [403-3]

In addition to the goal of zero accidents, PTAR has the goal of eliminating any work-related health impacts. To this end, the Company implements an occupational health programme at the Martabe Gold Mine addressing the risk of health impacts resulting from exposure to noise, vapour, dust and metals. Monitoring of occupational health exposures across the site is conducted monthly with this data being used in the development of engineering, procedural and Personal Protective Equipment (PPE) controls.

Employee pregnancies and breastfeeding potentially place both the mother and infant at greater risk of workplace safety and health impacts and accordingly the Company implements a special programme at the Martabe Gold Mine to ensure that these risks are managed using temporary restrictions on work location and work activities for pregnant and breastfeeding employees based on a health risk assessment including evaluating by OHS staff and a medical doctor.

Emergency Response

An important control for minimising consequences in the event of an incident is an emergency response capability. The Company employs an Emergency Response Team (ERT) full-time at the Martabe Gold Mine consisting of emergency response personnel and three radio station operators. Response equipment includes a fire truck, rescue truck, rescue vehicle, ambulance and rescue equipment. The ERT is trained to deal with a range of emergencies including:

- Fires
- Chemical spills
- Vehicle accidents
- Search and rescue
- Helicopter crashes
- Medical evacuations
- Mass casualty incidents

Medical resources available for dealing with emergencies include a well-equipped clinic staffed by a doctor and paramedics. Medical evacuations to hospitals can be implemented by ambulance or helicopter and with the assistance of medical services provider International SOS.

Key Programmes and Standard Procedures at the Martabe Gold Mine Addressing Safety Risk [403-2] [403-7]

Name	Objective	Detail
Golden Rules	Designed to protect workers from major hazards that are the most common causes of fatal accidents in the mining industry.	The Martabe Gold Mine Golden Rules are simple rules regarding safe work practices that are under the direct control of the worker. All people receive training in the Golden Rules before commencing work at the Martabe Gold Mine. The rules are mandatory and an employee who knowingly breaches a Golden Rule may receive a final written warning or lose employment. [403-5]
Take 5	Designed to assist a worker to identify the hazards associated with a task and the required controls for the job to be done safely.	Take 5 is the simplest safety procedure at the Martabe Gold Mine. As the name suggests, it takes less than five minutes to conduct a Take 5. It comprises a simple checklist that every worker should complete before starting a job.
Job Safety and Environmental Analysis (JSEA)	Designed to assist work teams to identify and plan for the controls required to complete a job safely.	A team-based approach to planning work that entails the step-by-step breakdown of a job into activities, the identification of hazards associated with each activity and the required safety controls. Each worker in the team must sign the completed JSEA to confirm that they understand the hazards and required controls.
Permit to Work (PTW) System	To ensure the safety of workers involved in the servicing, repair or modification of equipment, especially when conducted in complex and hazardous industrial environments.	A permit to work is an agreement signed by both a work team and the supervisor of an operational area that records the controls to be applied for protection of the team against uncontrolled releases of energy (e.g. electricity or liquids or gas under pressure). One of the key controls is equipment isolation, in which a lock is used to prevent equipment from being started, energised or pressurised unexpectedly.
ASA Programme	Designed to address unsafe behaviour in the workplace and support "visible" safety leadership.	Many occupational accidents can be attributed in part to unsafe behaviour. This may range from failure to follow procedure, 'taking shortcuts', ignoring risk or working without due care. At the Martabe Gold Mine, unsafe behaviour is addressed by the Active Safety Agreement (ASA) programme. An ASA is a technique designed to encourage workers to routinely consider the potential consequences Of their actions and the need to work safely, based on a conversation initiated by a member of the management team.
Critical Control Programme	Designed to ensure the reliability and effectiveness of safety controls on major hazards.	Critical safety control is any control on workplace hazards that is essential for preventing serious accidents (common examples include seatbelts in vehicles and safety relief valves on pressure vessels). The PTAR Critical Control programme is designed to increase worker awareness of the critical safety controls involved in their area of work and improve the reliability of such controls through regular inspections and the reporting and management of ineffective or missing controls.

Incident Management

Irrespective of the controls in place to minimise safety risk, accidents and or 'near misses' will always be experienced in the complex and dynamic workplaces typical of mining operations. It is a requirement at the Martabe Gold Mine that all significant safety incidents are reported within 24 hours and investigated. This includes:

- Work-related injuries and "near misses"
- Work-related illnesses
- All vehicle accidents
- Fires within the area of operations
- Chemical spills and the improper storage of hazardous chemicals
- Any inoperable safety system or fire control system

To minimise the risks of recurrence, it is important to determine the causes of workplace accidents and 'near misses' and implement corrective actions that address these causes. Often, however, the causes of workplace incidents are complex and 'hidden'. To meet this need, a standard approach is applied at the Martabe Gold Mine for the investigation of incidents, based on the well-known ICAM methodology. The management of incidents is supported by the use of a server-based incident management system that facilitates automatic reporting of incidents, the implementation of incident investigations and the tracking of corrective actions.

OHS Management Structure and Resourcing

An OHS section is located within the PTAR Environment, Health and Safety Department with responsibility for supporting all other departments with functions including:

- Collation and reporting of safety statistics and KPIs
- OHS reporting to government agencies
- Administration of incident investigations and associated corrective actions
- Coordination of site inspection programmes
- Administration of site-wide programmes addressing safety risk and associated reporting
- Industrial hygiene monitoring
- Management of a site medical clinic
- Implementation of fitness for work programme including annual medical checkups of all PTAR employees
- Facilitation of risk assessment
- Safety awareness programme

There are three other organisational bodies involved in the implementation of OHS management, namely: [403-4]

- Department Safety Committees (P2K3) led by Department Heads, addressing the review and coordination of safety management efforts at the Departmental level.
- A site-level Safety Steering Committee led by Director Operations, addressing the ongoing review of the Company's safety management performance, continuous improvement of the OHS management system, special programmes and safety campaigns, Chief Mine Officer (KTT) statutory responsibilities and oversight of investigations into high potential incidents and near-misses.
- A Martabe HSE Forum, which provides an opportunity for PTAR and site contractor management to come together and review safety incidents, raise any matters of concern, share knowledge, provide feedback on OHS programmes and training and update each other regarding revisions to operational controls such as Codes of Practice.

HSE Committee and Forum Representatives in 2020 [403-1]

Description	Total	Overall Employees of PTAR	Percentage
Safety Committee Department	654	878	74
KTT Safety Steering Committee	878	878	100
HSE Forum	878	878	100

PTAR's Emergency Response Team (ERT) is conducting an exercise to handle COVID-19. ERT has been equipped with personal safety equipment (PPE) and a Call Center to evacuate employees with symptoms at any time.

Our OHS Performance in 2020

PTAR measures safety management performance by each operational department and for the Company as a whole using a balanced set of safety Key Performance Indicators (KPIs) presented in a monthly report is known as the Safety KPI Dashboard.

In 2020 an aggregate safety KPI score of 96% was achieved compared with a target of 90%. This reflected a very high level of compliance with key requirements for minimising the risk of incidents, including:

- Implementation of incident investigations and corrective actions;
- Implementation of monthly Departmental HSE committee meetings;
- Compliance with mandatory safety training requirements;
- Maintaining workplaces in good condition ;
- Active participation of the management team in the Active Safety Agreement (ASA) programme.

The Safety KPI Dashboard also records the completion of another year without a lost-time injury. At the close of 2020 the site had recorded 23,589,750 man-hours lost time injury-free, by industry standards, an outstanding result. A key safety performance indicator in the mining industry is Lost-Time Injury Frequency Rate (LTIFR), being the ratio of lost-time injuries per one million man-hours. 2020 was the third consecutive year in which the Martabe Gold Mine recorded an LTIFR of zero. [403-9]

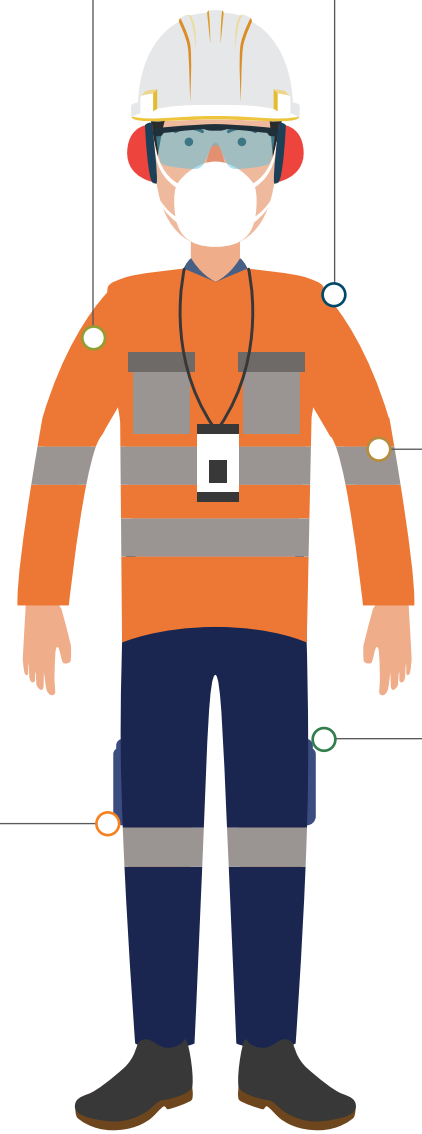
2020 Safety Effort Snapshot - Martabe Gold Mine

Safety Awareness & Communication

- **891** Active Safety Agreements (ASA) Completed
- **140** Departmental Safety Committee Meetings
- **8** Hazard Reporting Recognition Awards
- **15** HSE Alerts & Health Advisories
- **3** Safety Poster Topics
- **12** Monthly Martabe HSE Forum Meetings
- **10** Safety Competitions

Safety Competencies

- **12,988** Hours Attendance Safety Training Courses



Monitoring & Assurance

- **500** Formal Vehicle & Equipment Inspections
- **124** HSE Workplace Inspections
- **53** Hazard/ Non-Conformances
- **67** Workplace Industrial Hygiene Surveys

Incident Management

- **32** Accidents and Near-misses Investigated
- **205** Corrective Actions Completed

HSE Management Systems

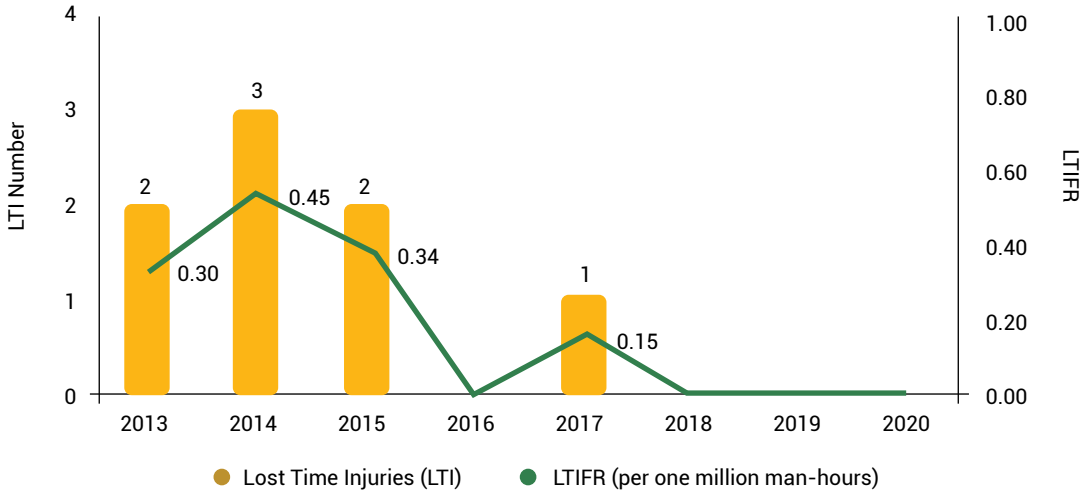
- **25** HSE Codes of Practice
- **672** Standard Operating Procedures
- **91%** SMKP Minerba Compliance Audit Score

Rate and Number of Occupational Incidents

No	Category	2020	2019	2018
PTAR Operational Activity				
1	Occupational Incident	0	1	1
	Minor	0	0	0
	Major	0	1	1
	Fatal	0	0	0
2	Injury Rate (IR)	0	0.43	0.44
3	Lost Day Rate (LDR)	0	0	0
4	Absentee Rate (AR)	78	107	79

No	Category	2020	2019	2018
Partner Companies Operational Activity				
1	Occupational Incident	1	2	0
	Minor	0	0	0
	Major	1	2	0
	Fatal	0	0	0
2	Injury Rate (IR)	0.22	0.38	0
3	Lost Day Rate (LDR)	0	0	0
4	Absentee Rate (AR)	33	42	42

Lost Time Injuries (LTI) and Lost Time Injury Frequency Rate (LTIFR) for the Martabe Gold Mine



KPI scores to measure accidents and safety management performance scores

No	KPI	Measure	Target	2020	2019	2018
KPI scores to measure accidents and safety management performance scores				**96%**	**97%**	**95%**
1	LTIs	# of LTIs	Target, 0 = 100%	100%	100%	100%
2	MTIs	# of MTIs	Recorded	10	18	16
3	FAIs	# of FAIs	Recorded	14	32	27
4	High Risk Incidents	# of High-Risk Safety Incidents	Recorded	16	23	26
5	Hazards Reported	# Hazards Reported	Recorded	53	130	94
6	Incident Investigations	# Overdue Safety Incident Investigations (Average Performance of Departments for the Month)	Target, 0 = 100%	93%	98%	86%
7	Corrective Actions	# All Overdue Corrective Actions from Incident - Safety, Incident - Environment, Hazard/Non-conformance & HSE WCI Events (Average Performance of Departments for the Month)	Target, 0 = 100%	99%	97%	93%
8	Departmental HSE Committee meetings	# of Department HSE Committee Meetings Held	Target, 12 = 100%	100%	100%	100%
9	Workplace Inspections	Quarterly Workplace Inspection Score (Site average Workplace Inspection Score)	Target 90%	93%	93%	95%
10	Industrial Waste Inspection	# of Industrial Waste Inspection Findings	Target 100%	96%	Recorded	Recorded
11	Safety Training	% Mandatory Safety Competencies completed	Target 90%	96%	96%	95%
12	ASAs	% Total ASAs conducted against the target (YTD completed)	Target 100%	99%	100%	98%
13	CCCLs	% Total CCCLs completed against a target (YTD completed)	Target 100%	91%	96%	Recorded

Quarantine employees are waiting for their turn for PCR swabs. PTAR requires employees who will enter and work at the mine site for quarantine and PCR swabs, as an effort to anticipate the spread of COVID-19.

Occupational Health Facilities [403-3] [403-6] [403-10]

The good performance of each worker to carry out his or her work is supported by a healthy physical condition. The PTAR work environment is equipped with health facilities and clinics that can be accessed by all workers and contractors. In addition, as an early treatment effort, a first aid kit is provided in every workplace in case of minor accidents.

Periodic Medical Check-Up (MCU) is obligatory for all workers every year. All MCU activities are facilitated by the Company by cooperating with medical facilities, namely Prodia during the reporting period, as many as 848 workers underwent MCU. The MCU for workers includes:

1. Physical examination
2. Electrocardiography (ECG)
3. Treadmill test
4. Audiometry
5. X-ray
6. Blood and urine laboratory examination

In addition, PTAR also provides health insurance facilities for glasses, dental care and mental health care (psychologists and psychiatrists). Special medical examinations are also carried out for workers in certain circumstances such as high-risk jobs, with additional examinations including:

1. Exposure to blood or body fluids for medical and ERT team workers: HBsAg and Anti-HBs laboratory examinations
2. Exposure to food ingredients for food handlers (cooks): Anti HAV IgM lab examination and stool analysis
3. Exposure to heavy metal hazards for gold room workers: Analysis of heavy metals in urine and blood samples.

However, until 2020, no employee has been identified as having an occupational disease.

Dealing with the COVID-19 Pandemic

The COVID-19 pandemic that disrupted the world in 2020 also brought significant changes to the Martabe Gold Mine. The PTAR Crisis Management Team was activated to provide overall coordination of measures aimed at protecting employees from infection while at the same time maintaining normal operations as far as practicable. PTAR appointed the independent team accountability expert health namely International SOS and PT Prodia Widyahusada, Tbk, besides in collaboration with local government COVID-19 task force.

Controls aimed at minimising the risk of COVID-19 transmission within the Martabe Gold Mine were in a place for much of 2020, including:

- Strict rules for social isolation in the workplace and the wearing of masks
- Body temperature monitoring at the site entrance gate and mess hall
- Installation of hand washing and hand sanitiser facilities in work areas
- Spraying of disinfectants in work, quarantine and isolation areas
- Installation of physical distancing barriers on office desks and vehicles
- Elimination of face-to-face meetings and training classes with the use of video conferencing
- Supporting employee COVID-19 awareness through posters, banners, newsletters, SMS messages, emails and social media
- Provision of quarantine facilities in three cities for employees returning to site, with clearance testing at the end of an isolation period
- Minimising site workforce numbers and employee air travel requirements with the assignment of "nonessential" employees to Work from Home status
- Significantly extending site roster duration, partially to minimise time spent in quarantine but also helping to minimise the frequency of employee air travel
- Minimising the need for local employees to enter the site by the assignment of selected groups to living on-site status
- Random PCR tests for local employees still commuting to work each day
- Preventing interaction between workgroups by offsetting roster change-outs

Dinda Amelia Riski Pulungan, Administration Officer, Human Resources and Erika Pane, Maintenance Helpdesk, Processing (Maintenance), works at the Permata office. PTAR applies social and physical distancing to the work area and is equipped with a table divider.

- Development and implementation of a range of Company procedures addressing quarantine requirements, social isolation and related controls
- Establishing a special clinic for local employees living off-site

A significant number of 'non-essential' local employees were suspended from working at the site for a period of months. Although not working, the Company continued to pay their wages, to minimise exposure to financial stress.

Controls aimed at minimising the risk of COVID-19 transmission within the Jakarta office included:

- A Work from Home roster that minimised the numbers of employees in the office on any day
- Strict social distancing rules
- Installation of hand washing and hand sanitiser facilities
- Cancellation of all unnecessary travel and
- Elimination of face-to-face meetings with the use of video conferencing

With these controls and others, the Company was successful in minimising the impact of COVID-19 on the workforce and maintaining normal operations at the Martabe Gold Mine.

About This Report

The operations of the Martabe Gold Mine have an impact on local communities and its environment as it is located close to communities, agriculture, waterways and forests. Sustainable development is thus crucial for PTAR's social license to operate to ensure that the communities will benefit and not suffer from the Company's activities. This is PTAR's 2020 Sustainability Report, the seventh annual sustainability report for PTAR and will focus on the environmental, social and economic impacts that are caused by the operations of the Martabe Gold Mine. This report has been prepared by the GRI Standards: Comprehensive option Mining and Metal (MM) Oil & Gas Sector Disclosure (OGSS) GRI and is a continuation of the previous report, the 2019 Sustainability Report, published in November 2020. [102-51] [102-52] [102-54] [102-55]

Entities included in this report and the consolidated financial statements are PTAR; including the Martabe Gold Mine and Jakarta Office. This report does not include other entities, since PTAR has no subsidiaries.

The Company's 2020 financial statement was audited by Tanudiredja, Wibisana, Rintis & Rekan (PricewaterhouseCoopers or PwC). This report is externally assured by SR Asia. This appointment is based on approval by the Director and there is no business relationship with any third party. An independent statement is included in the report. [102-45] [102-56]

There are several data restatements in this report, including emission, economic value distributed and seed planting for land rehabilitation. There are no significant changes in reporting practice nor material topics. This report covers data from January 1-December 31 with numerical data comparison for the last three years. A GRI Content Index has been placed at the end of the report. [102-48] [102-49] [102-50] [102-55]

This report comprises seven main sections and five appendices, the purpose and content of which are summarised below.

Section	Purpose
1st Section	Contains the sustainable report theme and how it connects to previous ones, highlights sustainability achievements and awards, as well as memorable events of the year 2020.
Message from the Director	To communicate the Company's commitment to sustainable development and its principles and goals in this regard. To highlight sustainable development performance in 2020 and expectations for the coming years.
Chapter 1: Company's Profile	Information about the Company that provides context for understanding the sustainable management results documented in the report, including organisational and operational profiles.
Chapter 2 : Sustainability Strategy For Sustainable Development Goals & Governance	Describes PTAR's strategy for managing sustainability, approach to impact assessment, corporate governance and stakeholder engagement. It identifies the medium-term objectives and goals related to the management of sustainable development by the Company and provides an overview of sustainability milestones year by year, as a backdrop to understanding the sustainability results for 2020.
Chapter 3: Environmental Performance	Demonstrates how the PTAR meets the environmental requirements and monitors the environmental impacts of its operations constantly.
Chapter 4: Community	An introduction to the history, culture and socioeconomic status of the local communities around the Martabe Gold Mine, key stakeholders in the Company's implementation of sustainable development.

Section	Purpose
Chapter 5: Supporting Economic Development	Highlights how PTAR achieves its objective to develop a long term sustainable business generating positive outcomes for all stakeholders.
Chapter 6: Diversity Management and Competency Development	Describes how PTAR enables its workforce to accelerate business growth and performance as well as their wellbeing.
Chapter 7: Occupational Health and Safety	Reports on the efforts to implement the integrated health, safety and environmental management system which orientates itself on international standards.
About this Report	Explanation of the scope, content and boundaries of this report were established to meet the requirements of the GRI Standards.
Appendix I: GRI Standard Content Index	Presentation of a GRI Standard data table addressing identified material aspects or topics for the PTAR. Cross-referencing the contents of this report against GRI General Standard Disclosures and Topic-specific Standard Disclosures to indicate conformance with GRI reporting requirements.
Appendix II: Glossary	A glossary aimed at making sure that all readers can understand report content irrespective of technical background or familiarity with mining.
Independent Assurance Statement	Independence assurance statement which confirms that PT Agincourt Resources Sustainability Report 2020 has provided appropriate sustainability context and satisfied GRI Standard reporting requirements.
Feedback Form	Providing readers with a form that facilitates feedback on this report.

Material Topic Identification [102-47]

The 2020 Sustainability Report has been prepared based on reporting principles, taking into account the material topics determined. The determination of material topics is based on high-priority issues for the Company in 2020 and discussions with internal and external stakeholders. PTAR also ensured the accordance of report content with SDGs and community empowerment plan based on CMP. There is no change in material topics from the previous reporting period, considering that the topics are still relevant to the Company's sustainability context. [102-46]

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 maintain 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 recognises 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 behaviour 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

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 programmes 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 programmes.

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 that comply 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 corresponds 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

Contact regarding this Report: [102-53]

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22738

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Appendix II:
Glossary

General Terms

All In Sustaining Cost (AISC)
A standardised 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.

Biodiversity
The variety of plants and animals within an ecosystem and the way they live and interact.

Biodiversity Offsets
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.

Contractors
Providers of services to an organization or company based upon agreements written in a contract.

Sustainability Governance
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.

Downstream Waters
Rivers, streams and lakes that receive flow from a defined area.

Environmental Impact Assessment (AMDAL)
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).

Haul Roads
Roads designed for use by large dump trucks at the mine sites.

Lost Time Injuries (LTI)
A work-related injury that causes the employee to miss the next regularly scheduled work shift.

Lost Time Injury Frequency Rate (LTIFR)
A ratio of the number of LTIs per million hours worked: LTIFR = LTIs X 1,000,000 / total hours worked.

Mineral Resource
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.

Mine Closure Plan
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.

Ore Reserve
The economically mineable part of the mineral resource. It is the ore reserve that determines mine life, together with the production rate.

Oxidation
The reaction of material is typically due to exposure to oxygen and water (rust is a result of oxidation).

Plant Nursery
A plant Nursery is a facility where trees and plants are propagated and grown to size good for planting.

Processing Plant
The facility where ore is processed to extract metals such as gold and silver.

Raw Water
Clean water (e.g. rainwater runoff or water from streams or rivers).

Rehabilitation
The process of reclaiming land disturbed by mining activities to a safe, stable and productive state.

Remuneration
Basic wage or salary plus any additional amounts paid to employees such as bonuses, overtime and special allowances.

Tailings Dams
Dams used to hold water for a period to allow sediments (fine soil and rock particles) to settle out.

Social license to operate
A refers to a local community's acceptance or approval of a company's project or ongoing presence in an area.

Suppliers
Organizations or people that provide a product or service used by another organization or company.

Surface Mining
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).

Sustainability
Development that meets the needs of current generations without compromising the ability of future generations to meet their own needs.

Tailings
The fine rock slurry that remains after the minerals of value has been recovered in a processing plant.

Tailings Storage Facility (TSF)
A structure for the permanent storage of tailings (typically comprising an embankment or wall enclosing the tailings).

Waste Rock
Rock mined from a pit that contains insufficient mineralization for treatment and has no economic value.

Water Balance
A calculation of total water held within a system or structure taking into account water inflows and water outflows over time.

Water Polishing Plant
The facility at the Martabe Gold Mine that removes any contamination from site processing water so that it is safe to release.

GRI Terms

Disclosures
Information about a company and its relationship with its stakeholders is reported in its sustainability report.

General Disclosures
Disclosures that set the overall context for a sustainability report, describing the organization and its reporting process. They apply to all organizations irrespective of their identified material aspects.

Global Reporting Initiative (GRI)
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.

Indicators
GRI reporting requirements dealing with specific issues of the material aspects.

Material Topic
Those aspects of an organization that reflect its significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders.

Stakeholders
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.

Independent Assurance Statement

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Independent Assurance Statement

The 2020 Sustainability Report of PT Agincourt Resources

Number : 010/000-174/VI/2021/SR-Asia/Indonesia
Type/Level : 1 and 2/Moderate

Dear stakeholders,

PT Agincourt Resources ("the Company" or "the Reporting Organization") is a limited liability company operating in the exploration, processing, and mining of minerals, especially gold and silver. The company headquarter is in Jakarta, and the main operating site is in Sumatra Island, Indonesia. As part of its commitment to sustainability, the company has developed and published a sustainability report ("the Report") for the reporting period of January 1st to December 31st, 2020. Social Responsibility Asia (SR Asia) is bestowed for conducting the assurance process as per AA1000AS v3 and issuing an Independent Assurance Statement ("the Statement").

Intended User and Purpose

The purpose of this statement is to communicate the results of the overall assessment of the Report, data, and stakeholders' consultation. It presents SR Asia's opinion, findings, and recommendations on the Report content, including its sustainability commitments, governance, strategies, and achievements during the reporting period. SR Asia has performed the assurance work as per the agreed scope, mechanism, and procedures with some limitations based on the best globally accepted standards and best practices. This statement shall NOT be used as the basis for interpreting the sustainability or the whole performance of the Reporting Organization, except for the areas covered in the scope of assurance work. SR Asia does NOT owe any responsibility and accountability for any kind of claim to any matter, data, and information covered outside of this report.

Responsibilities

Responsibilities of both SR Asia and the Management[1] in the assurance work are described in the Non-Disclosure Agreement and the Engagement Agreement documents. The Report content including the presentation of data, figures, and information is the sole responsibility of the Management, while SR Asia is responsible to provide an assurance service, NOT an audit, on the Report. SR Asia is also responsible to come up with conclusions and recommendations including the Statement derived from the results of assurance work based on the agreed standards and methodology. SR Asia has NO responsibility to disclose the results of assurance work for any other purpose or to any other person or organization, except to the Management. Therefore, any dependence placed by a third party on the Statement or the Report is entirely at its own risk.

Independence, Impartiality, and Competency

The assurance work was assigned to a team having expertise, in-depth knowledge, and experience on AA1000 AccountAbility principles and standards, ISO 26000 implementation projects, as well as sustainability report writing and assessment based on GRI Standards and POJK 51/2017. During the assurance work, SR Asia is abided by a professional code of conduct and work procedures to ensure the objectivity and integrity of the Assurance Team. There are NO relationships between the Experts and the Company that can influence their independence and impartiality in generating the Statement.

[1] Management of the Company

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Description and Source of Disclosures

The Assurance Team started the assurance work process with a briefing on the company, and an analysis of the draft report shared by the company. Then, it was followed by online meetings between the Assurance Team and the Management to share and discuss the results of the preliminary assessment, review findings, and recommendations for further improvements. The Assurance Team also traced back data and information in the Report content to the data source, and evaluated public information online significantly related to the disclosures in the Report content. While executing assurance work, the reference standard used was AA1000 Assurance Standard v3, SR Asia Protocol for Assurance Analysis, and SR Asia Great (digital platform) for collecting data and information digitally to perform the assessment adhering to the highest standard and best practices in the Industry.

Type and Level of Assurance Service

1. **Type 1 assurance** on the Report content with respect to the AA1000 Assurance Standard v3 and AA1000APS (2018) AccountAbility Principles.
2. **Type 2 assurance** on particular material topics of environmental compliance and occupational health and safety.
3. A **moderate level of assurance** procedure on the Report content and evidence, where **the risks of information and conclusions of the Report being error is reduced, meaning not reduced to very low, but not zero**.

Scope and Limitation of Assurance Service

1. Material topics as defined in the Report are **economic performance; environmental compliance; rehabilitation and mine closure; occupational health and safety;** and **gender diversity.**
2. Disclosures of data and information in the Report for the reporting period of January 1st to December 31st, 2020.
3. Adherence to the consolidated set of GRI Sustainability Reporting Standards 2020 ("GRI Standard") and GRI G4 Metal and Mining Sector Disclosure ("GRI-G4 MM") issued by the Global Reporting Initiative;
4. Evaluation of the adherence of publicly disclosed information, system, and process of the Company to the sustainability reporting principles.
5. SR Asia did NOT include financial statements, data, information, and figures in the Report content except those specified in the material topics and scope of assurance work. SR Asia assumed that the Company, or independent parties, or other parties associated with the Reporting Organization, have verified and/or audited any data and information related to financial statements, and therefore are out of the scope of this work.

Exclusion

1. Data and information in the public domain not covered in the reporting period or outside the reporting period.
2. Topics that are not covered in the Report content or not included in the materiality identification section.
3. Financial statements or financial data, information, and figures other than those presented in the Report content.
4. Forward-looking statements in the Report content indicating the Company's opinion, belief, expectation, advertisement, future planning, or strategy.
5. The Company's stakeholder engagement practices served as the basis for Report content development.

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Methodology

1. The Assurance Team members are subject experts for the assignment in Indonesia.
2. The Assurance Team conducted a pre-engagement protocol to ensure independence and impartiality in the assurance work.
3. The Assurance Team carried out a preliminary assessment on the draft report submitted by the Company and started with a kick-off meeting with the Management.
4. The disclosures in the Report content were assessed against the standards, principles, and indicators of AA1000AS v3, AA1000APS (2018), GRI Standard, and GRI-G4 MM.
5. Online discussions between the Assurance Team and the Management were carried out to verify the results of the initial analysis including conclusions and recommendations for improvements on the Report content.
6. The Assurance Team assessed and traced the indicators data back to the evidence documents provided by the Reporting Organization, and analyzed the Report content following the SR Asia Protocol on Assurance Analysis as well as using the SR Asia Great Assurance Tool digital platform.
7. The Company together with its sustainability reporting consultant improved the Report content based on the recommendations from the Assurance Team.
8. The Company submitted the revised Report to the Assurance Team for final analysis.
9. The Assurance Team developed and issued the Statement based on the results of the analysis.

Adherence to AA1000AP (2018) and GRI Standards

Inclusivity – The Assurance Team has concluded that the presentation of key stakeholder groups by the Company in the Report is inclusive. The Company has also demonstrated commitment to being accountable for the impacts of its business activities on the environment and stakeholders. Overall, stakeholder engagement by the Company is managed in a more practical rather than in a strategic way through different approaches and methodologies engaging various functions or units in the organization. Engagement with the local community is through the Martabe Consultative Committee that provides recommendations and directions to the Management and facilitates remediation of grievances.

Materiality – Overall, material topics that are presented in the Report can describe the sustainability context of the Reporting Organization. Material topics specified in the Report content also cover a wide range of economic, environmental, and social aspects of the Reporting Organization. The Company has considered gender equality as a material topic to accommodate local concerns from the key stakeholders, especially the local community and the local government. The Company is recommended to conduct materiality testing with credible references/ standards as applicable for determining material topics in the next sustainability report.

Responsiveness – The Company has demonstrated its commitment by responding to the material topics and stakeholders' concerns. To respond to grievances, especially those from the local community, the Company has the Grievance Redressal Procedure in place. There are committees established in the Company for coordinating responses and communicating with key stakeholders. The Committees' scope of work covers a wide range of issues, including gender diversity, risk management, occupational health and safety, water, and waste. The Company also has a set of training programmes to strengthen its capabilities in managing responses.

Impact – In general, the presentation of qualitative data and narrative information regarding the impacts of the Company's decisions and activities on the environment and stakeholders is adequate. The Company has also presented exceptional data and information about gender equality, environmental management, occupational health and safety, and water balance in the Report. However, the Company should consider disclosing data and information that is omitted in the Report due to data administration issues, secrecy policy, or legal status as a limited liability company in the future reporting practices to increase transparency.

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In "Accordance" with Comprehensive Option – The Company has prepared the Report content following the **comprehensive option** of GRI Standards. All requirements of GRI general disclosures are fairly presented In the Report. All disclosures of each material topic are addressed in the Report as per disclosure of management approach (DMA), and also presentation of the sector supplement indicators is acceptable.

GRI Standards Principles

Overall, except for the timeliness principle, the Report content moderately indicates its adherence to the Principles for Defining Report Content (stakeholder inclusiveness, sustainability context, materiality, and completeness) and the Principles for Defining Report Quality (balance, comparability, clarity, accuracy, and reliability). It is suggested for the Company to improve its adherence to timelines principle in the future sustainability report.

Type 2 Assurance – The Assurance Team has concluded that the mechanism, process, and control system of the Reporting Organization in managing its material topics of environmental compliance and occupational health and safety is satisfactory. The Company has also engaged key stakeholders, such as the local community and government, to measure its operational impacts on the environment and society. External and internal validations on the performance of those material topics have also been in place.

Recommendations

1. Materiality testing should be aligned to AA1000 standards and principles as a basis to define material topics to strengthen its adherence to the materiality principle and report in future sustainability reporting
2. Timely issues and publication of sustainability reports to demonstrate commitment to stakeholders.
3. Perform stakeholder engagement using national or international standards to align the same of current business strategy for attaining sustainable business.

The assurance provider,

Jakarta, 30th of June 2021

Birendra Raturi
International Director
Social Responsibility Asia

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Country Director for Indonesia
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Feedback Form

The 2020 PTAR Sustainability Report aims to provide an overview of the financial and sustainability performance. We would like to receive your input, criticisms and suggestions by e-mail or through this form.

1. The Report is easy to understand.
   ☐ Agree ☐ Neutral ☐ Disagree
2. This Report describes the Company's performance in sustainability development.
   ☐ Agree ☐ Neutral ☐ Disagree
3. This Report is useful to you.
   ☐ Agree ☐ Neutral ☐ Disagree
4. Material topic(s) which is (are) the most important to you: (score 1=least important up to 4 = most important).
   ☐ Economic Performance
   ☐ Mining Rehabilitation and Closure
   ☐ Indirect Economic Impact
   ☐ Gender Diversity
   ☐ Environmental Compliance
   ☐ Occupational Health and Safety
   ☐ Local Communities
   ☐ Employment
5. Kindly provide your inputs/suggestions/comments about this Report.

.....

.....

Your Profile

Name : .....
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 return this feedback form back to:

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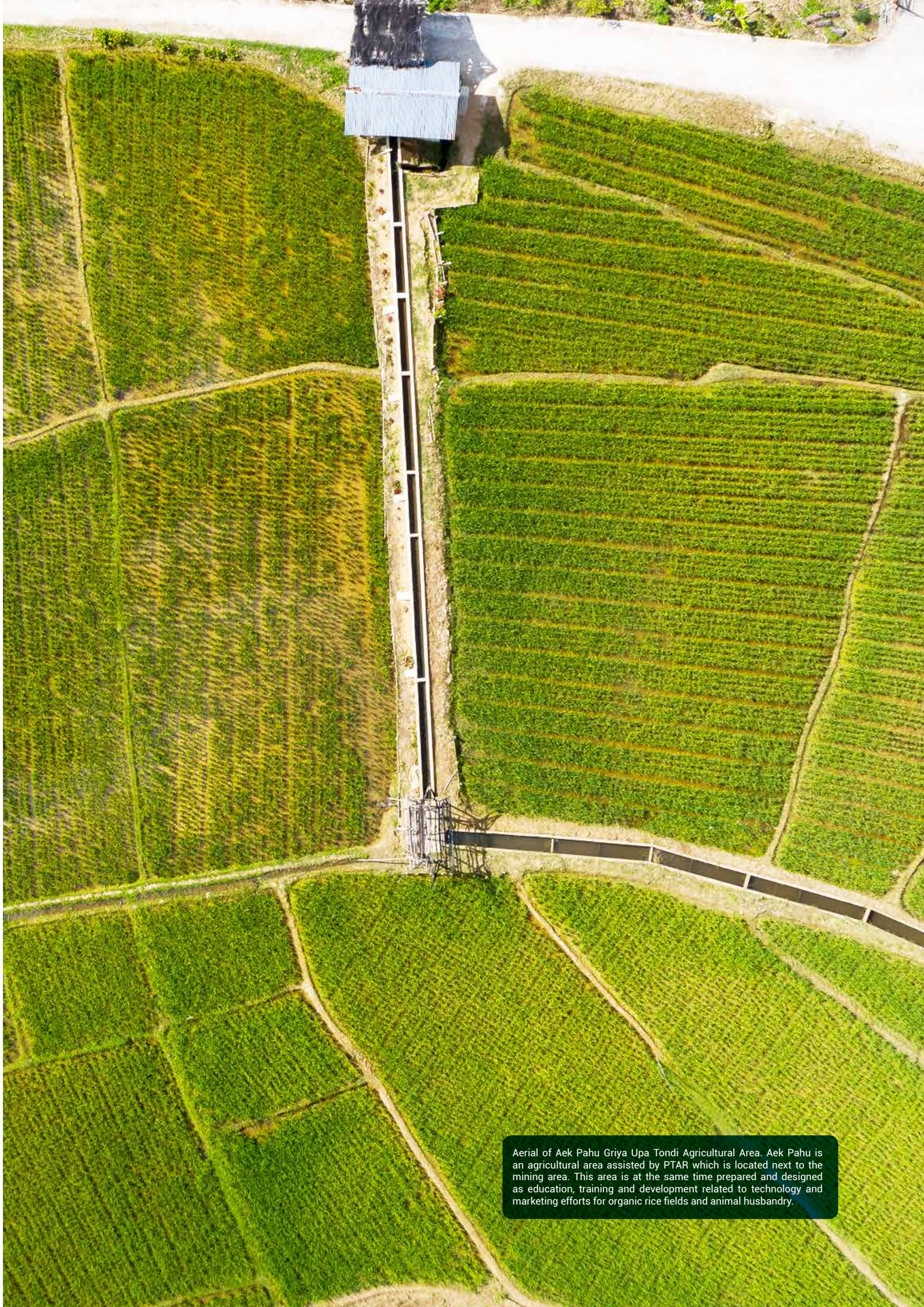

Aerial of Aek Pahu Griya Upa Tondi Agricultural Area. Aek Pahu is an agricultural area assisted by PTAR which is located next to the mining area. This area is at the same time prepared and designed as education, training and development related to technology and marketing efforts for organic rice fields and animal husbandry.

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Sustainability Report

2020

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