



Balancing Biodiversity, Strengthening Sustainability

Sustainability Report

2021



Disclaimer

This Sustainability Report contains the plans, projections, strategies and objectives of PT Agincourt Resources (PTAR), which are not statements of historical facts and need to be understood as forward-looking statements based on applicable laws. There is no guarantee that the future results anticipated or indicated by the Company's statements will be achieved.

The terms "the Company", "PTAR" and "We" refer to PT Agincourt Resources.

About This Report

This is the Company's 2021 Sustainability Report which focuses on the Company's environmental, social and economic impacts. This report covers the performance disclosures from 1 January to 31 December for the year 2021, with numerical data comparisons for the previous three years. All information presented in this report was gathered from the Company's headquarters in Jakarta and its operational site for each material topic.

This sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Comprehensive option and the Mining and Metal (MM) of the GRI. This report is a continuation of the previous 2020 Sustainability Report published on September 2020. Entities included in this report and the consolidated financial statements are PTAR, including the Martabe Gold Mine and the Jakarta Office. This report does not include other entities since PTAR has no subsidiaries. The Company's 2021 Financial Statement was audited by Tanudiredja, Wibisana, Rintis & Rekan (PricewaterhouseCoopers or PwC). [\[102-51\]](#) [\[102-52\]](#) [\[102-54\]](#) [\[102-55\]](#)

This report has also been externally assured by SR Asia. This appointment is based on approval by the Director and there is no business relationship or conflict of interest with any third party. An independence statement has been included in this report. [\[102-45\]](#) [\[102-56\]](#)

There were no data restatements in this report. There were no significant changes in reporting practice or material topics. A GRI Content Index has been placed at the end of the report. An Appendix has been placed at the end of the report containing comprehensive data and statistical information on the Company's sustainability performance. [\[102-48\]](#) [\[102-49\]](#) [\[102-50\]](#)

Theme

Throughout 2021, the Company increased its focus on ecosystem balance, particularly on biodiversity conservation. The Company contributes to the improvement, maintenance and preservation of the surrounding environment through the spirit of 'Sustainable Biodiversity is the Key.' All aspects of the environment will be a concern, particularly in terms of ensuring the management of its effects on future generations.

The Company believes that preventing environmental damage is one of the mitigation measures that all companies must take on a global scale. Additionally, preserving nature's balance and the viability of ecosystems with a diverse range of flora and fauna will significantly reduce environmental risks by averting further damage. In the long term, the balance of life within ecosystems contributes to the creation of sustainability and biodiversity.

Balancing Biodiversity, Strengthening Sustainability

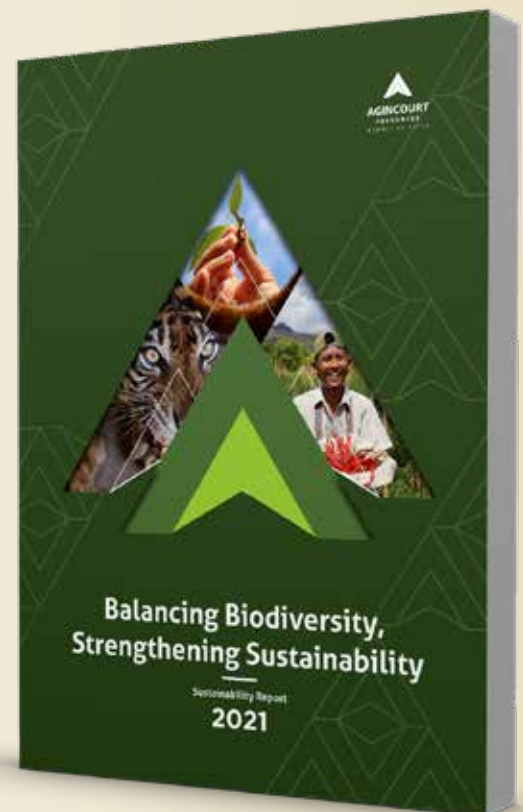




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Nuryakin Galingging and Adam Panggabean, Village Based Development Officers of the Community Development Department, in the rice fields of Pulogodang Village, Batangtoru District. These rice fields obtain their water from a solar-powered irrigation facility supported by PT Agincourt Resources (PTAR).

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Sustainability Performance Overview



Biodiversity & Environment

1,110,022

Total Energy Consumption
(GigaJoule)

2020 >> 1,086,670*
2019 >> 1,245,769

64,582

Total Direct GHG Emissions
(CO₂ Tonnes Equivalent)

2020 >> 52,371*
2019 >> 62,489



Economic Performance

USD '000 Unless Otherwise Stated

242,648

Net Profit After Tax (NPAT)**

2020 >> 187,246
2019 >> 215,792

114,078

Total Tax and State Revenue**

2020 >> 80,608
2019 >> 112,352

35,200

Wage and Benefit Payments to
Employees

2020 >> 28,315
2019 >> 28,172

12.9

Procurement of Goods
and Services from Local
Contractors and Suppliers

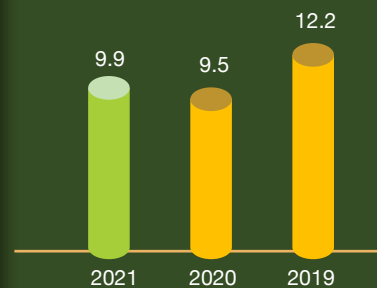
2020 >> 16
2019 >> 11.4



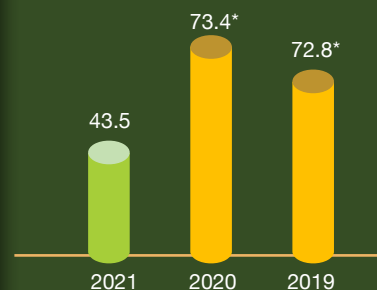
Operational Performance (Output)



Gold (Tonnes)



Silver (Tonnes)



Note :

* Restatement of the 2020 Sustainability Report

** The data is based on accrual basis

4,777

Waste Management (Tonnes)

2020 4,664

2019 5,538

14,775,098

Water Management (m³/year)

2020 16,083,790

2019 12,697,027

8,000

Seedlings Planted

2020 2,399

2019 1,866



Social Performance

1.0

Community Empowerment Costs (Million Dollars)

2020 1.9

2019 1.1

1

Lost Time Injuries

2020 0

2019 0

80.64

SMKP Minerba Audit Score (%)

2020 91.31

2019 80.65

24,129

Total Training Hours (Hours)

2020 12,988

2019 16,913

73.92

Percentage of Local Employees (%)

2020 73.71

2019 73.55

7

Percentage of Local Employment in Senior Management Position (%) [202-2]

2020 7

2019 7

2021 Sustainability Milestones of PTAR



16 February 2021

Submission to the Regional Government of each laboratory test result for residual water outlines PTAR's commitment and was witnessed by the community representing the Integrated Team in Sopo Daganak, Batangtoru District. PTAR submits the results of this lab test every 3 months.



5 June 2021

The 2021 Environment Day commemoration was held at Martabe Gold Mine with the theme Biodiversity and The Balance of Ecosystem by planting 300 trees.



4 May 2021

Outreach to the media to convey the commitment to environmental preservation with the title Agility & Adaptability.



2 June 2021

Employee socialization regarding Virtual Health Talk (VHT) in commemoration of Environment Day with the theme "Let's be Healthy and Sustainable with Minimal Processed Waste".



17-18 June 2021

The Ministry of Environment led the Biodiversity Workshop #1, which was hosted by PTAR. This workshop aimed to enhance the understanding of management as a prerequisite for the formulation of biodiversity management policies, strategies and actions.



2 - 28 Nov 2021

Organized the signing of an agreement with Green Planet Indonesia to monitor the biodiversity surrounding the Martabe Gold Mine in Batangtoru.



28 November 2021

The local community planted a total of 5,000 tree seedlings at various locations within and outside the Martabe Gold Mine area in Batangtoru, South Tapanuli.



Awards



Awards

12 March 2021

BLUE PROPER AWARD Environmental Management Year 2019-2020

The Ministry of Environment and Forestry

29 September 2021

GOOD MINING PRACTICES AWARD Main Award in the environmental management aspect of mineral and coal mining

The Ministry of Energy and Mineral Resources



National Association Membership [102-13]

Association of Indonesian Mining Professionals (PERHAPI) North Sumatra as Chairman

Indonesia Mining Association as Member

TO THIS DATE, PTAR HAS JOINED 2 INTERNATIONAL INITIATIVES:

01

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;

02

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; [102-12]





Agustina Hutapea, Rehabilitation Senior Field Assistant of the Environment Department, processes sawdust into compost at the nursery facility. This compost will be utilised for local reclamation plant nurseries within the operational area of the Martabe Gold Mine.

Report from the President Director [102-14]

“

In 2021, the Company distributed USD85.4 million in dividends to shareholders, generating USD580.6 million in total economic value, a 20.6% increase compared to the USD 481.4 million in 2020.

MULIADY SUTIO
President Director

Dear distinguished Shareholders and Stakeholders,

On behalf of the Board of Directors, I am pleased to present PTAR's 2021 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.

The COVID-19 pandemic continues to have a profound effect on each of us, whether through personal loss, economic hardship, or a host of other challenges. I would like to first express my heartfelt condolences to those who have lost loved ones. At the same time, I have been able to witness the collective perseverance and resolve of humans during this adversity, which has resulted in a rapid – albeit uneven – return to a 'new normal' following the COVID-19 vaccine. As a result, the global economy has gradually recovered, even as the COVID-19 pandemic resurfaces in various forms.

Throughout the pandemic, the Company has remained resilient and worked tirelessly to fulfil our most fundamental responsibility: supporting our employees, communities, partners and the environment. Our three pillars of environment, people and economy have provided us with a robust framework that has proven effective in even the most trying times, as demonstrated by the COVID-19 pandemic. I can confidently state that COVID-19 had no detrimental effect on the Company's sustainability or financial performance; our growth has accelerated.

Sustainability Commitment and Strategy

PTAR continues to implement the plans and objectives established in 2020 to ensure that its operational and financial progress and accomplishments are balanced in environmental, social and economic performance. We continue to define new objectives and initiatives in response to changing dynamics on both the internal and external fronts. Through our dialogues with stakeholders and external consultants, we are able to continue to benefit all of our stakeholders, particularly those most in need. We are fully committed to resolving the issues that matter most to our stakeholders – including environmental and biodiversity conservation, community empowerment and health & safety environment.

Biodiversity & Environmental Performance

PTAR is conscious of the responsibilities of being a significant mining company and producer of gold and silver. We are also mindful of the inextricable links between our operations and the environment. Thus, we take our responsibilities very seriously as a company in managing these links and their impacts. Against this backdrop, PTAR follows strict environmental management protocols aligned with the appropriate environmental regulations regarding pollution, water, waste, energy and biodiversity management. In 2021, the Company continued its fundamental, structured and collaborative environmental programs with all stakeholders.



PTAR operates on the outskirts of Batangtoru Forest, where the Sumatran tiger (*panthera tigris sumatrae*) and the Tapanuli orangutan (*pongo tapanuliensis*). To safeguard biodiversity, forest habitats are rehabilitated and reclaimed regularly. The PTAR Code of Ethics for Biodiversity Management summarises all environmental management initiatives.

Our 2021 biodiversity action plan centered on enhancing the quantity and quality of the rehabilitation/reclamation/revegetation programme by intensifying the dispersal of local seeds using seed balls and enhancing habitat quality through the green zone to reduce human-animal conflict caused by spatial competition. We actively support and collaborate with relevant external parties in preserving biodiversity.

Similarly, the safety of tailings disposal is the Company's top priority; a comprehensive set of measures have been put in place to ensure that the risk associated with the Martabe Gold Mine Tailings Storage Facility (TSF) is minimised through industry-leading practices.

Community Relations

PTAR has continued its Community Development Programmes in 2021 as part of the comprehensive implementation of its Corporate Social Responsibility (CSR) Programme that encompasses five core pillars: Health, Education, Local Business and Economic Development, Public Infrastructure and Community Relations. We have continued and even further pushed our programmes throughout the pandemic, doing our part by leveraging our expertise in business and CSR to provide social, environmental and economic benefits to all our local stakeholders.

PTAR was still able to allocate a portion of its CSR funding towards COVID-19 relief initiatives. Medical goods and equipment were procured in collaboration with the municipal and regional governments and doctors were deployed to help local medical centres beyond the scope of standard programmes. This year, the total costs incurred by PTAR for handling the COVID-19 pandemic reached USD5,562,224. Furthermore, the company initiated vaccination and booster drives in its surrounding operational sites. In 2021, we conducted 132 CSR activities with a total of 20,826 beneficiaries, with a total spent USD997,186 to support the implementation of community development and empowerment activities. These social programmes and benefits extend to worker health and safety, which the Company takes it seriously, especially during the pandemic.



Economic Development Support

As the global and national economy gradually recovers as a result of our efforts to adapt to the pandemic, so do our operations and financial performance. Gold and silver metal production and sales conformed to PTAR's parent company's approved plan. To gain a comprehensive understanding of our economic and financial performance, we recommend that you read this Report in tandem with our 2021 Annual Report.

Closing

We believe that by pursuing a holistically integrated and multi-stakeholder approach to improving and balancing the Company's economic, social and environmental performance, we can ensure the business continuity, generate quality business scale growth and contribute to the achievement of various sustainability goals. PTAR will maintain and continuously improve its sustainability performance in 2022, mitigating the risks associated with a global pandemic.

Finally, on behalf of the Board of Directors, I would like to take this opportunity to thank you for your continued interest in PTAR's sustainability-related performance. This would not be possible without all those who work at and with PTAR, whose continued efforts ensure the success of the Company.

Jakarta, June 2022



MULIADY SUTIO
President Director



Martabe Gold Mine processing plant. The processing plant of PT Agincourt Resources (PTAR) increased its throughput from 6.1 million tonnes in 2020 to 6.16 million tonnes in 2021. In 2021, the milling rate rose to 755 tonnes per hour (tph) from 733 tph in 2020.

01

COMPANY PROFILE



PTAR is a prominent mining company in Indonesia, specialising in the exploration and mining of precious metals such as gold and silver. The Company's primary operating site is the Martabe Gold Mine in the Indonesian province of North Sumatra, while our headquarters in Jakarta facilitates and manages the corporate functions of the Company.

The Company's majority shareholder is PT Danusa Tambang Nusantara (95%), which is owned by PT United Tractors Tbk (60%) and PT Pamapersada Nusantara (40%). The remaining 5% of the shares are held by the local governments of South Tapanuli Regency and North Sumatra Province via PT Artha Nugraha Agung. Furthermore, until the end of 2021, no changes were made to the location of the Company's operational activities or its share capital structure. [102-10]

PTAR at A Glance



Company Name [102-1]
PT Agincourt Resources



Website
www.agincourtresources.com



Date of Incorporation

14 April 1997



Company Status
Domestic Investment



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 12310 Indonesia.
(t) 6221 – 80672000
(f) 6221 – 7592 2818
(e) Martabe.CorporateCommunications@
agincourtresources.com



Mining Location [102-4]
Martabe Gold Mine

Jl. Merdeka Barat km 2,5
Kelurahan Aek Pining, Kecamatan Batangtoru,
Kabupaten Tapanuli Selatan, Sumatra Utara 22738
Indonesia



Line of Business and Product
Mining, Gold and Silver



Number of Employees

1,342 PTAR and outsourced employees
of 31 December 2021 (925 Temporary
and 417 Outsourced Employees)

95%
PT Danusa
Tambang
Nusantara



Shareholders
[102-5]

5%
PT Artha
Nugraha
Agung



Authorised Capital

USD85,000,000 or equal to
Rp692,115,000,000, consisting of 5,000,000 A
Series shares and 80,000,000 B Series shares.



Issued and fully paid capital (share)

USD85,000,000 or equal to Rp692,115,000,000,
consisting of 5,000,000 A Series shares and
80,000,000 B Series shares.



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.

Markets Served

 [102-2] [102-6]

Bullions from the Martabe Gold Mine are refined in a state-owned refinery in Jakarta for export and sale. Because gold and silver are commodities, PTAR does not brand or advertise its products. Purity percentage and physical form (granules) are the primary specifications for customer purchases. Our primary customers are banks based in Singapore.

Sustainability Milestones for the Past Three Years

The sustainability roadmap and milestones established by PTAR reflect the Company's commitment to and pursuit of excellence in its sustainability performance. The following highlights some of the significant milestones we have achieved thus far.



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 Subdistrict Office to the local government with a total area of 3,600 m². The office complex was also equipped with other facilities such as a fire station and libraries for children.

Inauguration of Martabe substation MT-01 feeder with 10 MVA transformer capacity, with PLN UIW North Sumatra UP3 Padangsidimpuan. It is expected to help PLN 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 occupational disease targets.

2020

Handed over 'Rambin Martabe' – a hanging bridge located in a Sumuran Village in the Batangtoru Subdistrict. The Rambin Martabe Bridge, which 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 were also inaugurated to be managed by the Karya Mulia Bhakti Cooperative in Sumuran village, Batangtoru Subdistrict.

● Social ● General ● Environment

2021

Construction of clean water facilities in the Village of Batuhoring, Batangtoru, including a water reservoir (intake), 1,520 meters of high-density polyethylene (HDPE) pipe and five water pipes furnaces with two water taps are 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 and supports the Open Defecation-Free Programme as one of the Community-Based on 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.

Secured an award from the Director-General of Conservation of Natural Resources and Ecosystem (DJKSDAE) for the support in releasing the Sumatran tiger 'Sri Nabilla' 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, the 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.

Handover 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).

Distributed Rp 1.51 billion to 246 outstanding students for the 2021/2022 academic year of the Martabe Prestasi Scholarship.

Became Best of The Best in the CSR Indonesia Awards 2021. Won eight awards in various categories, namely Annual Report, Micro, Small and Medium Enterprises, Agricultural, Disaster Risk Reduction Program, Education, Art and Culture Preservation and Health.

Handed over the renovation of the Batuhula Village Suspension Bridge and Clean Water Pipeline, Aek Pahu.

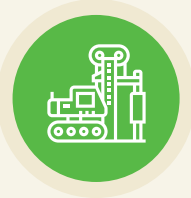
Planted more than 8,000 tree seedlings this year. A total of 5,000 tree seedlings were planted at several points inside and outside the Martabe Gold Mine area. PTAR has planted more than 41,000 tree seeds since 2012, with the potential oxygen production of approximately 18 million kgs per year and carbon gas absorption around 1 million tonnes per year.

Continued our partnership with the Persamuhan Bodhicitta Mandala Medan Foundation (YPBMM) for the Sumatran tiger conservation program by donating one unit of a Toyota Hilux Single Cabin animal rescue car and work & safety equipment to Barumon Nagari Wildlife Sanctuary (BNWS), along with animal cages and rescue equipment under the specifications of the Regulation of the Director-General of Resources Conservation.

Received the Soebroto Award for Non-Tax State Revenue in the Mandatory Payer category with the highest level of payment compliance in the sub-category of Contract of Work (COW) holders from the Ministry of Energy and Mineral Resources and Main Award of Good Mining Practices Award in the environmental management aspect of mineral and coal mining.

● Social
 ● General
 ● Environment

Business Process [102-2]



Exploration

Exploration activities in the field is generally limited to small drill pads in addition to several camps for workers. Material and personnel movement to the drill pads are 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 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 at most mines.



Processing

The processing 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.

The Martabe Gold Mine requires various inputs and produces various products in addition to gold and silver. These inputs and outputs must be managed carefully across a range of activities, including transportation, storage, handling, utilisation, collection and disposal. Since operations began, the management of these activities has been quite successful, with no significant issues. This success demonstrates the systematic application of risk mitigation controls at the Martabe Gold Mine.

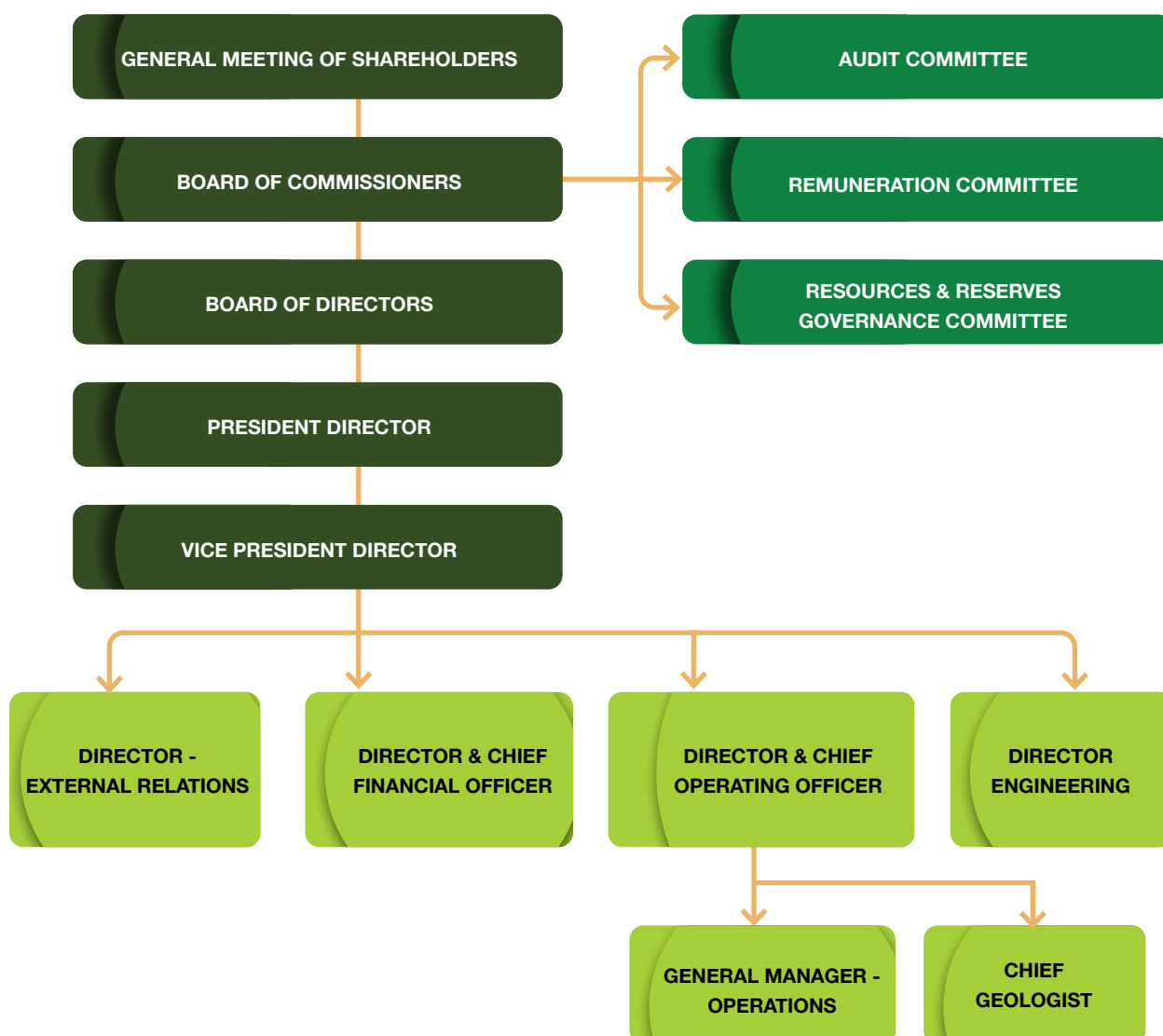


Organisational and Management Structure

PTAR's organisational structure is divided into Executive and Supervisory levels. The Executive branch is led by the President and Vice President Director, who are responsible for key operational aspects such as 1) External Relations; 2) Finance; 3) Operations; 4) Exploration; and 5) Engineering.

Meanwhile, the Board of Commissioners oversees all supervisory functions, including the: 1) Audit Committee; 2) Remuneration Committee; and 3) Resources and Reserves Governance Committee. 4) Biodiversity Committee

The graph below illustrates the organisational and management structure of the Company.



Vision, Mission and Core Values [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.



Respect

to every individual, culture and the environment.



Excellence

via effort, enthusiasm and commitment.



Action

via performance and delivery of our commitments.



Transparency

via openness, listening skills, engagement and honesty.

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

Organisational Scale ^[102-7]

Description	2021	2020	2019
Number of Operations (Countries) ^[102-4]	1	1	1
PTAR Employees (People)	925	878	858
Outsourcing Employees (People)	417	318	531
Total Workforce (People)	1,342	1,196	1,389
Revenue (Million USD)			
Total Sales	580	481	561
- Gold	547	439	525
- Silver	34	42	36
Total Capitalisation	594	581	575
Total Assets	984	805	767
Output (Ounce)			
Gold Poured	321,431	306,594	391,031
Silver Poured	1,399,440	2,360,694	2,340,707

Supply Chain ^[102-9]

Various suppliers and service providers support the operations of the Martabe Gold Mine, including the following:



Logistics services contractors who manage the transportation of goods purchased nationally and internationally;

Another major site contractors that are involved in the provision of medical, laboratory, site security, camp administration and catering, geotechnical engineering and drilling services;

Security service providers that are responsible for the secure transport of bullion from the site to a refinery in Jakarta and subsequent delivery of gold and silver to buyers;

Several consultants companies who provide specialised recommendations and technical studies; and

Other necessary purchasing contracts include bulk chemicals, grinding media, fuel, lubricants and spare parts.

Key Material Inputs and Outputs of Martabe Gold Mine in 2021 [301-1]





02

SUSTAINABILITY STRATEGY & GOVERNANCE

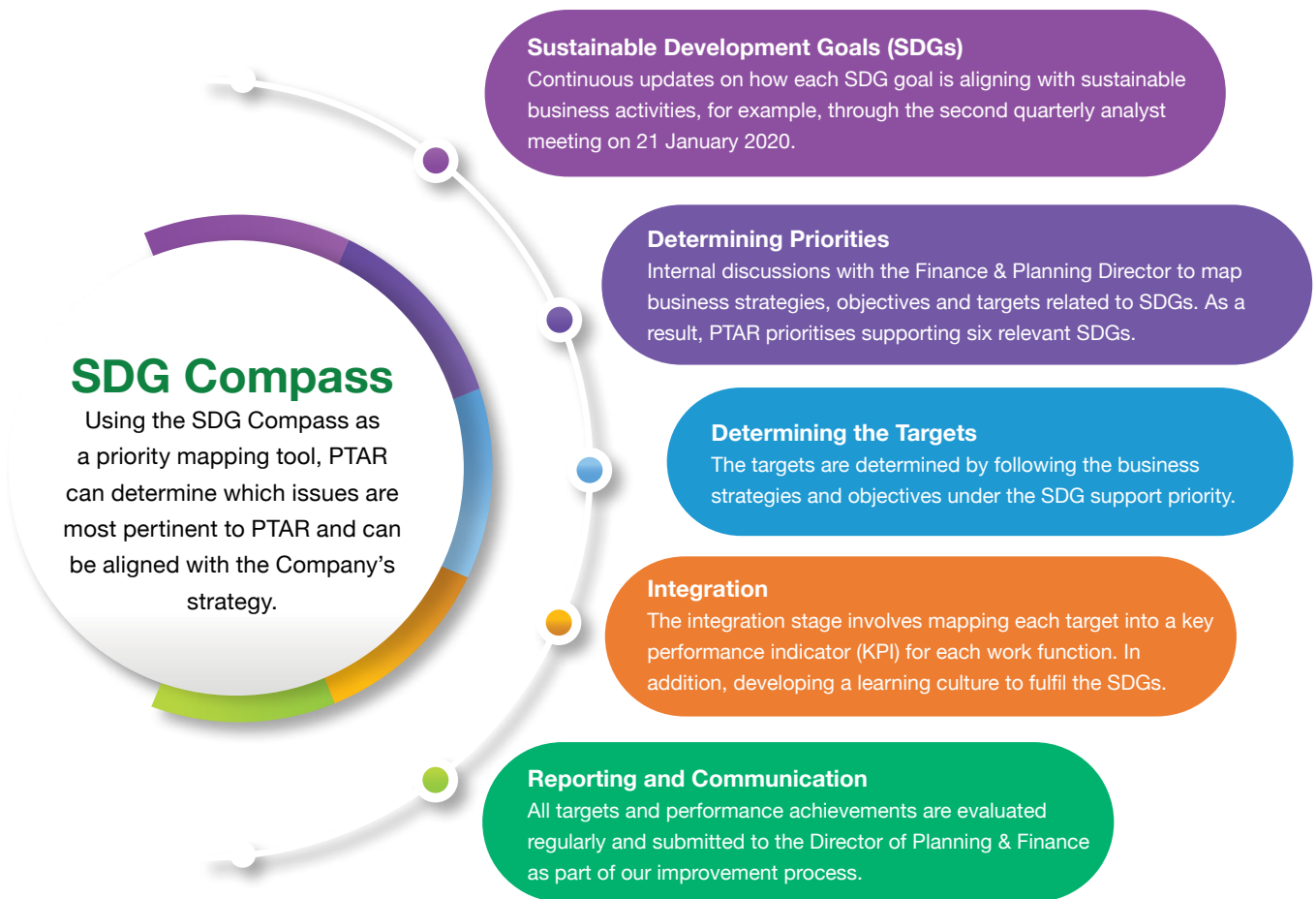


PTAR identified six SDGs most relevant to its mining operations in 2021 using the SDG Compass. The six priorities have not changed from the previous year, in line with our existing business risk and opportunity analysis.





Supporting the Sustainable Development Goals (SDGs) [102-9]



PTAR supports the UN's Sustainable Development Goals (SDGs) by aligning our sustainability performance and metrics. By integrating and aligning our sustainability performance targets and strategies, PTAR is committed to supporting Indonesia in achieving the SDGs.



PTAR identified six SDGs most relevant to its mining operations in 2021 using the SDG Compass. The six priorities have not changed from the previous year, in line with our existing business risk and opportunity analysis. [102-12]

	Key Actions		Achievement
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> • Continuous improvement of health and safety performance in our operations • Continuous improvement of environmental performance by reducing pollution • Contribution to community health 		<ul style="list-style-type: none"> • Zero occupational illness • 200,797 tonnes CO₂eq in total Scope 1, 2 and 3 emissions • USD1 million in support of community development activities, including health programmes
 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> • Training and education through Marsipature, OHS and Community Development Programmes 		<ul style="list-style-type: none"> • 24,129 hours of training and 8,807 hours of OHS training (only for PTAR Employees) • 73.92% local employment
 <p>5 GENDER EQUALITY</p>	<ul style="list-style-type: none"> • Gender diversity in the workplace 		<ul style="list-style-type: none"> • 20.88% of employees are women (PTAR Employees and Contractors)
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> • Improving economic performance • Implementing a non-discrimination policy 		<ul style="list-style-type: none"> • USD114.078 in total taxes and state revenues with USD74.652 in tax expense • Zero discrimination cases
 <p>10 REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> • Diversity and equal opportunity in the workplace • Equal remuneration for male and female employees based on their skills, experience and performance 		<ul style="list-style-type: none"> • Zero human rights violations • Zero gender pay gap
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> • Ethical business practices • Transparent, effective, inclusive, and open engagement with all of our stakeholders 		<ul style="list-style-type: none"> • Compliance with the mine closure plan • Signing of Code of Ethics and Business Conduct by 100% of employees and suppliers

These six priorities guide PTAR in defining specific targets for each SDG and how it is incorporated into PTAR's Sustainability Roadmap.

Sustainability Strategy and Principles



Sustainability Strategy ^[413-1]


PTAR's Sustainability Policy outlines our sustainable development approach and strategy. The policy was developed by two significant protocols for assessing progress towards sustainable development: the UN SDGs and the 10 Principles of the International Council on Mining and Metals (ICMM). Our Sustainability Policy is evaluated and adjusted each year as needed. We are committed to conducting all business activities in accordance with the following goals and principles, guided by our Sustainability Policy:

- 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;
- Complete environmental and social impact assessments implemented for 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 surrounding local communities is paramount;
- The continuous improvement of environmental performance for the protection of biodiversity and prevention of pollution;
- Protection of fundamental 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 [102-20] [102-25]

To support our commitment to sustainable development, our business engagement at the corporate level and across all locations adheres to the following guiding principles: [102-20]



 We have a code of conduct policy to manage potential conflicts of interest among members of the Board of Directors. [102-25]

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



2022 Sustainability Roadmap

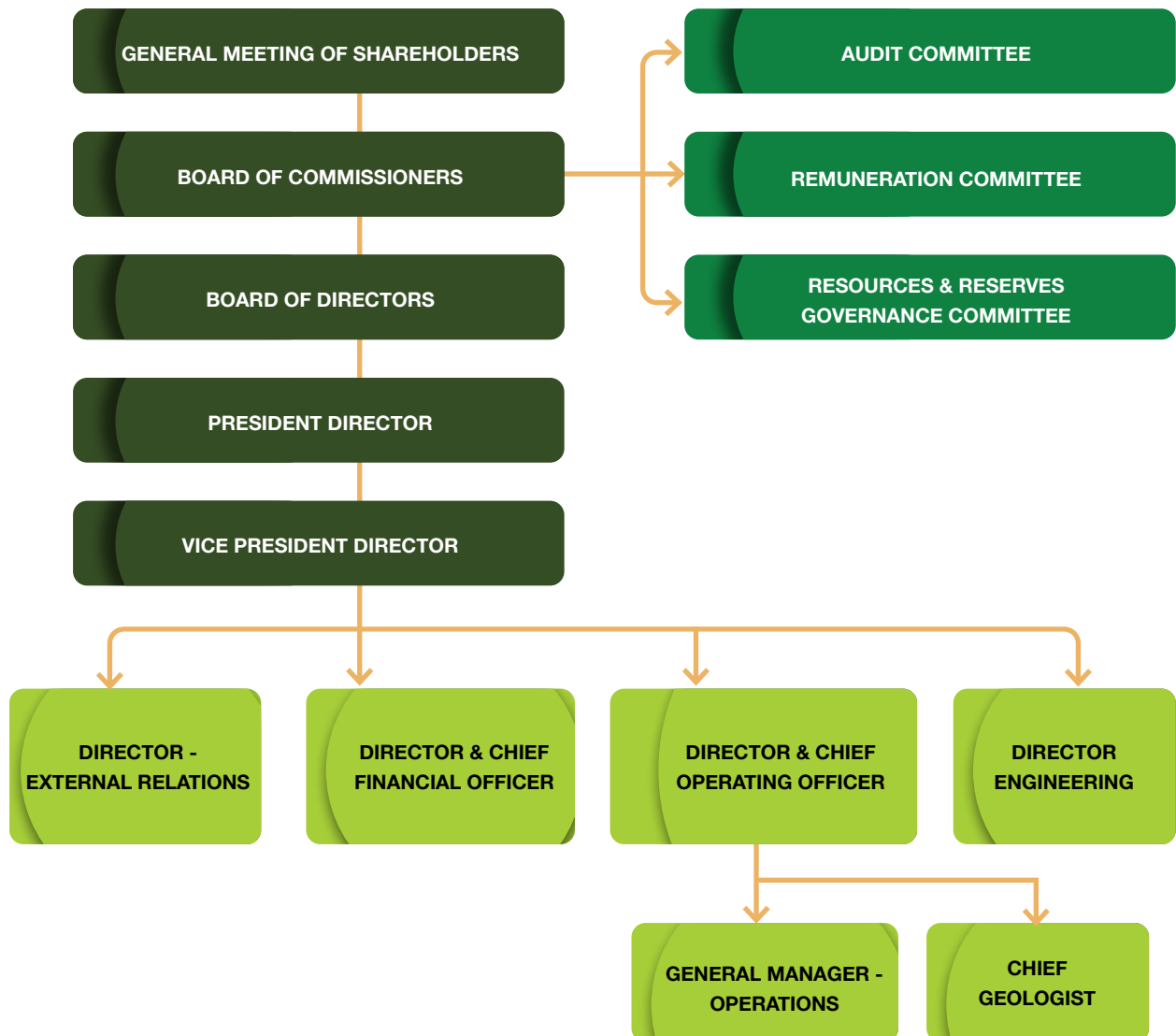
At PTAR, sustainable development is built on three pillars: environmental, social and economic performance. Since we began integrating sustainability into our operations, our goal has been to continuously improve the management of these outcomes at the Martabe Gold Mine and will continue to be vital priority for management in 2022. The following outcomes and initiatives are planned in detail:



 <p>Environment</p>	<p>The mining industry is confronted with perceptions of investors and non-government organisations regarding ESG (environmental, social and governance) concerns. PTAR must be proactive in managing ESG issues and communicating them to a diverse group of stakeholders.</p>
 <p>Social</p>	<p>PTAR maintains a strong social licences to operate with the local community and government stakeholders. Local stakeholders reacted positively to PTAR’s response to the COVID-19 pandemic and various restrictions on site access were understood and accepted. The resumption of community site visits in the second half of the year, albeit in smaller numbers, was a positive outcome for reconnecting with the community and informing them about the Martabe operation’s ongoing development. Community health, education, economic development and infrastructure will continue to be focal points of Community Relations activities.</p>
 <p>Economic</p>	<p>The outlook of the precious metals industry remains favourable for the foreseeable future. With global uncertainty continuing, central banks and individuals are expected to look to gold and, to a lesser extent, silver as a “safe haven” asset. Silver demand remains quite strong, owing to anticipated growth in electronics and solar energy applications.</p> <p>These and other initiatives scheduled for 2022 will significantly improve the mine’s environmental, social and economic performance over the course of the mine’s remaining life.</p>

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

PTAR's governance structure is comprised of two tiers, with an executive and a supervisory board. The President and the Vice President Director & CEO lead the management function, which oversees the other directors who are responsible for essential business aspects of the company: 1) External Relations; 2) Finance; 3) Operations; 4) Exploration; and 5) Engineering. Meanwhile, the Board of Commissioners coordinates the supervisory functions and supervises the following Committees: 1) Audit Committee; 2) Remuneration Committee; and 3) Governance Committee for Resources and Reserves. PTAR's highest management body does not have an executive officer as its chairperson. Further information on the composition of the highest governance body and its committees can be found in the PTAR 2021 Annual Report. [102-23]



Sustainability Strategy & Governance

In 2021, members of the Board of Commissioners and Board of Directors attended 20 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]

Shareholders appoint board members directly through a selection process that includes criteria such as the independence of prospective board members and their expertise in economic, social and environmental issues.

Performance reporting of the Board of Directors is conducted via the GMS, which includes sustainability-related topics. In addition to performance reports, conclusions and recommendations for future improvements are made.

Furthermore, The Board of Commissioners conducts periodic evaluations of the Board of Directors' performance. The Board of Commissioners and the Board of Directors meet separately and jointly

regularly. Regular meeting minutes are included in the section on Good Corporate Governance in our 2021 Annual Report. PTAR's nomination process and policy are established through discussion among Board Members and the Steering Committee. [102-24] [102-28]

The General Meeting of Shareholders (GMS) holds the highest level of authority. The GMS has a policy regarding the appointment and dismissal of Board Members, dividend distribution and amendments to the Company's Articles of Association. The Company held one Annual GMS in 2021. The Company did not hold any Extraordinary GMS.

Members of the Board of Commissioners are appointed through the GMS. Furthermore, the GMS appoints members of the Board of Directors for one term of office. The members of PTAR's Board of Directors are appointed in accordance with the provisions of the Company's Articles of Association and applicable laws and regulations. Further information on the composition of the highest management bodies and committees and their performance evaluations can be found in PTAR's 2021 Annual Report.

The Duties of Directors in Sustainability Governance [102-18] [102-19] [102-20] [102-32]

PTAR has a committee that is responsible for each material topic. Furthermore, the highest governing body delegates authority to committees such as the Tailings Management Facility (TMF) Committee, comprised of the TSF Director and the Environment Director. The Director of Engineering and Director of Operations are responsible for the Company's economic, environmental and social decision-making and impact management, reporting directly to the Vice President Director. The President Director and five other Directors share responsibility for implementing Sustainability Management, but the Director of External Relations and the Director of Engineering provide primary coordination. The Vice President's management responsibilities include economic,

environmental and social performance. The Board of Directors ensure that no conflict of interest exists in sustainability management. Our stakeholders receive our sustainability performance report at the Annual General Meeting of Shareholders (GMS).

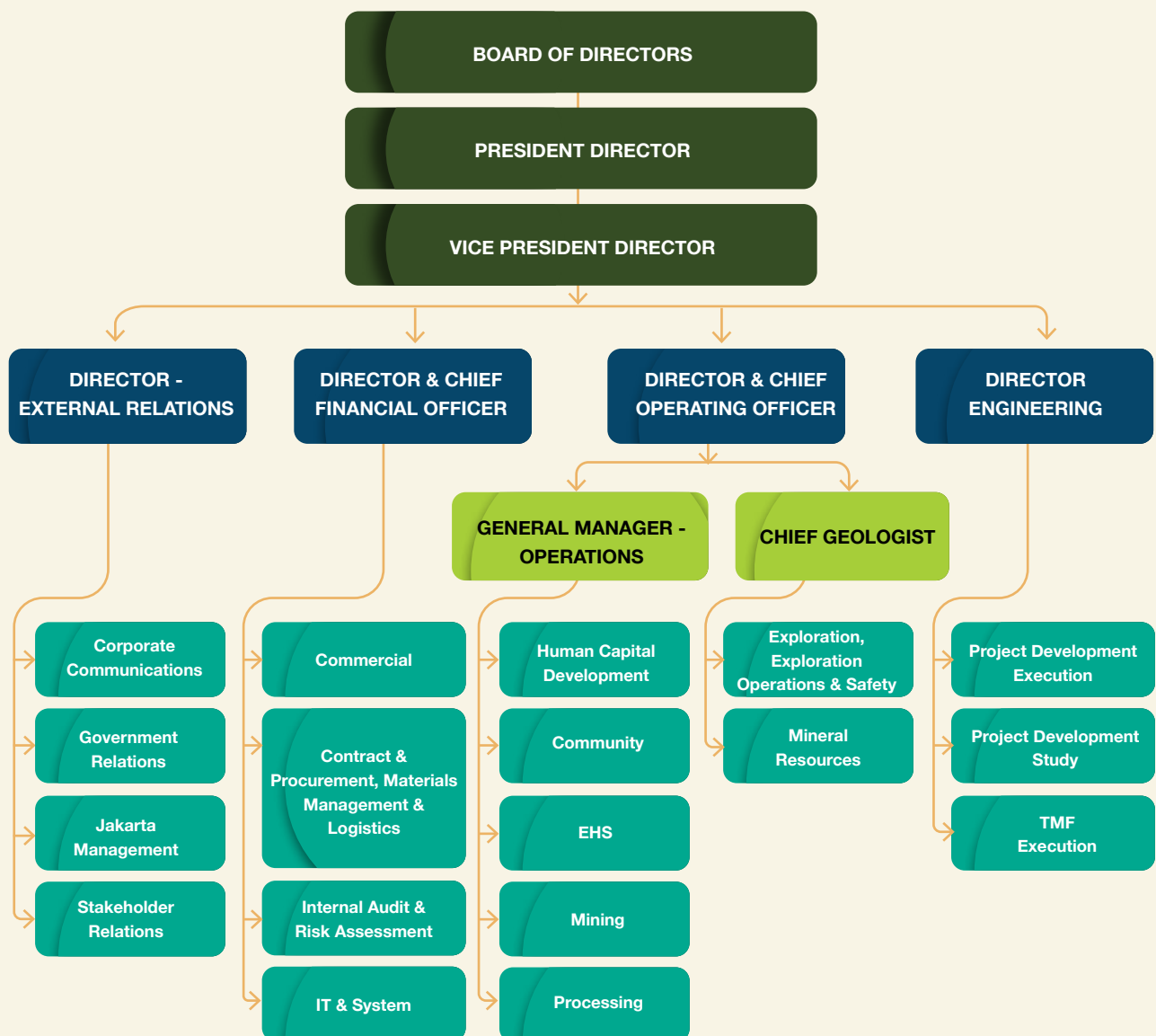
The Director of External Relations and the Director of Engineering primary responsibilities for sustainability management includes developing and implementing a culture of sustainable management across the organisation, ensuring the application of sustainable management principles and the implementation of the Sustainability Strategy, publishing Sustainability Reports and monitoring the development of sustainable management issues. All other members

of the Board of Directors and the Board of Commissioners, who are responsible for overseeing all management planning and implementation, support these responsibilities. The organisation’s highest committee or position reviews and approves the Sustainability Report formally and ensures that all material topics are covered. The President Director formally reviews and approves the Sustainability Report and ensures the coverage of all material topics and committees under it. [102-32]



The Corporate Communications Division is responsible for sustainability reporting and coordination across relevant work units, reporting to the Director of External Relations. The Corporate Communications Division collaborates with other divisions, including Community, Occupational Health and Safety, Environment, Operations and Training & Development and Stakeholders to foster a culture of sustainable governance throughout all of our operational activities.

The following structure demonstrates the different work units, divisions and authorities responsible for sustainability reporting and monitoring:



The Role of Steering Committees in Advancing Sustainability Issues

At the PTAR, managing sustainability outcomes requires collaborating with a broad range of technical specialists and team leaders from multiple departments. As a result, several steering committees are formed to coordinate and direct efforts, with each committee focusing on a particular area of operational risk or opportunity.

These include the following: [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 Committee
- Tailings Management Facility (TMF) Committee

These committees report to the Directors and are appointed by the highest governance body, taking diversity and expertise into account and approved in the Annual GMS.

The Internal Control work unit is responsible for implementing the due diligence process for managing economic, environmental and social risks, which independent parties audit with expertise in the relevant areas. An independent auditing firm audits the economic performance of our operations. In contrast, the community, independent verifiers and local government are involved in managing our operations' social and environmental impacts on the surrounding environment. The highest governance body does not directly address economic, environmental, or social issues. [102-29]

PTAR was not fined or sanctioned in 2021 for any legal violations of the Ministry of Energy and Mineral Resources, the Ministry of Environment and Forestry, or other mining-related authorities.

Precautionary Approach [102-11]

Environmental challenges should be approached cautiously and we support initiatives that foster a culture of environmental stewardship. The precautionary approach assists us in minimising or avoiding negative environmental impacts. Multiple instruments are integrated into our management system to promote continuous improvement in the direction of predetermined targets and objectives, including codes of conduct, policies, procedures, standards, databases, checklists and training materials. Safety and environmental management address related areas of operational risk and able to be quickly addressed by a single integrated management system as they involve many similar processes and controls.

The controls associated with sustainable development outcomes under the PTAR Codes of Practice include the following:

- Biodiversity protection.
- 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.
- Waste management.

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

PTAR's enterprise risk management programme manages risk and is overseen by the Internal Audit function. Through annual enterprise risk assessment workshops, we identify and prioritise critical risks that have the potential to jeopardise the achievement of business objectives. Risks are evaluated regularly for their impact on safety, the environment, community, government, reputation, financial viability and compliance.

The programme results are assessed and evaluated at the highest levels of management. The progress of the risk management plan is then communicated to the management team via risk management scorecards to address the most significant risks identified during this process. The Board of Directors hosts an annual Enterprise Risk Workshop without the participation of

the Board of Commissioners. Additional information regarding risk management is available on PTAR's 2021 Annual Report.

Environmental and social risks associated with the Martabe Gold Mine has been thoroughly assessed in accordance with applicable regulations in the project's Environmental impact assessment (AMDAL) and subsequent AMDAL Addendum. These evaluations include the following:

- 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)



The Mine Geology Department holds daily meetings to discuss daily field operations, ore production targets, and safety issues. Daily preparatory meetings and daily targets are needed to ensure all departments run according to plan and achieve the Company's annual targets.

Stakeholder Engagement

In 2021, PTAR reviewed and updated its stakeholder mapping and analysis that it first created in 2015 to reassess the most significant issues of concern to our stakeholders. [102-42]

Stakeholder engagement is a crucial aspect of PTAR's sustainability performance. We identify and engage with all of our stakeholders using a proximity method to each stakeholder's role and needs to ascertain the most important issues to them. Our stakeholders are inextricably linked to the Martabe Gold Mine's operations in multiple ways, necessitating a cautious and mindful approach.

These identified stakeholders contribute to developing our sustainability reports, particularly in terms of determining material topics related to economics, social and environmental aspects. The External Relations Director and the Community Relations & Development functions are responsible for introducing and implementing the stakeholder engagement process during board meetings. Field consultation with stakeholders is conducted and discussed with the General Manager of Operations and the Board. [102-42] [102-21]

Effective stakeholder engagement enables us to assess the changing sustainability landscape and comprehend and prioritise the issues that matter most to our business and stakeholders. Since the Martabe Gold Mine project's inception, we have managed stakeholder relationships carefully. Our strategy entails the following:

- 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.

The Martabe Gold Mine operated by PTAR is the only mining operation in South Tapanuli, therefore many local stakeholders have a limited understanding of mining and the management of mining-related environmental and social impacts. As a result, we maintain an active broad-based communication programme to ensure that local stakeholders thoroughly understand the Martabe Gold Mine's operations. The programme's primary components are as follows:



- 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;
- Dissemination of our Sustainability Reports, in Indonesian, English and the Angkola languages; and
- Distribution of media releases and media briefings, as well as site visits for media groups.

PTAR has identified the following needs based on the results of its stakeholder mapping analysis in 2021:

[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 	<ul style="list-style-type: none"> • Biannual General Meeting of Shareholders • Annual General Meeting 	<ul style="list-style-type: none"> • Biannual update on the latest operational performance • Annual reports • Returns and benefits 	<ul style="list-style-type: none"> • Dividend distribution • Results from the General Meeting of Shareholders
Employees 	<ul style="list-style-type: none"> • Weekly meeting • Safety briefing every day and safety forum every two weeks • Monthly safety campaign (OHS) • Daily Management Meeting (DMM) • Healthy Safety Environmental (HSE) Forum 	<ul style="list-style-type: none"> • Remuneration and other benefits (including recognitions) • Training and education • Occupational Health & Safety (OHS) • Gender equality 	<ul style="list-style-type: none"> • Rewarding employees every year • Training and education plan • Regular training takes place throughout the year • OHS Procedure: Golden Rules
Local communities 	<ul style="list-style-type: none"> • Monthly consultation through Martabe Consultation Committee (LKMM) • Site visits 	<ul style="list-style-type: none"> • Local employee involvement • Preference for local employment • Donations for infrastructure and others • Training and education • Environmental protection • Rehabilitation and mine closure 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Regular meetings • Discussions for community development activities 	<ul style="list-style-type: none"> • Tax and other contributions • Community development • Compliance • Rehabilitation and Mine Closure 	<ul style="list-style-type: none"> • Timely tax and contribution payments • Conducting PPM • Submit reports to the government regularly • Conducting monthly water sampling
Suppliers 	<ul style="list-style-type: none"> • As necessary 	<ul style="list-style-type: none"> • Timely payments • The quality of services and goods 	<ul style="list-style-type: none"> • Providing required information at the early stage of the tender
Contractors 	<ul style="list-style-type: none"> • Daily meetings • Healthy Safety Environmental (HSE) Forum 	<ul style="list-style-type: none"> • Occupational health & safety (OHS) • Working agreement 	<ul style="list-style-type: none"> • Education and training as required • Business ethics implementation continuously

Sustainability Strategy & Governance

Stakeholders	Stakeholder Engagement Method and Frequency	Significant Issues and Stakeholders' Needs	Responses and Further Actions from the Company
Educational Institutions 	<ul style="list-style-type: none"> Meeting as necessary 	<ul style="list-style-type: none"> Internship Community study 	<ul style="list-style-type: none"> Provide internship opportunities as needed Engage and report as necessary Conducting E-coaching jam quarterly
Media 	<ul style="list-style-type: none"> Meetings and briefings as necessary Site visits 	<ul style="list-style-type: none"> Communication & publications Press releases Site visits Training and education 	<ul style="list-style-type: none"> Provide news regularly, especially on important events and activities Capacity building Annual competition & comparative study



PTAR's comprehensive and structured approach towards stakeholder engagement and CSR has resulted in the following recognitions from external stakeholders in 2021:



BEST OF THE BEST CSR Indonesia Awards 2021

CSR Indonesia



BRONZE AWARD Cipta Karsa Mandiri in the field of Micro, Small and Medium Enterprises

CSR Indonesia



SILVER AWARD Social Initiative in the Social Sector for the Agricultural Access and Facilities Development programme

CSR Indonesia



GOLD RANK The 17th Asia Sustainability Reporting Rating (ASSRAT) 2021

National Center for Sustainability Reporting





Material Topic Identification [102-46] [102-47]

PTAR's sustainability reports are always prepared in accordance with internationally recognised standards of reporting and take into account the identified material topics. This includes consultations with internal and external stakeholders and the gathering of data about our business and the broader natural resources sector on a local and global scale. Our stakeholders communicate their concerns and suggestions to us on issues that are high on the Company's priority list each year.

Furthermore, PTAR ensures that the content of our sustainability reports meet the stakeholders' needs and inform our community empowerment plan based on the Community

Management Plan (CMP). No material topics have changed since the previous reporting period, which is understandable given that the topics remain relevant to the Company's long-term sustainability strategy and objectives.

The Company has identified eight topics considered material to our line of business and our stakeholders. Material topics remain similar to the previous year; the topics were determined during a discussion among the Company's internal stakeholders, including the President Director, on 21 January 2020. We have thus structured our 2021 Sustainability Report based on the assessment results, detailing our strategy, targets, progress and plans for each of the eight material topics found in each relevant chapter of this report.

Material Topic and Relevant SDGs	Importance	Boundary to Stakeholders
Economic Performance 	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.	Internal: Shareholders, Employees External: Government, Audit, 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 every activity.	Internal: Shareholders, Employees, Contractors External: Government, Media, Community Organizations (NGOs), Local Community, Academic, Institution
Rehabilitation and Mine Closure 	PTAR recognizes the importance of conducting responsible mining operations and returning mining areas to safe, stable and productive conditions after mining. Mining rehabilitation and closure activities always ensure the restoration of ecosystems.	Internal: Shareholders, Employees, Contractors External: Government, Community Organizations (NGOs), Media, Local Community
Occupational Health and Safety 	PTAR is continuing to pay attention to workplace conditions, workforce competencies and employee behaviour through the HSE Management System as part of our business ethics and commitment.	Internal: Employees, Contractors External: Government, Media
Gender Diversity 	Gender diversity is one of PTAR's strengths compared to companies in similar industries and we are consistent to provide gender equality & diversity based on our policy.	Internal: Employees, Contractors External: Government, Media
Local Community 	Every year, PTAR carries out various corporate social responsibility activities, specifically related to community development to assure they can improve their wellness.	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 all stakeholders.	Internal: Shareholders, Employees External: Government, Local Community
Employment 	PTAR is concerned about aspects of employment and ensures the local employment in Company's activities in accordance with the Company's needs and the competencies of prospective workers.	Internal: Shareholders, Employees, Contractors External: Government, Local Community



● High Priority Issues ● Medium Priority Issues



Agustina Hutapea, Senior Field Assistant Rehabilitation of the Environment Department, planted local plant seeds in the operational area of the Martabe Gold Mine. The presence of local plants will accelerate the return of natural flora and fauna to grow and live in revegetation and reclamation sites.

03

ENVIRONMENTAL & BIODIVERSITY PERFORMANCE

“

PT Agincourt Resources (PTAR) strives for full compliance with all applicable legal requirements verified through regular evaluations of environmental audits, ensuring that no operational activity harms or disrupts the environment or biodiversity of the Company's surroundings. This commitment is demonstrated through PTAR's Environmental Policy and sustainability strategies.

Legal Basis and Environmental Management Approach ^[103-1]

The operations of the Martabe Gold Mine are subject to various environmental laws and regulations. PTAR's Environmental Policy establishes our adherence to all applicable legal requirements and ensures our accountability for compliance management. Numerous permits relating to the discharge of treated water and temporary storage facilities for hazardous (B3) waste impose particular compliance requirements on the site.

Against this background, PTAR develops and implements environmental management policies and procedures as part of its mining operations: ^[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
- The Minister of Environment Decree No. 68 of 2016 regarding Wastewater Threshold
- Government Regulation No. 101 of 2014 Regarding Hazardous Waste Management
- The 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 emphasises environmental protection and conservation to minimise adverse environmental impacts. This is accomplished by wholly integrating our primary environmental management objectives throughout the planning process, from initial project feasibility to mine closure, which includes the following:

- 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; and
- Restoring disturbed areas into safe, stable and productive areas.

Our objectives for environmental compliance performance management is as follows:

- Identifying, assessing and managing all potential environmental impacts
- Prevention of environmental pollution;
- Protection of biodiversity; and
- Restoration of disturbed areas to become safe, stable and productive areas.



Environmental & Biodiversity Performance



The Martabe Gold Mine’s most rigorous environmental compliance requirements apply to several vital 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 evaluates all potential partners, such as contractors and suppliers, based on environmental and occupational health and safety criteria. This is governed by the Company’s OHS Code of Conduct Policy No. 00533. Supplier compliance is one of the aspects of the procurement process that is examined during the pre-qualification stage of the bidding process. In 2021, 106 new service suppliers were selected based on a 100% pass rate on these criteria. [308-1]

Environmental Management Monitoring [103-3]

Environmental compliance management is the responsibility of the Chief Mine Officer (KTT). Each operational department is responsible for environmental management, which the Environment Department monitors. PTAR’s environmental compliance management system is audited annually for effectiveness by its parent company, ASTRA, as part of their AGC (ASTRA Green Company) programme. Additionally, the Company is subjected to external annual audits by the Ministry of Environment and Forestry under their PROPER programme and an assessment of Environmental Management Performance every two years by ESDM Directorate General of Mineral and Coal (Ditjen Minerba) to verify its environmental management efforts.

The Senior Management Team must always be informed of the Company’s environmental compliance status. The Environmental Department publishes

a monthly Environmental Compliance Report that summarises the results of compliance monitoring, applicable regulatory limits and the status of all required environmental permits.

Allocated Resources for Environmental Management

PTAR allocated USD9,182,494 in 2021 for environmental management and monitoring, including environmental management resources. These resources included financial support for environmental management implementation, human resources to carry out environmental management duties and appropriate technology to ensure optimally environmental management. These funds were used to ensure that environmental management practices adhered to quality standards and applicable regulations.

Reported Incidents ^[307-1]

PTAR is proud to report that no issues were raised in 2021 regarding environmental compliance. We always make a concerted effort to uphold and fulfil all environmental management and monitoring responsibilities by the approved Environmental Impact Assessment (AMDAL) and all applicable laws, regulations and operating permits.

Our compliance and commitment to environmental performance management and monitoring are showcased through the Company’s achievement of the PROPER Blue Award from the Indonesian Ministry of Environment and Forestry as well as the UTAMA Charter for Environmental Management of Mineral and Coal Mining from the Ministry of Energy and Mineral Resources.

Environmental Quality Mitigation

PTAR has conducted a thorough environmental impact analysis of its operational activities. PTAR conducts risk analysis for operational activities that pose a high environmental risk (impact) value and environmental documentation to mitigate the risks until the risk value is manageable.



IMPACT, RESPONSE AND MITIGATION OF ENVIRONMENTAL QUALITY

Impact	Source of Impact	Environmental Programme
Noise	Operational production facilities	<ul style="list-style-type: none"> Implementation of noise monitoring activities Manage noise level at the production site
	Transportation on site	<ul style="list-style-type: none"> Maintenance of transport equipment Work time management Traffic control on site
Waste pollution	Production activities	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Develop inventories of the emissions Identify potential mitigation actions Regular maintenance of AC units in offices Routine maintenance of the mobile generator unit
	Dust emissions from transportation and rock crushing	<ul style="list-style-type: none"> 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	Land clearing	<ul style="list-style-type: none"> Special analysis process for planned land clearing Collaboration with third parties on biodiversity initiatives Land rehabilitation activities

Waste Management

PTAR is cognisant that our mining activities are inextricably linked to the environment and thus, takes continuous precautions to mitigate our impact. One of these impacts is waste, one of the primary environmental challenges confronting the Martabe Gold Mine’s gold and silver production, mainly via tailings and waste rock. As a result, PTAR works to regularly prevent and monitor waste pollution to the environment. In 2021, the Company allocated up to USD370,595 for waste management.

Waste material management in Tailings Storage Facility (TSF) dams is primarily concerned with two aspects, namely:

Acid Mine Drainage (AMD) Aspect

The AMD class determines a material placement. AMD monitoring is also conducted at the TSF dam and once a month, the Mine Geologist Team conducts a joint sampling for quality control purposes to ensure that the planned AMD is consistent with what is done in the field.

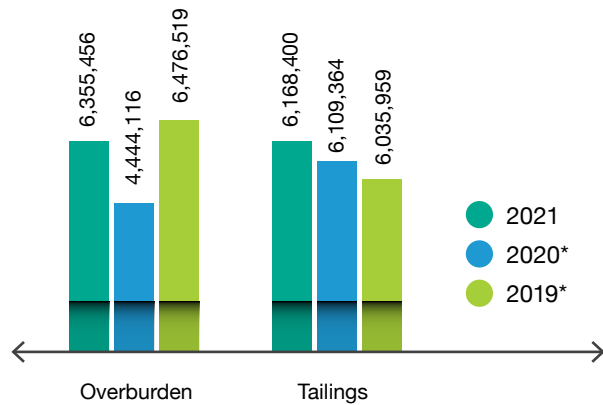
Technical Aspects of Construction and Quality

The TSF dam’s waste is constructed using the Engineering Fill concept (layer by layer) and compacted using a Vibro compactor tool. Quality tests are performed on waste material to meet the expected specifications. Sand cones, water replacement density, particle size distribution, Atterberg and Dutch cone penetration are tested.

Waste Material Management in TSF

The Company’s total overburden increased by 1,910,819 tonnes in 2021, compared to the previous year, as a result of the mine being shut down due to a pandemic, resulting in no excavation of the remaining mine waste and only process of the available ore.

TOTAL AMOUNT OF OVERBURDENS AND TAILINGS (TONNES) [MM3]



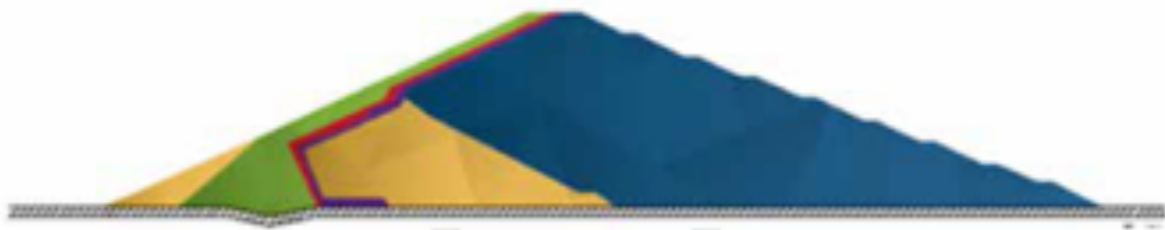
Note :
*Restatement of the 2020 Sustainability Report because there is a density
Total tailings is the weight of milled dry tonnes (ores) subtracted by the weight of metal extracted.

The combination of waste materials and disposal sites can define several risks, such as acid-generating rock materials that can leach acid products into water systems or poorly engineered or maintained dams that can cause toxic spills or structural failure. Furthermore, some of the waste rock mined at Martabe Gold Mine contains sulfide minerals that produce acid when exposed to the atmosphere. If left unchecked, this can result in acid leachate containing metals after rain or what is known as Acid Mine Drainage (AMD). At the Martabe Gold Mine, AMD risk was successfully managed by preventing potentially acid-forming material within the TSF embankment through the compacted rock layer to prevent oxygen ingress. AMD control methods reflect the Company’s best practices measurements carried out by the Company in 2021 verified the effectiveness of this method. [MM3]

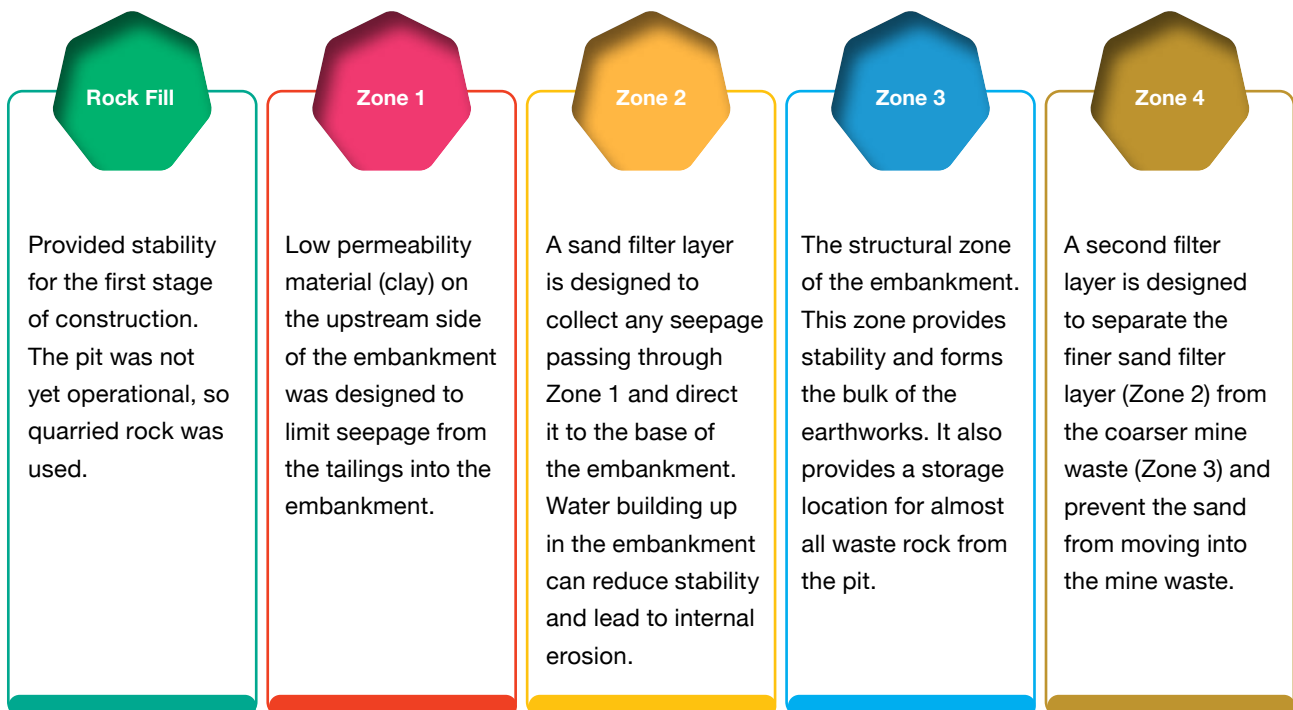
Disposal of Tailings

As a result of the ore extraction processes used to extract gold and silver from the ore, the Martabe Gold Mine generates a stream of waste known as tailings. Most of these tailings are water, ground rock, lime and residual cyanide. Martabe Gold Mine disposes of tailings in a TSF, as do most gold mining operations. The survey team measures the tailings elevation daily and monthly to ensure that it is within a safe distance/freeboard.

PTAR is directly responsible for both the management of overburden and the processing of tailings. The Geology Team places a waste block before beginning any excavation. The overburden materials are transported to the TSF dam by its level by an articulated dump truck (ADT), where it is placed by AMD's specifications and typical design section layouts. The materials are tested regularly to ensure that it meets or exceeds the technical requirements that have been established.



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



Environmental & Biodiversity Performance

The following are critical TSF safety objectives:

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

To minimise TSF risks and accomplish these objectives, a diverse range of risk controls must be implemented during the TSF's design, construction, operation and closure stages. These controls include design specifications, construction methods and quality assurance/quality control programmes and operational controls such as procedures, employee training, management change, condition monitoring, inspections, reviews and audits. The following is a summary of the controls' most critical features.

Prevention and Controls in TSF Design and Construction

PTAR commissioned an internationally renowned geotechnical engineering consultant team to design the TSF, with the following prevention and control mechanisms:

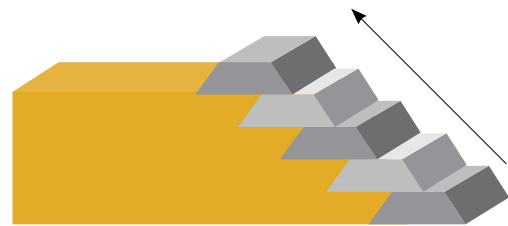
The 'downstream lifting' method is used in the progressive construction of the TSF embankment.

The dam safety guidelines published by the International Committee on Large Dams (ICOLD) are followed in the design specifications.

Embankment stability is widely acknowledged as a critical performance criterion. As a result, the TSF was designed to maintain its integrity during the most credible earthquake (MCE).

The design freeboard is equivalent to the probable maximum flood (PMF). The TSF design has been reviewed and approved by the Indonesian Dam Safety Committee.

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

Similarly, key risk controls are in place for the TSF's operations, which include the following:

- 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.
- 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.
- The TSF pond water content is kept to a minimum to prevent excess water held within it.

Tailings Disposal Achievements in 2021

In 2021, 6,168,400 tonnes of tailings were safely stored in the TSF, by the operational requirements outlined in the Code of Practice for Safe Tailings Placement. Among the significant outcomes in this regard are the following:

1. Tailings are evenly distributed with several discharge points along the top of the dam to ensure the consistency of the dam's carrying capacity.
2. Throughout 2021, tailings placement successfully provided an upstream slope to avoid concentrated water in the dam core.
3. Water from the remaining processing results was collected on the north side of the tailings beach, ensuring that the processing plant's operational requirements are met.
4. Tailings elevation from the deposition process well managed to achieve TSF key performance.
5. Daily inspections were conducted to ensure the tailings deposition process and freeboard control.

The performance of the TSF is monitored through the employment of expert consultants who conduct independent reviews of all aspects of TSF safety on an annual basis. Additionally, this ensures that the TSF's ongoing design, construction and operation adhere to industry best practices. A monthly TSF Stewardship Report keeps senior management to allow them to take additional risk mitigation measures where necessary.

TOTAL TAILINGS FILLED (TONNES)



Furthermore, special initiatives were implemented this year to reduce further TSF risks, which include the following:

- Continuation of an Independent Technical Review Panel for TSF composed of international and national experts.
- A seismic activity study to validate the earthquake parameters used in planning.
- Installing inclinometers, piezometers, prism monitoring instruments and other technology to monitor dam movement using the InSAR satellite method.
- Engage a specific consultant to do the assessment for updating TSF Risk Register.
- Socialisation of stakeholders for emergency action plan of TSF and will be continued with drill and simulation.



In 2021, the TSF downstream construction was continued for structural fill with Mine Waste from our Mining Operations.

Disposal of Waste Rock

Waste rock is the second major waste stream at the Martabe Gold Mine requires careful management to avoid negative environmental impacts. It is composed of rock that must be mined to allow for pit development but does not contain enough gold to warrant processing. Almost all of the waste rock generated by the Martabe Gold Mine's current mine plan is used to construct the TSF embankment. As a result, no large dumps of waste rock are required, as with most other mining operations.

Some of the waste rocks at the Martabe Gold Mine may form acid due to the oxidation of naturally occurring sulphide minerals. This is a fairly common occurrence in a large number of metalliferous mines. When rainwater passes through such material, it becomes acidic and accumulates high levels of metals. If not appropriately managed, this Acid Mine Drainage (AMD) process may pose a significant risk of causing pollution.

Martabe Gold Mine has successfully implemented a strategy that entails using compacted layers of rock or clay to achieve this sealing. Acid-forming rocks are surrounded by two metres of compacted rock or clay within the TSF embankment. At the Martabe Gold Mine, determining whether the waste rock is Non-Acid Forming (NAF), Potentially Acid Forming (PAF), or another intermediate category is more complicated. This is due to the region's relatively complex geological conditions, which include various types of rocks in various states of weathering and containing varying amounts of sulphide.

Over the years, PTAR has conducted various technical studies to determine the best AMD management practices. The following is a summary of the initiative's major milestones:

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;

Performance assessment to validate the waste sealing design and implementation.

The AMD Management Programme at Martabe Gold Mine results from sustained efforts by key technical teams in exploration, mine geology, mine planning, TSF construction and the environment. The Martabe Gold Mine AMD Management Technical Manual contains the results of this work. This manual provides an overview of the AMD management process at Martabe Gold Mine and technical guidance on all aspects of waste rock management. Further information on AMD management at the site is available in several published papers.

Waste Rock Disposal Achievements in 2021

In 2021, 5,137 kilotonnes of waste rock were incorporated into the TSF structure. Furthermore, the site's AMD Management Program was implemented in the following manner:

1. Upstream placement of material with a medium to high acid risk classification to re-encapsulate it later.
2. Using a low-acidity material with a non-acidic classification as a cover or capsule material.
3. Determining the pH value of the material removed from the pit to ensure that the material is placed according to its designation.
4. Monitoring constructed sealing layer material performance by AMD instrumentation.

In 2022, PTAR plans to conduct the following:

- TSF Crest construction from Reduced Level (RL) 356 to RL 360 including Spillway construction and also downstream structural fill construction with following encapsulation acid rock methodology.
- Tailings spigot lift from RL 356 bench to RL 360 bench and positioning discharge point along the crest embankment.
- Rehabilitation for final constructed downstream slope.
- Adding instrumentation at TSF for Inclinator and piezometers; and
- Continue to fulfil the TSF standardisation refer to GISTM (Global Industry Standard on Tailings Management).



Management of Hazardous Industrial Waste

Hazardous and toxic waste and any waste that may cause pollution or endanger the health of humans or other living organisms are regulated by Indonesian Law No. 32/2009 on Environmental Protection and Management. A permit is required for any party involved in the placement, storage, transport, or treatment of B3 waste. As is customary for all mines, the Martabe Gold Mine generates a variety of wastes classified as B3 waste, including the following:

- 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 obtained the necessary permits to deposit tailings in the site’s TSF and additional permits to establish additional temporary B3 waste storage facilities onsite. Except for tailings, all other B3 waste is transported to a licensed commercial waste processor located off-site. The emphasis placed on B3 waste management demonstrates our commitment to ensure compliance with proper practices through the implementation of control measures, including the following:

- Implementation of mandatory B3 waste management onsite; all PTAR and site contractor employees are subject to the PTAR Code of Practice for Waste Management.

- The PTAR Workplace Condition Inspection (WCI) Programme defines the B3 waste management requirements in detail.
- A PTAR training course for B3 waste management.
- During the site’s HSE orientations, new employees receive information on critical B3 waste management requirements, which are also disseminated via the site’s HSE poster programme.
- A monthly Environmental Compliance Report is distributed to the Senior Management Team.

Hazardous waste management in 2021 remained consistent with the previous year, with tailings waste being deposited in the TSF under the Minister of Environment and Forestry Decision No. 611/2016 and other hazardous waste being sent to third parties for processing and management by existing regulations.

In 2021, total hazardous waste increased by approximately 145 tonnes as a result of an increase in land clearing activities with the use of heavy equipment compared to 2020. This is because the construction of Tailings Management Facility (TMF) project facilities, including the construction of TMF access road facilities or non-mining road facilities increased the number of operating equipment units, which has the potential to increase the number of hazardous waste generators. In addition, the COVID-19 pandemic has the potential to increase medical waste due to the operational implementation of the COVID-19 protocol.

WASTE BY TYPE AND DISPOSAL METHOD (TONNES) [306-3] [306-4] [306-5]

Description	2021	2020	2019
Total hazardous waste	564	420	463
Recovery	265	210	230
Disposal place (off-site)	299	210	233
Total non-hazardous waste	4,880	4,664	5,538
Landfill	4,777	4,664	5,538

Notes:

- Data on onsite 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.

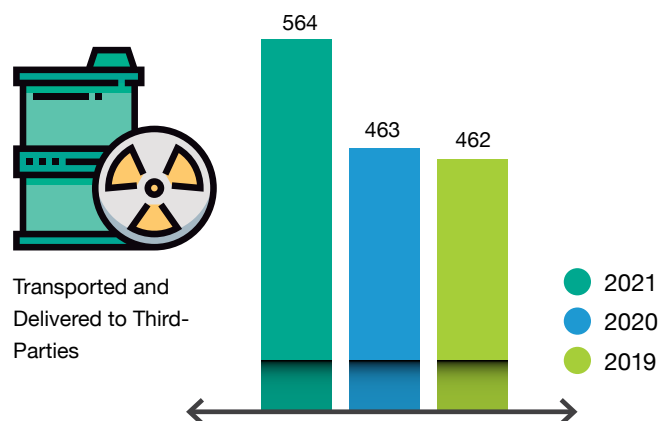
SIGNIFICANT SPILLS

Description	Unit	2021	2020	2019
Total Amount of Spills	Total	1	5	3
Total Volume of Spills	Litre	20	198	235
Oil:				
• Soil	Litre	20	93	50
• Water		0	0	0
Fuel:				
• Soil	Litre	0	105	0
• 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 resulted from the spill and all spills were completely cleaned up.

HAZARDOUS WASTE TRANSPORTATION (TONNES) [306-2]



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

Site Water Management

Water run-off management is a frequent requirement for open-cut mines in wet tropical regions. Several significant risks must be taken into account when developing 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, typically the result of surface mining, mobilises sediments and, in some cases, metals and acid. As a result, run-off water from the site may require treatment before discharge.
- Mineral processing plants, in general, require a large amount of water. This is especially true for gold mines that extract gold using rock slurry.
- Pits and site infrastructures such as TSF may impair natural absorbency, resulting in a significant reduction in clean water available downstream users.
- Local rural communities value waterways and groundwater as vital resources because they are typically used for irrigation and bathing and serve as the primary water source for their homes.
- The significant biodiversity value of the downstream waterway must be protected.

Site Water Balance Model

The water balance model is the first step toward successful water management at a mine site. This model is critical for developing a robust site water management strategy and identifying required water management infrastructure, such as ponds, structures, pumps and piping systems.

We have developed a complex site water balance model for Martabe Gold Mine for planning purposes. This 'probabilistic' model considers a wide variety of natural variables affecting local rainfall by simulating numerous storm events, combining the results to generate estimates of water accumulation at various probabilities.

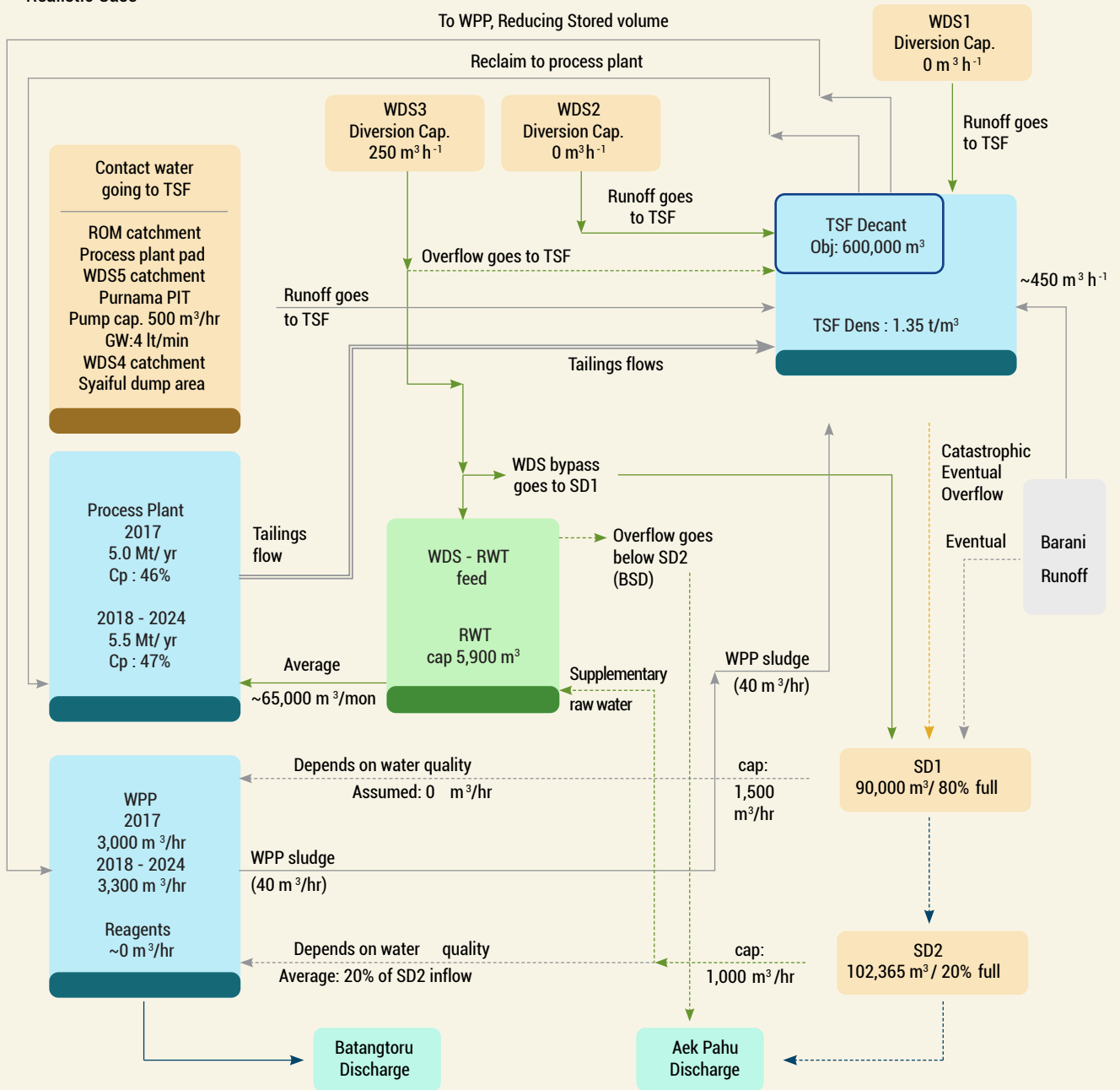
Water balance modelling conducted during the planning stage of the Martabe Gold Mine determined that the site would have a net positive water balance. This would necessitate the discharge of water during operations.



Candra Siregar and Yoramo Gulo, Rehabilitation Senior Field Assistants of the Environment Department, collect water samples from the Batangtoru River. This sampling aims to ensure that the water left over from the Martabe Gold Mine meets government-mandated quality standards.

Martabe Water Balance Upgrade

Realistic Case



Site Water Management System

The Martabe Gold Mine’s operational site employs a meticulously designed water management system that recognises the critical nature of water management. This operation is outlined in the Code of Practice for Site Water Management.

Furthermore, water is required to support PTAR’s production activities. Two-thirds (2/3) of the water used for production is recycled water from TSF, which uses closed circulation. The sediments are separated from the recycled tailings water and the resulting water can be used for factory production. In 2021, all excess water from the TSF was evaluated for compliance with quality standards and returned to the water flow. [MM11]



Water Management System

Our Water Management System is required to achieve the following objectives:

- Minimising the risk of non-compliant releases from the site (exceedances of water quality limits mandated by the Ministry of Environment Decree No. 202/2004).
- Minimising the risk of adverse environmental impacts on downstream waters, including aquatic biodiversity protection.
- Ensuring that the raw water and processed water supplies to the processing plant are sufficient to meet the plant’s production requirements.
- Continuously reducing the amount of water retained in the TSF.
- Ensures the quality of water leaving the site is controlled.



Water Quality Control

To ensure the accuracy and independence of water quality assessments, the following control measures are required:

- Compliance with applicable reporting requirements associated with required permits and approvals.
- Compliance with emission limits for stacks and generators.
- Maintaining a perfect track record of compliance with water quality standards for the Water Polishing Plant (WPP) discharge since operations began.
- Compliance with applicable requirements for the handling, storage and disposal of hazardous (B3) waste.
- Compliance with the AMDAL Environmental and Social Monitoring Plan’s (RPL) requirements for environmental monitoring and reporting.
- Compliance with the requirements of reclamation assurance.



Data Accuracy and Independence

The following assurance measures are used to ensure the accuracy and independence of data on water quality compliance:

- The sampling procedure is carried out by trained technicians who adhere to a standard protocol to ensure the sample’s preservation before testing.
- A certified and independent testing service provider conducts all analyses.
- To avoid unintentional bias in data reporting, a sample identification system is used to conceal the sampling location from the receiving laboratory.
- A formal quality assurance/quality control process is in place to minimise the possibility of sampling and analytic errors (through the use of sample blanks and duplicates).

WATER SOURCES AFFECTED BY SIGNIFICANT IMPACTS OF WATER WITHDRAWAL (m³/hour) [303-2]

Reduction of the Aek Pahu River stream due to interference of water catchment by TSF



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.

Until the end of 2021, the Company does not yet have internal standards or guidelines on water quality. However, PTAR refers to the Environmental Government Regulation No. 202 of 2004 concerning Wastewater Quality Standards for Businesses and or Mining Activities of Gold and Ore Copper Ore. In addition, PTAR always takes into account the profile of recipients of water bodies as stipulated by applicable regulations. [303-2]

Site Water Management Achievements in 2021

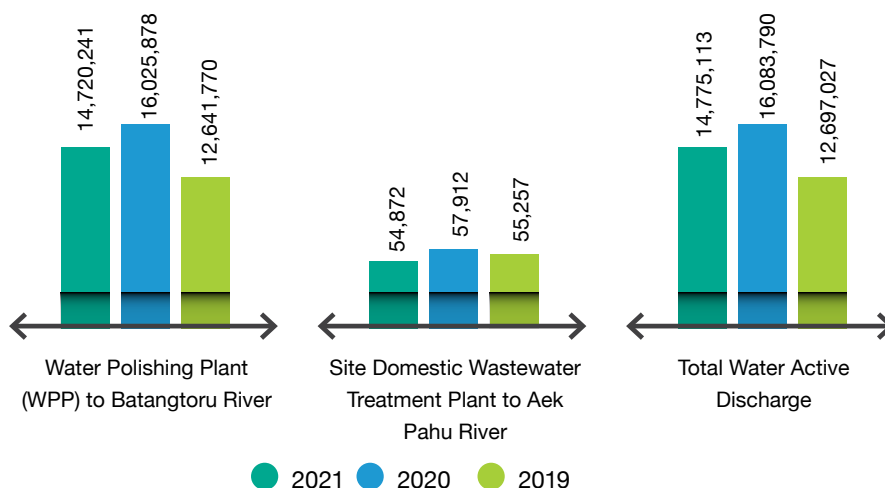
PTAR is pleased to report that all mine wastewater discharged into public waters complied with the quality standard established by the Minister of the Environment Decree No. 202 of 2004 on Wastewater Quality Standards for Gold and or Copper Ore Mining Businesses and/or Activities.

area surrounding Martabe, the University of North Sumatera (USU) conducts quarterly monitoring of the aquatic biota of water for PTAR every three months.

In addition, waste discharged into public space complies with the Minister of Environment Regulation No. P68 of 2016 on Domestic Wastewater Quality Standards. To ensure the environmental quality in the

The total amount of water discharged into the Batangtoru River has decreased due to the amount of water pumped from WPP to Raw Water Tank (RWT) in 2021 was less than in 2020 (555 thousand m³ vs 726 thousand m³). This is also due to a decrease in rainfall in 2021 compared to 2020 by 5%. Until the end of 2021, PTAR has released the planned 14,775,113 m³/year or 14,775.1 megaliters/year of water and does not conduct operational activities in water-prone areas. [303-4]

WATER RELEASE BASED ON QUALITY AND PURPOSE (m³/year) [303-4]

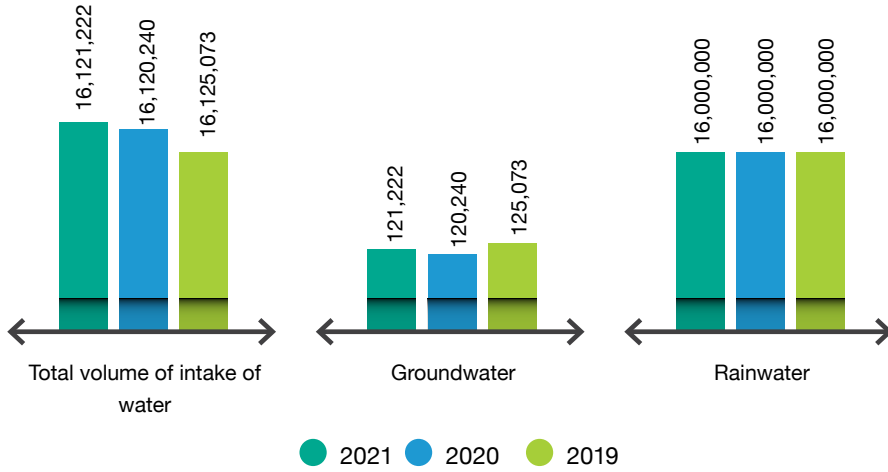


Note:

- 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

Environmental & Biodiversity Performance

WATER INTAKE BASED ON THE SOURCE (m³/year) [303-3]



Note:

- Total volume of intake of water is 16,121 megaliters.
- The input of rainwater is estimated for an annual average based on onsite water balance modelling. This cannot be measured directly.
- The groundwater withdrawal is measured.
- There is no water stress and the data collection method uses a flowmeter.

RECYCLED AND REUSED WATER

Description	Unit	2021	2020	2019
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 (m³/year) [303-3]

Description	2021	2020	2019
Freshwater taken	121,222	120,240	125,073
Freshwater consumed	121,222	120,240	125,073

Note: Total water consumption is 121,222 m³/year or 121 megaliter/year



Energy Management

Energy management is a critical component of our sustainability commitment to reduce PTAR's operational fossil fuel consumption. This is also mandated by the Ministry of Energy and Mineral Resources Regulation No. 70/2009, requires industries with a total annual energy consumption of more than 6,000 Tonnes of Oil Equivalent (TOE) to install an energy management system. Currently, energy management is handled by PTAR's maintenance officer.

The main sources of energy consumption at the Martabe Gold Mine include excavating machinery, transportation, the processing plant and office buildings. The energy use intensity is divided by tonnes of gold and silver production. PTAR does not currently calculate energy consumption from sources outside the Company, such as our supply chain or other vendors. [302-2]

TOTAL INTERNAL ENERGY CONSUMPTION AND ENERGY INTENSITY [302-1, 302-3]

Energy Source	Unit	2021	2020	2019
Electricity		537,957	560,804	512,164
Diesel fuel	Gigajoule	572,064	525,867*	733,605
Total Energy		1,110,022	1,086,670*	1,245,769
Gold Production	Tonnes	9.9	9.54	12.16
Energy Intensity	GJ/Tonnes	121,265	113,955*	102,425
Tonnes Milled	Tonnes	6,148,400	6,109,346	6,036,044
Energy Intensity	GJ/Tonnes	0.18	0.20	0.21

Note : *Restatement of the 2020 Sustainability Report

Due to the lack of a standardised value for converting 20% and 30% biodiesel from litres to joules, a weighted average of 20% and 30% biodiesel and standard diesel was used to calculate the energy conversion factor.

Fuel Type	Unit	2021	2020	2019*
Diesel		0	0	0
Biodiesel (B30)	L	14,975,510	12,745,850*	0
Biodiesel (B20)		0	979,278***	18,005,134
Total		14,975,510	13,725,128*	18,005,134
Sub Total Energy	GJ	572,064	525,867*	716,604
Gasoline	L	8,913	11,451	13,492
Gasoline	GJ	394.85	507.28	597.70
Liquefied Petroleum Gas	L	104,905.88**	31,000	79,772
Liquefied Petroleum Gas	GJ	4,636.84	1,370.20	3,525.92

**Environmental
& Biodiversity Performance**

Fuel Type	Unit	2021	2020	2019*
Kerosene	L	600	17,200	22,560
Kerosene	GJ	17.52	753.36	988.13
Aviation Turbine Fuel (AVTUR)	L	276,800	237,200	269,600
Aviation Turbine Fuel (AVTUR)	GJ	12,206.88	10,460.52	11,889.36
Sub Total Energy	GJ	17,256.09	13,091.36	17,001.11
Total Energy		589,321	542.020*	733,605

Note :

*Restatement of the 2020 Sustainability Report due to double calculation.

** There was a conversion of kerosene to gas for exploration activities in the kitchen.

***Switched to the use of B30 Biodiesel in accordance with Government directives.

Reduction of Energy Consumption [302-4]

PTAR is committed to implementing energy-saving measures consistently. These activities are designed to ensure an efficient, dependable and sustainable manufacturing process:

1. Energy consumption accounts for up to 70% of total production costs.
2. Government Regulation No. 70 of 2009 mandates that every company with an annual energy consumption equal to or greater than 6,000 TOE must implement energy efficiency. This regulation applies to us due to our annual energy consumption of 1,100,000 TOE.

3. Adherence to the PROPER assessment requirements.
4. Support for the Government of Indonesia’s nationally determined contribution (NDC) to achieve a low-carbon future through sustainable resource management.

Until the end of 2021, PTAR has not yet performed calculations regarding energy reduction. However, it is currently installing solar panels for a 1.7 megawatt peak power plant that will be completed in 2022.



PTAR has shifted away from onsite electricity generation via inefficient diesel generators and toward State Electricity Company (PLN) supplied electricity in terms of efficiency. In 2019, due to PLN blackouts, the 32 MW diesel plant remained frequently in operation. However, in 2020 and 2021, due to upgrades to the PLN power grid, the 32 MW diesel Genset was turned off completely and electricity was consumed solely through the PLN grid.

Management and Reduction of Greenhouse Gas Emissions [305-5]

PTAR is cognisant of the grave risks that climate change poses to the global situation. We implement significant improvements to our greenhouse gas (GHG) accounting and reporting practices to comply with the Greenhouse Gas Protocol (GHGP) and Global Reporting Initiative (GRI) Standards. [305-5]


PTAR was able to identify three categories of GHG emissions relevant to our operations as a result of this effort: direct GHG emissions (Scope 1), indirect GHG emissions (Scope 2) and other indirect GHG emissions (Scope 3).

- Scope 1: Genset fuel consumption
- Scope 2: Electricity
- Scope 3: Downstream Activities

Direct GHG emissions are produced when natural gas are burned to support production activities (energy sector) when natural gas is used to produce products

(IPPU sector) and when liquid waste is managed. Indirect GHG emissions are generated when PTAR purchases energy from third parties in the form of electricity and steam. Other indirect GHG emissions include those that occur as a result of organisational activities but originate from sources that are not directly owned or controlled by PTAR. CO₂, CH₄ and N₂O are the gases used in GHG emission calculations at PTAR.

The GHG emissions calculation method is based on the In-Pit Crushing and Conveying (IPCC) 2006 Volume 2 guidelines for calculating GHG emissions in the energy category, Volume 3 guidelines for calculating GHG emissions in the industrial category (which includes a calculation for the ammonia industry) and Volume 5 guidelines for calculating GHG emissions in the category of liquid waste. GHG emission is calculated using the following formula:



GHG Emission : Activity Data X Emission Factors

Notes:

- GHG Emission = greenhouse gas emission (CO₂ Tonnes eq)
- Activity Data = Quantity of activities that produce emissions (activity units)

PTAR uses 2016 to conduct its emissions baseline calculation. This base year is determined based on mutual agreement between members of the executive team. PTAR's GHG emissions data for 2021 is based on audited data.

DIRECT GREENHOUSE GAS EMISSIONS (SCOPE 1) (CO₂ TONNES EQUIVALENT) [305-1]

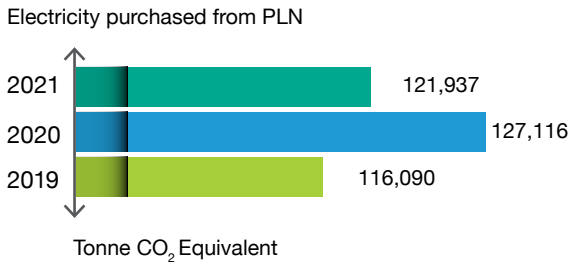
Total Direct Emissions (Scope 1)



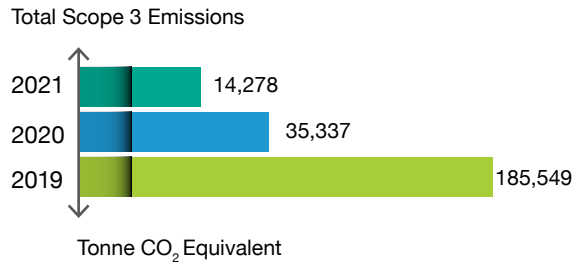
- Notes:
- Based on data from the Martabe project
 - IFC Carbon Emissions Estimation Tool 2014 is used to calculate GHG emissions
 - The consumption of fuel and electricity includes gases: CO₂, CH₄, N₂O

Environmental & Biodiversity Performance

INDIRECT GREENHOUSE GAS EMISSIONS - BOUGHT ELECTRICITY (SCOPE 2) [305-2]



INDIRECT GREENHOUSE GAS EMISSIONS (SCOPE 3-SERVICES) (CO₂ TONNES EQUIVALENT) [305-3]



Notes:
- The IFC Carbon Emissions Estimation Tool 2014 was used to calculate the GHG emissions.

GREENHOUSE GAS EMISSIONS (GHG) INTENSITY [305-4]

Description	Unit	2021	2020	2019
GHG Emission Intensity – Dore Bullion Produced	CO ₂ Tonnes Equivalent per kg Dore	3.73	2.7	4.3
GHG Emissions Intensity – Ore Milled	CO ₂ Tonnes Equivalent per tonne Ore Milled	32.92	37.6	62.3
GHG Emissions Intensity – Gold Poured	CO ₂ Tonnes Equivalent per kg Gold Poured	20.17	24.1	30.2
GHG Emissions Intensity – Silver Poured	CO ₂ Tonnes Equivalent per kg Silver Poured	4.64	3.1	5

Note:
• Calculated based only on gold production (excluding silver).
• The calculation of the emission intensity from emission scope 1, 2 and 3

Ozone-Depleting Substances [305-6]

Since 2012, PTAR has discontinued the use of halocarbon refrigerants (CFCs), which have the potential to deplete the ozone layer, are in favour of ozone-friendly refrigerants. We have replaced refrigeration units in mines, processing plants, offices and employee housing and we have eliminated the use of ozone-depleting substances from our business processes.

Other Emissions

Alongside GHG emissions, PTAR’s manufacturing process generates conventional gas emissions. PTAR conducts air quality measurements at our processing plants’ furnace and boiler stack in accordance with the Ministry of Environment and Forestry Regulation No. 4/2014. Direct measurements of air emissions are made by registered and accredited service providers in registered environmental laboratories at the Ministry of the Environment and Forestry. All SO₂, NO₂ and particulate dust monitoring comply with the regulation based on the measurements.

Biodiversity Management [304-2]

PTAR is aware of and understands the impact of mining operations on the surrounding biodiversity. Land clearance for mining purposes is a major source of concern for biodiversity. Therefore, we perform land rehabilitation following land use and ensure that the land clearing location does not contain any protected wildlife species. Furthermore, we have strict regulations prohibiting all employees and contractors from hunting and capturing wildlife within the Martabe Gold Mine site area. [304-2]

All PTAR operational areas are not located in or near protected forests or conservation areas. PTAR ensures that no flora or fauna are affected either within or outside of our operational area. [304-2]

Additionally, we collaborate with other third parties to protect biodiversity, most notably through education, socialisation and the prevention of wildlife poaching and trade. The following are just a few of the numerous collaborations we have had in the field of biodiversity management:



SCORPION Indonesia Foundation has made a significant contribution to animal protection and conservation in South Tapanuli. Since 2016, PTAR has supported the SCORPION Indonesia Foundation's construction of an Animal Rescue Centre in Hapesong Baru Village, Batangtoru Subdistrict. In addition, the Company's support enables the SCORPION Indonesia Foundation to consistently carry out superior programmes such as wildlife patrols, public education for wildlife protection and early warning for sightings of endangered species.

The Persamuhan Bodhicitta Mandala Medan Foundation (YPBMM) manages the Barumun Tiger Sanctuary. In 2021, the Barumun Tiger Sanctuary received support in the form of high-quality equipment and supplies to care for tigers in conflict with the local community. PTAR previously contributed to the release of the Sumatran tiger Sri Nabila into the Kappi Forest of Gunung Leuser National Park (TNGL) by donating a vehicle and an animal rescue cage. The Ministry of Environment and Forestry, through the Directorate General of Natural Resources and Ecosystem Conservation, awarded the Company for its efforts and support.

Other NGOs continue to be supported. PTAR, for example, met with NGOs concerned with biodiversity conservation who are members of the Batangtoru Conservation Activists 2021 to receive various inputs on PTAR's environmental management efforts. The Batangtoru Conservation Activists are made up of 23 local NGOs.

PTAR also collaborates with leading universities in the fields of education, science, research and biodiversity conservation. These partnerships involve the Bogor Agricultural Institute (IPB), National University (Unas), North Sumatera University (USU), South Tapanuli Muhammadiyah University (UMTS) and Aafa Royhan University (UNAR) in Padangsidimpuan. Surveying the composition and diversity of flora and fauna at the proposed site of the Martabe Gold Mine development is one of the activities that have been conducted. In addition, forestry experts from the Faculty of Forestry at the University of North Sumatera (USU) conducted Pre-Land Clearing Fauna Inspection training.

Site Rehabilitation

PTAR's Site Rehabilitation Programme ensures that we immediately reclaim land that is no longer in use. Before spreading topsoil, reclamation site land is formed according to the design and contours. Furthermore, used land is planted with legumes (*Leguminosae*) to prevent erosion and planted with fast-growing plants to create a canopy, thereby improving the quality of the soil and environment. Hydroseeding is used to plant cover crops on sloping land. Routine plant care is performed to ensure the survival and growth of the plants. [103-2] [103-3]

Mining rehabilitation is structurally the responsibility of the Chief Mine Officer (KTT), who is the highest-ranking person responsible for mining activities on the site. The Mining Operations Department is responsible for planning and land management at the operational level, while the Environment Department is responsible for planting and maintaining reclamation plants.

Plant nurseries in the Martabe Emas Gold Mine area assists the Site Rehabilitation Programme and provides a steady supply of native tree species for planting. Topsoil management is also part of the Site Rehabilitation Programme. To significantly increase the number of plant species and the rate of seedling growth, thin layers of topsoil are deposited over the final rehabilitated surface areas. Activities for reclamation are carried out in stages; the plants' growth and success are monitored through routine maintenance. Each year, a team from the Ministry of MEMR reviews the reclamation plant growth success rate and the overall condition of the area. However, this activity was not conducted in 2021 due to the COVID-19 pandemic. [103-3]

The following are the general measures taken by the Martabe Gold Mine to rehabilitate disturbed areas, which are similar to those taken by most other mines:

- Re-shaping the area to achieve the desired slope.
- Installing run-off control structures such as contour drains.
- Spreading topsoil over the area.
- Applying fertiliser.
- Spreading seeds (typically a mixture of legumes).
- Hand planting of tree seedlings.



Iman Ari Utomo, Field Assistant for Rehabilitation at the Environment Department, planted local plant seeds in the operational area of the Martabe Gold Mine. The presence of local plants will accelerate the return of natural flora and fauna to grow and live in revegetation and reclamation sites.

Site Rehabilitation and Reclamation Achievements in 2021

In 2021, PTAR's 2017-2021 Reclamation Plan, which was approved by MEMR, aimed to implement rehabilitation on 3.88 hectares of operational areas and 0.28 hectares of exploration areas in 2021. The actual achievements of rehabilitation in 2021 exceed this plan by a total of 9.02 hectares, including 3.88 hectares of operational areas and 5.14 hectares of exploration areas. Furthermore, PTAR planted 4,310 seedlings in 2021.

PTAR is committed to performing mine rehabilitation under the 2017-2021 Reclamation Plan and planning

mine closure in compliance with applicable regulations. The PTAR Mine Closure Plan gained approval from the Ministry of Energy and Mineral Resources in 2014 for the Purnama pit mining area and the TSF MRL 360 tailings dam with a guaranteed mine cover value of USD23 million. In 2021, a Mine Closure Plan was developed for all (100%) PTAR operational areas in 3 pit areas, namely the Purnama Pit, Barani Pit and Ramba Joring Pit. PTAR has a Code of Practice (COP) regarding biodiversity management which is implemented in all operational activities in the project area. [304-3] [MM10] [MM2]

DISTURBED AND REHABILITATED LAND (HA) [MM1]

Description	2021	2020	2019
Total disturbed land at the beginning of the year	497	477	465
Disturbed land	28.65	19	17
Rehabilitated land	3.88	3	4
Total disturbed land at the end of the year	525.65	497	477

REHABILITATED DISTURBED AREA

Description	Unit	2021	2020	2019
Additional rehabilitated disturbed area	Ha	4	3	4
Total rehabilitated disturbed area	Ha	24.02	18.94	16.33
Seedlings planted	Amount	4,310	2,399*	1,886

Note:

*2.59 Ha of reclamation area converted into mine road

LOCATION OF OPERATION ADJACENT TO PROTECTED AREAS OR AREAS WITH HIGH BIODIVERSITY [304-1]

Description	Unit	2021	2020	2019
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

Notes:

- 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.

Mine Closure

PTAR is committed to rehabilitating disturbed areas at the Martabe Gold Mine to a safe, stable and productive state following the conclusion of mining and processing operations. PTAR developed the Mine Closure Plan by Government Regulation No. 78 of 2010 on Reclamation and Post Mining, as well as the Minister of Energy and Mineral Resources Regulation No. 26 of 2018 on the Implementation of Good Mining Principles and Supervision of Mineral and Coal Mining. In 2021, no mine closure targets or plans were carried out, given the active state of our operations.

Mine rehabilitation and closure will incorporate critical environmental management outcomes throughout the planning process, from feasibility to mine closure, including the following:

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

Mine Closure Strategy

During operations, detailed technical studies will be conducted based on the timeline of the closure study, which is reviewed and updated annually. A small crew will remain on-site for several years following the conclusion of operations to assist with any remaining closure duties. In addition, we will maintain an environmental monitoring programme until the land is transferred.

Looking Forward

In 2022, the Company will continue its environmental performance by:

- Maintaining the quality of water, air, soil and waste management of Toxic Hazardous Materials and Garbage.
- Monitoring, particularly wastewater quality, river water quality, groundwater quality, ambient air quality, emission air quality, flora, fauna, microclimate, soil fertility and aquatic biota.
- Using water and energy efficiently, reducing emissions and fuel, using renewable energy.
- Continuing our biodiversity protection by spreading plant seeds with seed balls in the forest areas, protecting flora and fauna around the mine, enrichment of local plants and wild animal feed plants in the PTAR nursery.



The Permata Hijau Farmer Group in Sipenggeng Village under the guidance of PT Agincourt Resources (PTAR) for the rice breeding program. The rice seeds produced by this farmer group have been certified and marketed outside of Batangtoru District.

04

OUR COMMUNITY



PTAR believes that operational activities have an impact on the surrounding community and strives to commit to optimizing impact management in order to maximize benefits for all stakeholders. PTAR continues to carry out various Corporate Social Responsibility (CSR) activities and programs that focus on its five CSR pillars, namely Education, Health, Local Business Development, Public Infrastructure and Community Relations, while also prioritizing the aspects of Environmental, Social & Governance (ESG) as a form of the Company's efforts in achieving Sustainable Development Goals (SDGs). PTAR has conducted a social and environmental impact assessment as part of its sustainability strategy; the results are submitted to the community by a third party. ^[413-1]

Introduction

The Asset-Based Community Development (ABCD) philosophy emphasises the critical nature of identifying, utilising and establishing community ownership of assets. The assets and potential of a community are critical indicators of its success and sustainability. Daily life in the Martabe Gold Mine communities is still shaped by traditional culture and we promote these indigenous and regional cultures. This chapter summarises PTAR’s approach to community development programs in Directly Affected Villages (DAVs) and its outcomes in 2021.

In 2021, PTAR did not have a local community consultation committee. However, PTAR currently has an active youth group called Perkumpulan Sahabat Cerdas (PERSADA), has been providing training by community institutions to become PTAR partners since 2020. PERSADA’s task is to coordinate activities related to economic, social and cultural aspects.

The following is a masterplan for the Community Development Programme: [\[413-1\]](#)

No.	Village/Urban village	Potency	Community Development Program
Batangtoru Subdistrict			
1.	Batu Hula	Rice, Rubber, Cacao, Oil Palm, Cloves, Cows, Compost House, Provision of Community-Based Drinking Water and Sanitation (PAMSIMAS), Cooperatives, Taman Baca Anak	<ul style="list-style-type: none"> Improving the village’s public facilities (road, school, irrigation) Increasing community capacity in agriculture/plantation (rice) as well as in the field of entrepreneurship (cooperative) through training, technical guidance and facilitation Improve children’s art and literacy through Taman Baca Anak activities Increasing Firefighting management Disaster Risk Reduction and Mitigation (PRB) skills & assisting Village Digitalization
2.	Sumuran	Corn, Rubber, Palm Oil, Coffee, Rice, Durian, Salak, Badan Usaha Milik Desa (BUMDES), PAMSIMAS, Cooperative, Taman Baca Anak	<ul style="list-style-type: none"> Strengthening community small groups (entrepreneurs) and cooperatives through training, technical guidance and facilitation Improving village public facilities (roads and clean water facilities) Improving children’s art and literacy through Taman Baca Anak activities
3.	Aek Pining	Rubber, Cacao, Coconut, Home Industry (tofu, tempeh, crackers), South Tapanuli Batik, Taman Baca Anak, livestock	<ul style="list-style-type: none"> Strengthening community small groups (entrepreneurs-batik) through training, technical guidance and facilitation Improving village public facilities (roads and clean water facilities) Improving public health centre facilities and services (Puskesmas) through Doctor specialist programs & increasing the capacity of health staff Strengthening community small groups (entrepreneurs-livestock) through training, technical guidance and facilitation Improving children’s art and literacy through Taman Baca Anak activities

No.	Village/Urban village	Potency	Community Development Program
4.	Napa	Rubber, Rice, Mangosteen, Lubuk Larangan, Sopo Daganak Building, Griya Upa Tondi/Organic Centre, Cooperative & Taman Baca Anak	<ul style="list-style-type: none"> Improving village public facilities (roads, schools, irrigation) Strengthening the harmony and social solidarity of the community through local art and cultural preservation activities (centralized in Sopo Daganak) Improving children's art and literacy through Taman Baca Anak Increasing community capacity in agriculture/plantation as well as entrepreneurship through training and technical guidance (Griya Upa Tondi organic centre) Assisting Village Digitalization
5.	Wek III	Rubber, Palm Oil, Coffee, Peanut, Corn, Rice, Taman Baca Anak	<ul style="list-style-type: none"> Improving children's art and literacy through Taman Baca Anak activities
6.	Wek IV	Rubber, Rice, Corn, Areca Nuts, Palm Oil, Badan Usaha Milik Desa (BUMDES), Taman Baca Anak, Taklim Council Group	<ul style="list-style-type: none"> Improving children's art and literacy through Taman Baca Anak activities Strengthening community small groups (cooperative) through training, technical guidance and facilitation
7.	Wek I	Rubber, Cacao, Palm Oil, Coconut, Durian, Mangosteen, Rice, Taman Baca Anak	<ul style="list-style-type: none"> Improving children's art and literacy through Taman Baca Anak activities Improving Government's office facilities (Subdistrict Office)
8.	Wek II	Rubber, Coconut, Rice, Home Industry, Batangtoru Market, Compost House, Cooperative, Taman Baca Anak	<ul style="list-style-type: none"> Improving children's art and literacy through Taman Baca Anak activities Improving the village's public facilities (road)
9.	Telo	Rubber, Palm Oil, Rice, Palawija (corn, peanuts, etc.), Fruits (Durian, Mangosteen, Mango, Kuini, etc.), Galian C, Taman Baca Anak, <i>Wirid</i> Yasin Group	<ul style="list-style-type: none"> Improving children's art and literacy through Taman Baca Anak activities Increasing community capacity in agriculture/plantation as well as entrepreneurship through training and technical guidance (Pulo Godang Paddy Field) Increasing Firefighting management Disaster Risk Reduction and Mitigation (PRB) skills & assisting Village Digitalization
10.	Perkebunan Batangtoru	Rubber, Oil Palm, Coconut	<ul style="list-style-type: none"> Improving village public facilities (clean water facility)
11.	Hapesong Baru	Rubber, Rice, Corn, Durian, Mangosteen, Banana, River Tourism, Inland Fishery, gravel, Saroha Home Industry Group (dried banana fritters products and various cakes) and <i>Marsada</i> (sewing), Youth Skills (screen printing), Taman Baca Anak	<ul style="list-style-type: none"> Strengthening community small groups (home industry) through training, technical guidance and facilitation Increasing skills in Firefighting management Disaster Risk Reduction and Mitigation (PRB) Improving the village's public facilities (Mosque) Improving children's art and literacy through Taman Baca Anak activities

Our
Community

No.	Village/Urban village	Potency	Community Development Program
12.	Sipenggeng	Rice, Rubber, Palm Oil, Cacao, Vegetable Products, Durian, Mangosteen, Waterfall Tourism, Lubuk Larangan, Cooperatives, Taman Baca Anaks, Farmers Groups, PAMSIMAS, Nasyid Group	<ul style="list-style-type: none"> Improving children’s art and literacy through Taman Baca Anak activities Improving the village’s public facilities (mosque, road) Increasing community capacity in agriculture/plantation (rice) as well as in the field of entrepreneurship (cooperative) through training, technical guidance and facilitation
Muara Batangtoru Subdistrict			
13.	Bandar Hapinis	Palm Oil, Rubber, Coconut, Cacao, Palawija (maize and nuts), Rice, Fisheries, gravel, Taman Baca Anaks	<ul style="list-style-type: none"> Improving children’s art and literacy through Taman Baca Anak activities Strengthening community small groups (entrepreneurs) through training, technical guidance and facilitation
14.	Hutaraja	Oil Palm, Rubber, Coconut, Areca Nut, Rice, Banana, Inland Fishery, BUMDes Bersama, Village Market, Palm Oil Cooperative, Taman Baca Anak, Band Group	<ul style="list-style-type: none"> Improving children’s art and literacy through Taman Baca Anak activities Improving public health centre facilities and services (puskesmas) through Doctor specialist programmes & increasing the capacity of health staff
15.	Muara Hutaraja	Oil Palm, Rice, Banana, Rubber, Galian C, Freshwater Fish Market, Taman Baca Anak	<ul style="list-style-type: none"> Strengthening community small groups (entrepreneurs) through training, technical guidance and facilitation Improving children’s art and literacy through Taman Baca Anak activities Improving Government’s office facilities (Subdistrict Office)

PTAR has also identified other potentially negative impacts that must be circumvented such as: [\[413-2\]](#)

Noise caused by helicopter activities and detonation.

Truck traffic transporting mining materials pass through community villages.

Occasional mud sedimentation.


The construction and operation of a neighbouring mine affect the surrounding community. Support for community development by the mine operator mitigates these effects and is critical to a mining company’s social licence to operate. Additionally, a company’s commitment to corporate social responsibility may be demonstrated through its support of local community development. PTAR’s commitment to local community development began early in the Martabe Gold Mine’s development phase.

The Company consistently targets the following major areas for its Community Development Programmes based on industry guidance, the local community need assessment and stakeholder consultation:

- Health
- Education
- Local Business Development
- Public Infrastructure
- Community Relations

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

The Company’s community development efforts are concentrated in 15 village communities adjacent to the Martabe Gold Mine, which is classified as Directly Affected Villages (DAVs). Certain initiatives have benefited a much broader population, for example, by providing support for programmes. PTAR has established the following guiding principles for developing and implementing its community development programmes:



**PTAR
Community
Development
Guiding
Principles**

Empowerment

Community development programmes shall be aimed at promoting community empowerment and ensuring that there are processes in place to improve individual, group and community capacities to make purposive choices and transform these choices into desired outcomes.

Good Governance

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

Sustainable Development

Community development programmes shall deliver benefits to stakeholders after mine closure.

Stakeholder Values

Community development programmes shall reference, promote and embrace traditional knowledge and local wisdom. No programme shall be detrimental to local values.

Maximising Benefits

Community development programmes shall maximise the benefits delivered by enabling participation by recipient communities in project delivery.

2021 Community Development and Engagement Master Plan

Following the implementation guidelines issued by the Ministry of Energy and Mineral Resources (MEMR), mining companies in Indonesia are required to develop and implement a Community Development and Engagement (PPM) Master Plan. PTAR complied with this requirement through the development of a PPM Master Plan covering the period from 2018 to mine closure. This plan superseded the previous Community Management Plan (2016-2020) and was developed by the following guidelines:

- 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 that the PPM Master Plan must address. These programmes are comparable to those already in place at the Martabe Gold Mine in terms of community development and engagement.

PRIORITY PROGRAMS - PTAR COMMUNITY DEVELOPMENT AND ENGAGEMENT MASTER PLAN

<p>01</p> <p>Education Increasing the acceleration of quality and education services.</p>	<p>02</p> <p>Health Revitalisation and acceleration of quality and public health services.</p>	<p>03</p> <p>Income and Employment Diversification and development of local potential-based livelihoods.</p>	<p>04</p> <p>Economic Independence Development of various local potential-based business centres. Development of training centres for entrepreneurship, creative industries, and sustainable agriculture.</p>
<p>05</p> <p>Infrastructure Development Increasing access and quality of basic social infrastructure for urban settlements, supporting economic activation and public administration.</p>	<p>06</p> <p>Community Relations Environmental protection program towards sustainable settlements. Disaster Risk Reduction Program.</p>	<p>07</p> <p>Community Institutional Capacity Capacity building of government officials to improve the performance of public services. Strengthening and developing community business networks.</p>	<p>08</p> <p>Social and Cultural Program to conserve biodiversity and revitalize the wealth of local arts, religions, and cultures. Development of achievements in sports, arts, and local culture.</p>

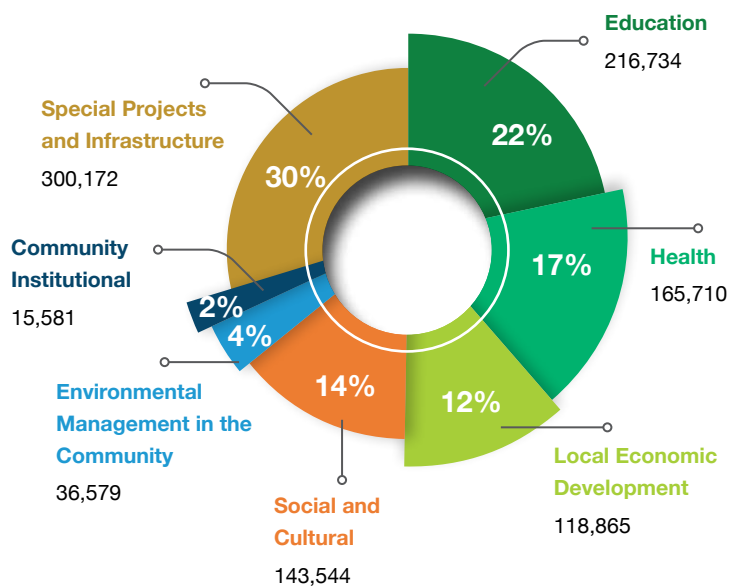
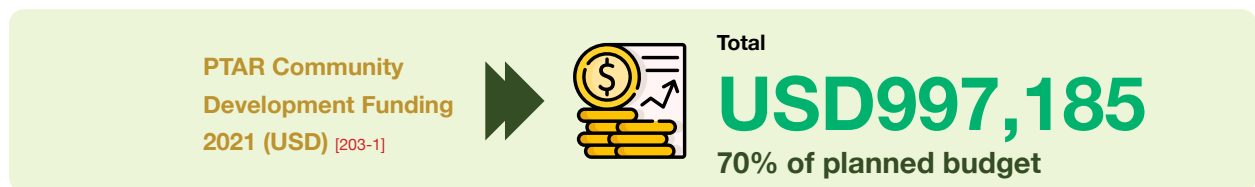
According to the PPM implementing guidelines, the costs of community development and engagement programmes included in a PPM Master Plan must be classified as operational costs and included in the annual Working Plan and Budget (WP&B), as well as addressed in the MEMR-approved project feasibility studies. These requirements promote greater transparency and accountability in the delivery of community development programmes by mining companies.

The Community Relations Department at the Martabe Gold Mine manages PTAR's community development and relations activities. Community development programmes are generally carried out in collaboration with local governments and organisations such as the South Tapanuli Office of Education, the South Tapanuli Office of Health and the South Tapanuli Indonesia Medical Association.

Community Development Programme Performance in 2021

General Overview

In 2021, PTAR invested USD997,185 to assist in the implementation of the PPM Master Plan. This was in addition to dividends paid to the regency and provincial governments and payments made to local contractor companies for the provision of goods and services. PTAR also provided various support to the Government such as capacity building and training, event sponsorships, joint programs and the provision of public infrastructure. Due to the pandemic situation, around 70% can be realized to support PPM activities as a result, several programs, especially public infrastructure, cannot be realized so that they are added to the 2022 budget.



Support for community development assistance in 2021 concentrated on the continuation of existing programmes. Significant assistance was provided to local communities and government agencies in dealing with the COVID-19 pandemic by supporting the government in vaccination programs, installations of various health promotion media (banners and posters) in public places regarding vaccines and health protocols during a pandemic, routine disinfectant program at Batangtoru Public Health Centre, donations to Sipirok Hospital on antigen test kits, oxygen cylinders and emergency trolleys. PTAR also provided food packages for the elderly and orphans in DAVs, to support them in this difficult situation.



Education

Expanding access to quality education is a priority of PTAR's community development programme. Our Programmes are aimed at improving the quality and accelerating the delivery of education services through various programmes, including *Martabe Prestasi* scholarships, capacity building for the management of Taman Baca and Sopo Daganak also improving school facilities and infrastructure.

These initiatives are outlined in the following:

- **Martabe Prestasi Scholarship Programme**
Martabe Prestasi is a programme that provides educational assistance and scholarships to meritorious students from low-income families in the Batangtoru and Muara Batangtoru subdistricts.
- **Focused Learning**
The focused learning programme assists junior high school students/ class IX equivalent and class XII high school students (science and social studies majors) in the Batangtoru and Muara Batangtoru subdistricts by providing focused learning for several major subjects to assist students/students in gaining admission to superior high schools and universities.
- **Adiwiyata**
The Adiwiyata programme aims to assist in the acceleration of quality and education services, which also supports the Program for the Care & Culture Movement for the School Environment. The Adiwiyata Prospect Survey was conducted in collaboration with Innovera and included representatives from the relevant offices and seven prospective candidate schools.
- **Vocational School Development**
To improve the Acceleration of Quality and Education Services, including vocational education, PTAR focused on vocational school development in 2021 on agriculture-based vocational schools in the Batangtoru and Muara Batangtoru subdistricts, specifically SMKN I Batangtoru and SMKN I Muara Batangtoru.
- **Teacher Capacity Building & Empowerment**
PTAR partnered with the South Tapanuli Regency Regional Education Officer and the Education Quality Assurance Institute (LPMP) to support the Academic Selection Program for School Supervisor Candidates and Training for School Supervisor Candidates.
- **Improvement of educational facilities & infrastructure**
PTAR contributed to the improvement of quality education through the construction of two classrooms and 58 school bench units at SDN N0.100702 Batangtoru, Napa Village and assisted in the construction of four classrooms and a 100 meter long sewer at SDN No. 100711 in Batuhula Village, Batangtoru subdistrict.



Doni Kurniawan Nasution, teacher at SMKN 2 Batangtoru explained the Martabe Gold Mine operation to the students of SMKN 2 Batangtoru through a mock-up that was donated by PT Agincourt Resources (PTAR). Through this mockup, it is hoped that students can better understand gold mining operations.

Health

In 2021, PTAR's health programmes continued to focus on revitalising and accelerating quality and public health services by supporting pilot projects for sustainable housing, enhancing the health quality of the elderly, healthy teenagers, pregnant women, children and the general public, supporting STBM (Community-Based on Total Sanitation) programmes for ODF (Open Defecation Free) Villages and their supporting facilities, general health promotion activities and donated funds.

The following are the health programmes on which PTAR concentrated its efforts on 2021:

- Initiation of the Sustainable Settlement program: assessment, sustainable settlement baseline data mapping
Initiation of a pilot programme for Healthy Villages or a Sustainable Settlements Programme is conducted in the areas surrounding the mine. PTAR, in collaboration with the Health Office and Public Health Centres, identified seven target villages, five in the Batangtoru subdistrict (Telo, Napa, Batu Hula, Hapesong Lama, Sumuran) and two in the Muara Batangtoru subdistrict (Bandar Hapinis, Terapung Raya); and conducted a mapping of health needs (baseline data) in seven target

villages with the assistance of a local partner and the Faculty of Health of the Aufa Royhan University in Padangsidempuan.

- Malnutrition Recovery Program
Routine paediatrician visits, supplemental feeding in the form of formula milk and assistance from the Batangtoru and Muara Batangtoru Public Health Centres for two malnourished toddlers who were beneficiaries.
- Elderly Health Programme
The Elderly Health Programme aims to decrease elderly morbidity due to non-communicable diseases and unhealthy living behaviours through socialisation activities and physical fitness assessments.
- Health Adolescent Programme
The Healthy Youth Program is a combination of the Adolescent Care Health Services (PKPR) and the School Health Services (UKS). This programme is being implemented in collaboration with the Health Office and the Batangtoru and Hutaraja Health Centres, with a target population of 19 junior high and high school students in the Batangtoru and Muara Batangtoru subdistricts.

Our Community

- **Community-Based Total Sanitation in the context of accelerating ODF (STOP BABS)**
PTAR collaborated with the South Tapanuli Health Office, Batangtoru Health Centre and Hutaraja Health Centre to encourage villages in the related subdistricts to achieve open defecation-free status while also educating the community about sanitation and healthy behaviour.
- **Support for the Mitigation of Health Issues**
The South Tapanuli Regency Government received donations of medical devices for the South Tapanuli Hospital in the form of 1,000 test antigen cards, 15 units of bottled oxygen plus regulator and two units of emergency carts.
- **Provision of specialist doctor services**
A Gynecology, Pediatrics and Internal Medicine Specialist Service Program at the Batangtoru Health Centre, as well as the provision of free medicines upon doctor's prescription and the donation of supporting equipment for specialist doctor services. In 2021, a total of 3,311 patients received services from a specialist doctor.



Public toilet facilities supported by PT Agincourt Resources (PTAR). This development is intended to support the Community-Based Total Sanitation (STBM) and Stop Open Defecation (BABS) programmes.

Local Business Development

The Company has a policy of purchasing goods and services from local suppliers whenever possible. In 2021, the Company spent USD5.7 million on goods and services from local suppliers. PTAR also focuses on developing local businesses by promoting income diversification to increase real income and economic independence.

Three areas, in particular, are supported:

1. Increasing agricultural diversification and productivity
2. Guiding to promote the quality of goods and services procured by local suppliers for PTAR for it to continue to improve and become more competitive
3. Assistance to PTAR-assisted cooperatives and business groups in building their capacity and initiating the development of new business units based on local potential.

Furthermore, PTAR is dedicated to providing local communities with job opportunities at the Martabe Gold Mine. Since the beginning of the project, the Company's goal has been to employ at least 70% locals. Employees have access to a wide range of training courses and opportunities for government certification in a variety of skills, including equipment operation, which helps to support local employment. By the end of 2021, nearly 73.92% of the Martabe Gold Mine employees were locals, exceeding the 70% target set in the Environmental Impact Assessment.

PTAR has engaged in a variety of activities to stimulate local business development, including the following:

- Development of new local business units and capacity building of local suppliers
 - a. Local Partners: PTAR has always created opportunities for local partners by empowering them to support mining operations. Local transactions totalled USD2,552,660 for services and USD3,150,602 for goods in 2021.
- Tax Awareness Training: PTAR conducted a tax compliance training session with trainers from the Padangsidempuan Pratama Tax Service Office. This session drew 36 local vendors/contractors who work with PTAR.
- Initiation of Community Business Unit Development Based on Local Potential
 - a. Sewing skills: PTAR offers advanced sewing training for small and medium-sized enterprises (SMEs) in the villages surrounding the mine.
 - b. BUMDES Satahi Water Refill Depot (DAMIU) PTAR previously supported Kelompok Usaha Bersama (KUB) Bongal Sejahtera in 2019 by establishing a depot and a refill drinking water treatment plant. In 2021, PTAR assisted by facilitating the integration of KUB into the BUMDES Muara Hutaraja business unit, managing business permits in the form of a Business Identification Number (NIB), conducting laboratory tests to ensure the quality of drinking water and providing various other equipment necessary to initiate the development of a future drinking water depot.
- South Tapanuli Batik Business Development From 6 to 10 April 2021, PTAR held training for Cap and Write Batik and Natural Dyes in collaboration with the Yogyakarta Centre for Handicrafts and Batik (BBKB). Additionally, PTAR donated batik equipment and assistance with the production of derivative products such as handbags, gloves, laptops, wallets and sling bags.
- Development of Cooperatives and Local Business Units PTAR, in collaboration with Bina Swadaya Consultants and the Dharma Bhakti Astra Foundation, conducted a self-assessment of cooperatives and business groups assisted by PTAR to strengthen their capacity.

Agriculture

As a result of the predominantly rural nature of local communities, diversifying and increasing the productivity of local agriculture has been a vital part of PTAR's community development support since the project's inception and has been a priority since the project began. In 2021, the Companies supported the following outcomes:

- Development of rhizome root cluster
PTAR assisted two Women Farmer Groups (KWT) in the form of efforts to develop a rhizome root clusters. In addition, PTAR also supports the construction of a greenhouse that will be used to sow turmeric and ginger seeds for the two KWTs.
- Development of conventional shelled corn and rice clusters
 - a. SUPRA (Agricultural Business Centres and Agribusiness Chains), a programme aimed at consolidating and improving the agricultural business centre and agribusiness chain network. PTAR assistance in the form of 355 kg of certified superior Ciherang seeds to 34 farmers who are members of the Marsada 1 Farmer Group in the Simpang Alas rice fields in Batuhula Village.
 - b. Corn Breeding or the cultivation of corn seed breeders in Sumuran Village involves six farming families working on a 1.5-hectare plot. PTAR distributed superior shelled corn labelled Sukma Raga to corn farmers in Maros Regency, in collaboration with Balai Penyuluhan Pertanian (BPP) Batangtoru and also held a field school on the sorting and treatment of corn seeds before planting.
- Capacity building and program partnerships with BPP
PTAR is committed to enhancing the agricultural quality and economic development in South Tapanuli by facilitating three-day certification training for Field Agricultural Extension Officers (PPL).
- PADU (Peternakan Terpadu)
PTAR initiated an integrated livestock development programme in Aek Pining Village through the empowerment of youth groups. This programme serves as an introduction to alternative livelihoods that capitalise on local resources.
- Development of fishery clusters
In Sumuran Village and Hapesong Baru Village, the ASIK programme (Activation of Fish Cultivation System) cultivates catfish, carp and tilapia ASIK, freshwater fish farming groups, as well as maggot cultivation as fish feed produced by the group.



Juniardi, a member of the Integrated Animal Husbandry (PADU) in Aek Pining initiated by PT Agincourt Resources (PTAR) shows the chilli harvest. In addition to developing an integrated goat farming farm, this youth group also grows watermelons and chillies as an alternative source of income.

Infrastructure Development

PTAR's community development programme has a long history of focusing on public infrastructure improvement, which benefits a diverse cross-section of the community. This includes upgrades to water supplies, toilets and laundry facilities, roads and bridges, school buildings and public facilities. Generally, these improvements have been carried out by village workgroups or local contractors using materials supplied by the Martabe Gold Mine. In 2021, PTAR supported the following public infrastructure projects among others:

- Construction of a signboard for the Batangtoru Subdistrict Office as part of PTAR's ongoing commitment to enhancing subdistrict government services for the community.
- Renovation of the 55-meter Suspension Bridge in Simpang Alas, Batu Hula Village, Batangtoru Subdistrict to improve farmers' mobility when conducting agricultural activities.
- Construction of the Irrigation Alas Intersection in Batangtoru Subdistrict's Lapotorop Batu Hula Village. The purpose of this activity is to assist farmers by optimising irrigation in the Simpang Alas Laportorop rice fields in Batuhula Village, Batangtoru Subdistrict.
- Provision of safe clean water at Baitul Muchsinin Mosque in Aek Pining Village, Batangtoru District, through the drilling of wells and the provision of deep good pumps.
- Construction of a 250-meter long and 2 meter wide concrete rebate road in Pasir Village, Kelurahan Aek Pining, Batangtoru Subdistrict, as well as a small bridge.

Community Relations

PTAR's primary objective in community relations is to foster trust and respect between stakeholders and PTAR. As a result, PTAR concentrates its efforts on three primary areas of activity:

1. Raising public awareness of PTAR's operations.
2. Appropriately managing stakeholders' concerns and grievances about PTAR's operations.
3. Respect, appreciation and preservation of local wisdom.

Social and Cultural

In 2021, PTAR supported the following social and cultural initiatives:

- House of Worship Repairs:
 - The construction of the second floor of the Al Ikhlas Mosque in Hapesong Baru Village.
 - a. Renovation of the Al-Iman Mosque in Batu Horing.
 - b. Renovation of the Riyadhul Muttaqien Mosque in Sipenggeng.
- Christianity Development Programme
 - Through Spiritual Awakening and Resurrection (KKR) activities, PTAR held a Christmas celebration with the community around the mine, which was live-streamed on the Agincourt Resources YouTube channel, as well as the distribution of food packages to 500 families from underprivileged communities, which was distributed through 21 churches in Batangtoru and Muara Batangtoru Subdistrict, as well as material donations to a number of churches.
- Donations and Humanitarian Assistance (Emergency Response)
 - Provision of social assistance in the form of 300 packages of basic food ingredients to communities affected by floods in a number of locations in South Tapanuli, including Simaronop Hamlet, Pardomuan Village, South Angkola Subdistrict and Rianiate Village, Angkola Sangkunar Subdistrict.
- Disaster Risk Reduction Program
 - a. Capacity building for South Tapanuli firefighters:
 - In collaboration with Trust One Indonesia, PTAR conducted basic firefighting management training for firefighters in South Tapanuli Regency.
 - b. Capacity building for Disaster Resilient Village volunteers (Destana), in collaboration with Indonesian Ready Non-Governmental Organizations (NGOs) and the South Tapanuli Regency (Tapsel) Regional Disaster Management Agency (BPBD), where a programme was held to strengthen the Disaster Resilient Village (Destana) in the form of strengthening the capacity of volunteer groups Destana in two DAV, namely Muara Hutaraja and Hapesong Baru.

PTAR Guidelines for Grievance Redressal Procedure

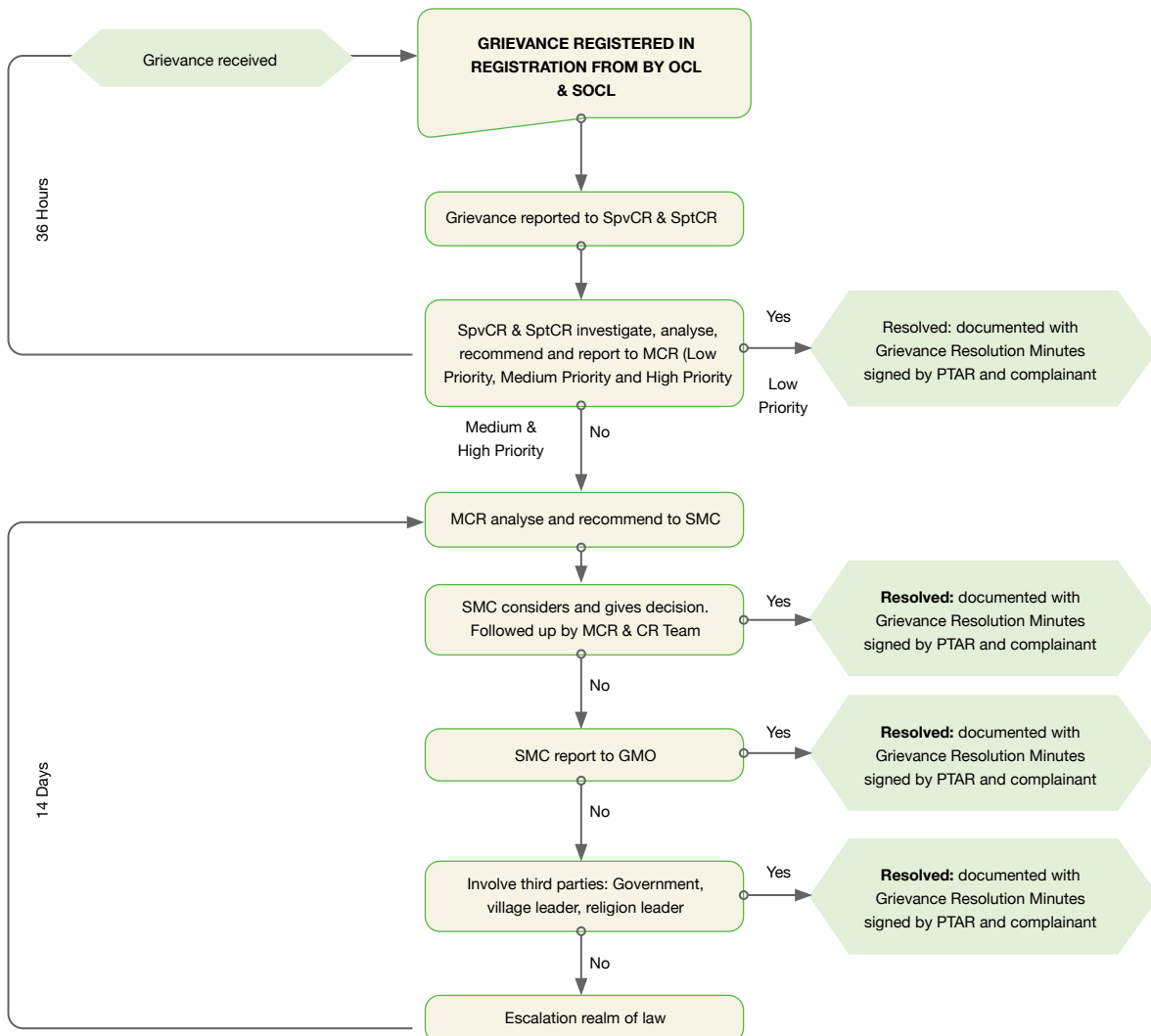
PTAR has a well-defined procedure for resolving grievances, which include critical concerns. The Community Relations Department is responsible for this function, which reports directly to the Board of Directors. The Grievance Procedure applies to all facets of a community, including government agencies, residents (individuals and groups), community institutions and private institutions located in DAVs and/or Batangtoru and Muara Batangtoru Subdistricts.

PTAR classifies the different types of grievances that arise as a result of mining operations into distinct impacts, such as those on socio-cultural life, the

economy, health, education and the environment. The PTAR database ensures that all documentation is archived automatically.

The Grievance Redressal Procedure is intended to guide the management of grievances lodged by local stakeholders regarding the Martabe Gold Mine's operations. The guidelines outline the procedures for admitting complaints, maintaining records/registrations, resolving disputes and communicating with all parties involved, both internally and externally. PTAR greatly emphasises the prompt response to any grievances. [102-17] [102-33]

Flow Chart Grievance Handling Process [102-33]



Grievances in 2021 [102-34]

The Company resolved all grievances received in 2021 while continuing to nurture positive engagement with all related stakeholders. PTAR continues to enhance communications to develop a harmonious relationship with local employees and community members.

The harmonious relationship between PTAR and the surrounding community was demonstrated throughout 2021 by the absence of strikes, either by the community

or employees that could have potentially disrupted operations for more than one week. Additionally, the company’s activity area is not directly adjacent to indigenous communities, allowing for the avoidance of disputes over land use or customary rights with indigenous communities. PTAR does not, however, operate in areas directly adjacent to community mining. Additionally, there has been no instance of community resettlement to date. [MM4, MM5, MM6, MM7, MM8, MM9].

NUMBER OF PUBLIC COMPLAINTS RECEIVED AND FOLLOWED UP

Type of Grievance	2021		2020		2019	
	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	3	3	0	0	1	1

Note: The number of complaints received is submitted to the governance body up to entry-level employees





Aek Pining Village Head Hendra Sakti Siregar, Juniardi a member of Integrated Livestock Services (PADU), Dedi Sianturi and Adam Panggabean Officer of Village Based Development, Community Development Department. PADU is a program introduced as an alternative to local potential-based livelihoods. The assistance provided was in the form of land preparation, construction of cages, procurement of broodstock, training, mentoring, internships and field schools.

05

ECONOMIC PERFORMANCE



PTAR supports local and national suppliers, by engaging 87% of its total supply chain in 2021, an increase of 8% from 79% in 2020.

Economic performance is one of the three core pillars of sustainable development at PTAR. Our economic and financial performance demonstrates how we are able to effectively manage our resources and how we use the results of our performance to accomplish our sustainability goals.

Profitability is the most frequently used metric for evaluating a company's overall financial performance. This allows us to continuously improve our financial performance, enabling us to generate increased indirect economic impacts on the surrounding areas of the Martabe Gold Mine and help local suppliers to grow simultaneously with the company.

Economic Value Generated and Distributed

General Management Approach

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

The primary goal of managing the Company's economic performance is to maximise value for all stakeholders, including customers, suppliers, employees, shareholders, communities and government, as well as the environment. To date, the net economic impact has been extremely positive, which contributes to the Company's objective of sustainable development.

The President Director and Directors are responsible for the economic performance, which is reported to the Board of Directors monthly. The Company's developed economic performance is reviewed and approved by the Board of Commissioners and shareholders. The Company's target is then delegated from the highest to the lowest possible level, under the direction of the BOD. In 2021, the Company was able to generate gold sales of 329 oz and an after-tax net profit of USD242.6 million.

The Board of Commissioners and Shareholders approve the Company's annual budget. The budget is developed by taking into account the Company's resources, the mine's life expectancy and anticipated

market conditions. The approved budget is then submitted for approval to the Ministry of Energy and Mineral Resources. The results will be communicated to the government and shareholders, justifying any changes made to the work programme. [207-1]

The Audit Committee is responsible for ensuring that all operations at the Martabe Gold Mine adhere to established standards and responsible for monitoring the Company's operations and providing feedback to the Board of Commissioners, as well as prompting the Board of Commissioners to make key decisions when necessary. Additionally, the Board of Commissioners may request that the Audit Committee investigates an area of interest. Its annual responsibilities include conducting a comprehensive review of the Company's operations, reviewing interim and year-end financial reports, managing and monitoring the Company's risks and supervising internal audit activities. Furthermore, an independent auditor audits the Company's annual financial statement to ensure its quality and credibility in the eyes of its shareholders. [207-2]

Further information regarding our economic performance and the annual report are available on PTAR's 2021 Annual Report via our website.



Economic Performance

TOTAL ECONOMIC VALUE AND DISTRIBUTION (USD '000) [201-1] [207-4]

Description	2021	2020	2019
Total Economic Value Generated – Revenues	580,603	481,420	560,887
Economic Value Distributed			
Total Operating Cost	187,672	183,391	203,471
Wages and Benefits to Employees and Directors	35,200	28,315	28,172
Community Investment	1,004	1,859	1,099
Total Payments to Government	114,078	80,608	112,352
• Royalties Expense	29,398	26,231	21,356
• Tax Expenses	74,652	45,874	82,877
• Other Taxes	10,028	8,504	8,119
Total Economic Value Distributed	337,954	294,173	345,094
Total Economic Value Retained	242,648	187,246	215,792

Note:

- Uses Accrual Basis Approach
- Details on the topic of tax management can be found in the 2021 Annual Report of the Company

Fiscal Economic Benefits [201-4] [207-1]

The Company complies with all applicable revenue and tax laws and regulations. Economic contributions made by the Company fall into two categories: fiscal (payments to the government) and economic (payments to the general public).

Our fiscal contributions consist of the following: [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; and
- Dividends.

Corporate Income Tax accounts for the largest share of state revenues and taxes. Other taxes, such as land rent and royalties, are payable to regional and local government offices in which the Company operates under Law No. 33 of 2004.

Under a voluntary divestment by PTAR, the 5% ownership of PTAR is owned by PT Artha Nugraha Agung (PT ANA), which is 70% owned by the South Tapanuli Regency and 30% owned by the North Sumatra Provincial Government. The Company's contribution to state revenue is substantial, accounting for 43% of Net Profit After Tax (NPAT) in 2021 and 47% of NPAT in 2020. In 2021, the Company did not receive financial assistance from the Government. [201-4] [207-1]

Economic Benefits

The company provides indirect economic value to the community, particularly to its residents, through CSR activities. It contributes to community development by providing jobs, education and public facilities close to the Martabe Gold Mine. The Company provided health support beyond its Community Management Plan, most notably during the COVID-19 pandemic.

Furthermore, salaries, wages and other benefits provided to employees are significant economic benefits that the Company's operations provide to the community. PTAR confirms, through its PTAR Collective Labour Agreement (CLA), that salaries, wages and associated benefits meet or exceed government minimum work requirements on a local and national level.

Along with social and health security programmes, PTAR offers on-site medical care to all employees and their families. This is a legal requirement. Social security insures workers against work-related accidents, death, *Jaminan Hari Tua (JHT)*, *Jaminan Kesehatan* and pension benefits. Additionally, the Manpower Act mandates that all retired employees receive severance pay and other benefits. Pension contributions are calculated following the BPJS (Indonesian Social Security) employment provision.

Supply Chain of PTAR ^[102-9]

The Company's objective is to maximise the proportion of products and services manufactured near its Martabe Gold Mine operations. As a result, the Company has carefully developed a supply chain system that enables it to determine the geographic origin of PTAR goods and their delivery terms. PTAR lends its support to the Indonesian economy by purchasing goods and services at preferential rates on a local and national level. Additionally, each year, it makes direct financial contributions to local community development programmes and projects.

PTAR's remote location necessitates the development of a dedicated logistics strategy to ensure the uninterrupted flow of goods and services. The strategy

The Company defines retirement under two schemes:

^[201-3]

1. Normal Retirement, for employees who have reached the age of 58 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, is 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.

PTAR did not have any additional pension schemes or an education and training programme for employee retirement preparation until the end of 2021. ^[404-2]

Currently, pension funds are classified as liabilities on the Company's balance sheet, with the total value of liabilities determined by actuarial calculations at the end of each fiscal year. In 2021, it was recorded at USD13 million. The company does not participate in any pension plans other than BPJS. Pension payments at PTAR are adjusted in accordance with government regulations, which are also outlined in the PTAR CLA.

was developed in response to two requirements: the nature, origin and volume of bulk goods required to operate the mine, as well as the most efficient routes and modes of transport. Standardised methodologies are used to ensure the strategy's effectiveness and the efficiency of all delivered goods consumed on-site.

Priority is given to purchasing from reputable established local located in South Tapanuli, Central Tapanuli or Sibolga who can supply the goods on a competitive basis (price, quality, delivery time, warranty and other commercial terms) in comparison to suppliers located in other locations.

Sustainability in Business

The MIP program has been successful in reducing costs and optimising our assets in the mining activities and also in the processing plant. Having improved asset performance, further work has progressed in optimising mine scheduling and pit design and this ‘whole of business’ approach to performance improvement has resulted in very strong production and financial outcomes. We have achieved these results without compromising other important operational outcomes such as safety and the protection of the environment. We are now well-positioned to exploit new opportunities for future growth as a result of a more efficient operating platform. Our growth will come via exploration and also by project development. [201-2]

Climate change is also a factor in business sustainability that is closely monitored by PTAR. Heavy rainfall, one of the effects of climate change, can disrupt mining operations. Thus, we have developed an infrastructure and mining timetable that takes the rainy season into account. Throughout 2021, rainfalls remained consistent with expectations, indicating that no significant effects of climate change could be identified. PTAR has never conducted a study specifically examining the effects of climate change on the Company’s operations. However, we have anticipated annual rainfall by developing a water balance and managing the dam at a sufficient capacity.

Fiscal Economic Benefit Achievements in 2021

In 2021, the total gold sold equivalent increased from 319.7 million ounces to 329.8 million ounces due to increased production. As a result of an increase in Average Selling Price and a rise in sales volume, PTAR recorded its highest sales revenue to date, totalling USD580.6 million, an increase of USD99.1 million from 2020. In line with sales revenue, Net Profit after Tax (NPAT) was USD242.6 million, a new record as the highest that the company has ever reached. NPAT Margin was 41.8%, exceeding the record NPAT Margin of 38.9% reported in 2020. PTAR distributed USD85.4 million in dividends to shareholders in 2021 as a result of its strong financial performance.



REALISATION OF THE COMPANY’S FINANCIAL PERFORMANCE (USD MILLION) [201-1]



The Company’s strong operational and financial performance in 2021 supported significant financial contributions to its stakeholders. These included: ^[201-1]

- Total taxes and state revenues of USD114,078 million and tax expense of USD74,652 million.
- Total royalty payments to governments of USD29,398 million.
- USD35,200 million in 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. Furthermore, information regarding the remuneration determination process, the remuneration ratio between the governance body and employees cannot be presented in this report. In the future, PTAR plans to disclose it in a future report. ^{[102-35] [102-36] [102-37] [102-38] [102-39]}

- USD85.4 million in dividends to shareholders in 2021, a slight increase from 2020 at USD82.9 million.
- USD12.9 million in payments for the provision of goods and services by local suppliers.
- PTAR spent USD997,185 on community development programmes in line with our planned initiatives and the needs of our stakeholders (this value will increase or decrease annually depending on the value of major infrastructure projects).

Suppliers

In 2021, the following suppliers were used; overall, 87% of purchases were from local and national suppliers.

PTAR has four categories of suppliers:

1. Surrounding suppliers from 15 Directly Affected Villages (DAVs).
2. Suppliers from the local communities of South Tapanuli, Central Tapanuli, Sibolga and Padangsidimpuan.
3. Suppliers from other parts of Indonesia.
4. International suppliers from other countries.

The term “suppliers” refers to all of the above in this report. PTAR is also committed to supporting local suppliers by procuring products and services based on cost and quality considerations and providing technical consultation services.

Total and Percentage of Suppliers ^[204-1]

Description	2021		2020		2019	
	Supplier	%	Supplier	%	Supplier	%
Local	79	12	52	9	53	9
National	436	66	405	70	418	65
International	142	22	121	21	167	26
Total	657	100	578	100	638	100



Notes:

- Local suppliers’ are suppliers registered in South or Central Tapanuli.
- National suppliers’ are suppliers registered elsewhere in Indonesia



Daily joint meetings between departments, including the Mining Department, Tailings Storage Facility (TSF), Mine Geology. PTAR provides equal opportunities for male and female employees to have a career. By the end of last year, 28% of female employees held managerial positions at PTAR

06

EMPLOYEE DIVERSITY & EQUALITY

“

PTAR is committed to fostering an inclusive and equitable workplace where people can develop long-term, fulfilling careers. Through Human Resources (HR) policies that promote workplace and workforce diversity as well as employee training and capacity building, we ensure our existing employees can meet future demands. Our employee development and the Company's Core Values support the provision of target production and people performance, enhance the reputation and provide added value for stakeholders, both internal and external.

PTAR Employees

In 2021, PTAR employed a total of 3,439 people, including 925 Company employees and 2,514 contractor employees. Employees of the PTAR consist of 858 permanent employees and 67 fixed-term employees (48 male dan 19 female employees). Overall, 99.51% of our personnel are nationally and locally recruited, while only 0.49% are overseas workers. PTAR strives to maintain inclusivity by balancing a mix of age groups and educational levels. In 2021, PTAR did not have part-time employees and thus all PTAR employees were full-time employees. ^[102-8]

EMPLOYEES BASED ON EMPLOYMENT STATUS AND GENDER ^[102-8]



Description	Gender	2021		2020		2019	
		Total	%	Total	%	Total	%
PTAR Employees	Male	683	74	650	74	641	75
	Female	242	26	228	26	217	25
	Total	925	100	878	100	858	100
Outsource Employees	Male	409	98	310	97	508	96
	Female	8	2	8	3	23	4
	Total	417	100	318	100	531	100
Total		1,342		1,196		1,389	

PTAR EMPLOYEES BASED ON PLACEMENT AREA AND EMPLOYMENT STATUS ^[102-8]

Placement Area	Permanent Employee	Temporary Employee
Site Martabe	826	63
	889	
Jakarta	32	4
	36	



Employee Diversity & Equality

EMPLOYEES BASED ON AGE GROUP ^[102-8]



Age Group	2021		2020		2019	
	Total	%	Total	%	Total	%
< 25	35	3.78	85	9.68	54	6.29
26 – 30	136	14.7	108	12.30	131	15.27
31 – 35	157	16.97	140	15.95	151	17.60
36 – 40	191	20.65	184	20.96	178	20.75
41 – 45	168	18.16	153	17.43	139	16.20
46 – 50	124	13.41	165	18.79	110	12.82
> 50	114	12.32	43	4.90	95	11.07
Total	925		878		858	

Note: Data for 2019-2021 shows the number of permanent + contracts, not just permanent

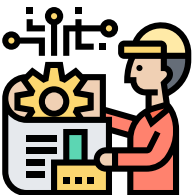
EMPLOYEES BASED ON EDUCATION LEVEL ^[102-8]



Education Level	2021		2020		2019	
	Total	%	Total	%	Total	%
S2	21	2.27	21	2	20	2
S1	319	34.49	302	34	296	34
D3	58	6.27	49	6	45	5
D2	3	0.32	3	0	3	0
D1	9	0.97	10	1	10	1
SLTA	470	50.81	446	51	436	51
SLTP	32	3.46	33	4	34	4
SD	13	0.01	14	2	14	2
Total	925	100	878	100	858	100

Note: Data for 2019-2021 shows the number of permanent + contracts, not just permanent employees

EMPLOYEES BASED ON POSITION ^[102-8]



Position	2021		2020		2019	
	Total	%	Total	%	Total	%
Division Head	15	1.6	11	1.25	14	1.63
Unit Head	24	2.6	24	2.73	23	2.68
Specialist	53	5.73	58	6.61	56	6.53
Staff	833	90.05	785	89.41	765	89.16
Total	925	100	878	100	858	100

Note: Data from 2019-2021 shows total permanent + contract, staff section and non-staff

MANAGEMENT AND COMMITTEE MEMBERS BASED ON AGE GROUP AND GENDER [405-1]



Age Group	Directors		Commissioners	
	Male	Female	Male	Female
Under 30	-	-	-	-
31-40	2	-	-	-
41-50	3	-	-	-
Above 50	-	1	6	1
Total	5	1	6	1

Note: Number of Permanent Employees

PTAR employed 417 outsourced workers in 2021. The scope of work for outsourced employees includes exploration, with jobs such as IT tasked with discovering new areas. In addition, there were temporary replacements in all departments for employees who had recently given birth, were on leave, or needed short-term work. There were also outsourced employees with the statuses of day-to-day and contract employees. The majority of contractor employees were on-site to meet the needs of all departments. [102-8]



Nindya Pulungan and Elsy Fahira Regnas, Department of Finance with Paisal Abdi Harahap, Department of Corporate Communications entered the main gate of the Martabe Gold Mine. PTAR upholds the implementation of gender diversity. The company believes that gender diversity can increase innovation to meet the challenges of the future.

Human Resources Management

General Management Approach ^{[103-1] [103-2] [103-3]}

The Company recognises that each employee is unique with their own set of unique capabilities, experiences and characteristics. To accommodate these competencies, we have worked to strengthen three key areas of our workforce over the last few years: 1) gender diversity, 2) local employment and 3) capacity building and employee development.

PTAR established core policies in human resource management and development, including creating a harmonious work environment. To support a harmonious work environment, HR always maintains relationships with its stakeholders, especially in the field of manpower, including national, provincial and South Tapanuli regional government agencies, such as Manpower and Immigration and other local government agencies. Furthermore, good relations with the PTAR’s Worker Union (SPSI) and the contractors are maintained by holding monthly meetings to discuss employment-related issues both within the company and those currently being implemented on a national scale.

Furthermore, PTAR adheres to all applicable regulations regarding its human resource management, Law No. 13 of 2003 on Manpower and the Omnibus Law on Job Creation (*Undang Undang Cipta Kerja*) as well as its implementing regulations. PTAR always adheres to regionally mandated minimum wages by hiring competent and skilled workers in all relevant positions and pays in accordance with the South Tapanuli regional minimum wage.

The Company maintains a wage structure and scale, with the composition of each position listed from lowest to highest wage for each position level. PTAR does not employ children under the age of 18 as stated in the Collective Labor Agreement (CLA) in Chapter 3 Article 11. ^[408-1]

All or 100% of PTAR employees have signed a KEPU. Beside that, one part of the CLA states that the Company offers pension and early retirement to all employees who meet the requirements of applicable laws and regulations. ^[102-41]

ENTRY-LEVEL EMPLOYEE WAGES BY GENDER COMPARED TO REGIONAL MINIMUM WAGES ^[202-1]

Description	2021	2020	2019
PTAR Male Minimum Wage vs. Regional Minimum Wage	1.0	1.0	1.0
Minimum Wage for Women vs. Regional Minimum Wage	1.0	1.0	1.0

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

In addition to the basic salary, employees are also entitled to other facilities provided by the Company, including:

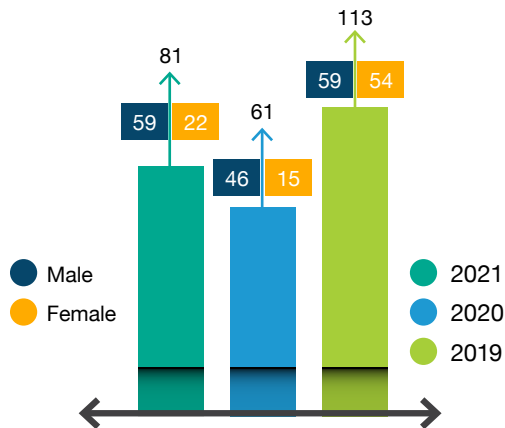
EMPLOYEE’S BENEFITS BASED ON EMPLOYMENT STATUS ^[401-2]

Benefit Types	Permanent Employees	Temporary Employees
Life Insurance	√	√
Health Care	√	√
Parental Leave	√	√
Retirement Provision	√	×
Stock Ownership	×	×

PTAR has maintained a low employee turnover rate through our HR policies. Our HR Department has received a comparatively limited number of issues or complaints.

[201-3]

NEW EMPLOYEES [401-1]



EMPLOYEE TURNOVER RATE (%) [401-1]

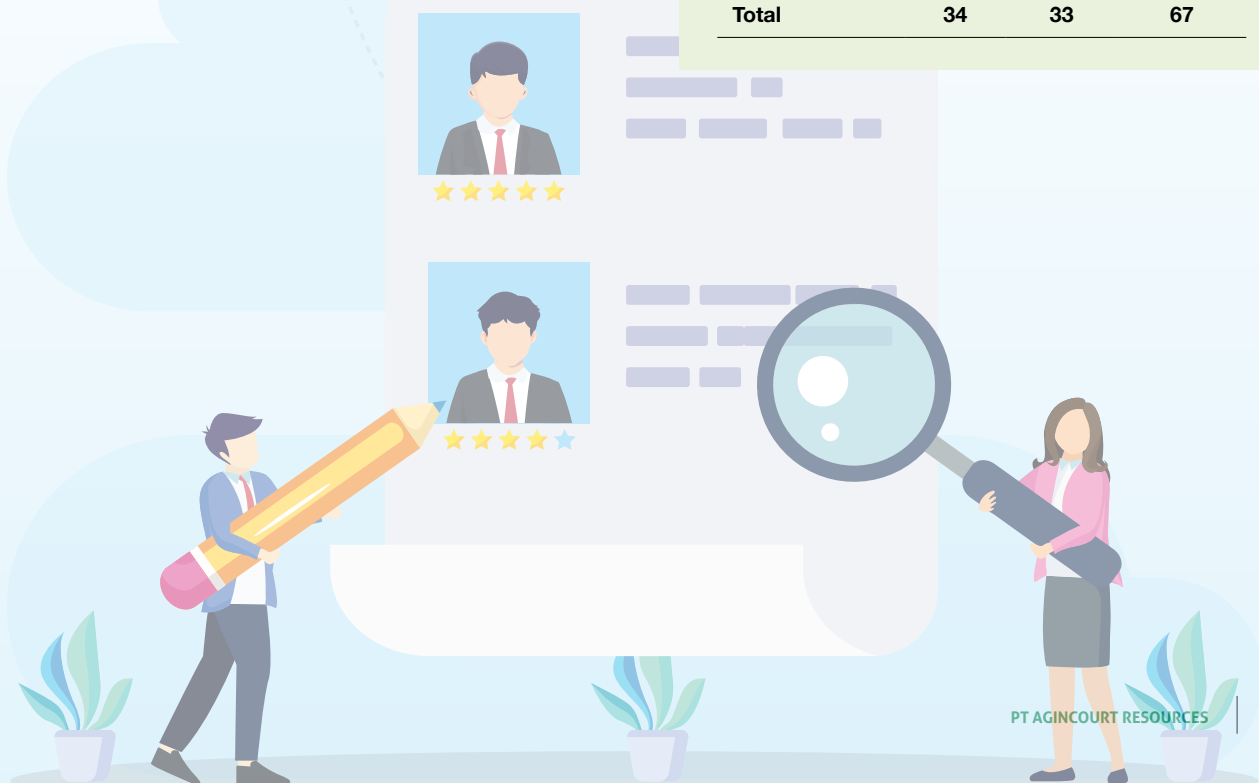


EMPLOYEE TURNOVER RATE BY GENDER AND REGION [401-1]

Gender	2021	2020	2019
Male	25	28	49
Female	9	5	18
Total	34	33	67

Age Group (year)	2021	2020	2019
< 30	7	4	7
30-50	12	13	50
>50	15	16	10
Total	34	33	67

Region	2021	2020	2019
DAV	8	7	9
Local	2	3	4
Non-Local	24	23	54
Total	34	33	67





The Martabe Project Development Team of PT Agincourt Resources (PTAR) and its work partners monitor the progress of the Tailings Management Facility (TMF) construction. The TMF is one of the tailings storage facilities prepared by PTAR using dewatering and filtration technology.

Diversity & Equality

General Management Approach

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

Since 2016, PTAR has worked to advance diversity and equality in all of our activities by actively promoting diversity and attracting and retaining the numerous talent, creating an environment where everyone is valued, respected and belongs. This was accomplished through Gender Diversity Policy No. MGT-GEN-CPO-00107-IE, in which a more diverse workforce has strengthened PTAR's competitive edge.

Numerous initiatives promoting gender diversity are incorporated into the Human Resources Policy framework. They include a harassment policy, paid maternity and paternity leave, initiatives to address gender pay disparities and an end to gender bias in promotion evaluations. In addition, fathers can take fourteen days off and mothers can take four months off under the Paternity and Maternity Leave Policy. Meanwhile, the continuing Anti-Harassment Policy aims to eradicate workplace discrimination, intimidation, threat, or harassment. [401-3]

“ Throughout the year, we engage with our employees regularly and consistently to raise awareness about gender diversity. Each, Kartini Day is preceded by a week-long promotion and celebration of diversity.

We are committed to protecting pregnant employees from workplace hazards by enforcing the PTAR Code of Practice for the Management of Pregnancy-Related Work Restrictions. This code ensures the safety of our female employees up to the time of their due date. Furthermore, PTAR has a Lactation Policy, which includes nursing facilities for employees to collect and store breastmilk for their infants during work hours.



PTAR has analysed several structural barriers to workplace diversity and take a progressive approach to remove them. These critical success factors include periodic reviews and updates of work practices, the work environment and infrastructure. Several activities and projects contribute to the implementation of this strategy, including the following: [103-3]

- Local employment strategies with equal opportunities for all employees
- Establishing gender diversity targets and commitments for all parties involved in PTAR operations
- Removing barriers to achieving gender diversity targets
- Implementation of development programmes with training to provide equal career opportunities among male and female employees
- Creating policies supporting gender diversity programmes
- Including gender diversity targets in the KPIs/ KPIs of each department head; and
- Conducting a campaign on GD programmes.



Commitment to Gender Diversity (GD) Practices [103-2]

PTAR believes that the future workforce is an equal one and has set goals to accelerate gender diversity. To date, we have achieved the following progress:

1. 20.88% of the total female workforce has been employed by PTAR and its Contractors. [405-1]
2. Promotion of gender diversity in the workplace at all levels
3. Building a culture and work environment that promotes dignity and respect and a workplace free from discrimination, intimidation, bullying or harassment
4. Implementing training and awareness programmes for employees to increase their understanding of gender diversity and equality issues
5. Implementing programmes that support work/ life balance and career path planning with the flexibility to fulfil family responsibilities

Gender Equality in Remuneration

PTAR continues to adhere to applicable minimum wage regulations, not just for employees in vital operational locations but also for all employees. We pay male and female employees the same basic wage and salary. All employees (100%) have received wages higher than the minimum remuneration required by government regulations, particularly those working in our primary operating location, the Martabe Gold Mine. [405-2]

Results Achieved in 2021

By the end of 2021, 718 women, or 20.88% of the total workforce were employed by PTAR and Contractors. In PTAR, a total of 24 women, or 10.4%, of female employees, occupied management positions (managerial roles). At the top management level, 2 women were appointed as Commissioner and Director. This was further reinforced through special initiatives to promote gender diversity, including management workshops and career planning workshops. Furthermore, a 100% employee return to work rate was achieved following their parental leave.



RETURNING EMPLOYEES AND RETENTION RATES AFTER MATERNITY LEAVE TABLE ^[401-3]

Description	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Total of Entitled to Maternity	589	135	561	124	548	107
	724		685		655	
Total of Taking Maternity Leave	28	18	33	31	63	27
	46		64		90	
Total of Return to Work After Giving birth and Total of Still Employed for Twelve Months After Returning to Work	28	17	32	31	62	26
	45		63		88	
Retention Rate After Giving Birth (%)	94		100		96	

Note : PTAR Employees

Local and National Employment

A skilled workforce is vital for the growth of local economies. PTAR will continue to give preference to Indonesian employees for managerial and higher positions, as demonstrated by the employment of 32 Indonesian employees for managerial positions, senior manager level up to General Manager Operations, while only 7 expatriates work for the Company at the managerial level.

Furthermore, to maintain the Company’s social license to operate and benefit from its operations, PTAR is committed to providing local communities with employment opportunities at the Martabe Gold Mine. PTAR defines local employees as those who live in Tapanuli South and Central Tapanuli. We currently aim to employ at least 70% of local employees since the commencement of the project, in accordance with the AMDAL. Employees have access to various training opportunities and the ability to obtain government certification in various skills, including equipment operation, is critical for sustaining local employment.

Marsipature Programme

We are committed to strengthening local recruitment in Indonesia. Through PTAR’s Marsipature employee development programme, we aim to increase local employment opportunities and future career opportunities for local employees. *Marsipature* translates as ‘let us build’ in the Batak language. This is significant because the term ‘Marsipature’ is also a component of the Martabe site’s original name, which is an abbreviation for ‘Marsipature Huta Nabe.’

The Programme’s strategy and accompanying criteria and guiding principles have already been developed, consisting of improvement, technical, practical training and capacity-building activities to empower local employees and provide them with access to a broader range of employment and career opportunities. All training activities are planned in collaboration with the Training and Development Department and Localisation Development Department (LDD).

PTAR conducts evaluations of the Marsipature Programme in the form of monthly reports. These reports detail the progress of the gender diversity programme across departments, as well as assessment results and solutions for removing barriers to meeting the Gender Diversity Programme targets. The monthly report includes information on the composition of female employees in PTAR and its contractors and other activities of the Marsipature Programme. Monitoring, target determination, target achievement review and discussion and implementation of improvements to achieve the targets are all part of PTAR audit activities.

Local Employment

By the end of 2021, 73.92% of the Martabe Gold Mine employees were locals, exceeding the target of 70% set in the Environmental Impact Assessment. By the end of 2021, the following Apprentices completed their program:

- **3 Apprentices of Mechanical Fitter**
- **4 Apprentices in Electrical & Instrumentation**

Note: In 2021, there were a total of 7 trainees in the Mechanical programme, with 4 trainees still in the programme. In the Electrical programme, there were a total of 7 trainees, with 3 trainees still in the programme. Meanwhile, there are 4 apprentices in the Boilermaker programme, who will graduate at the end of 2022.



Employee Training and Development

Employee development and training are critical to the long-term sustainability of the Martabe Gold Mine, as they enable us to maintain a stable, skilled workforce capable of achieving the Company’s objectives. Against this background, PTAR established a policy on training and assessment titled No. TDV-TSY-CCP-00037-EN.

The Training and Development Department is responsible for the training and development of employees within the Human Resources Division, which reports to the Director of Operations Management. Each employee is provided with a list of required training and the implementation of their development is delegated to the Training Needs Analyst (TNA) designated by their respective Department Heads. PTAR also emphasises the critical nature of safety training in preventing accidents. As a result, in addition to providing various types of safety training, we also require all site employees to possess a core set of safety competencies. [403-5]

PTAR continued its employee development efforts in 2021, completing 159 training sessions. The total number of employees who took part in the training was

2,688, with an average time of 21 hours per employee; contractor employees received 31,764 hours of training, while PTAR employees received 24,129 hours per year.

In 2021, employee training programmes were primarily focused on workplace safety. PTAR also implemented training for the Primary Operational Supervisor (POP) and Intermediate Operational Supervisor (POM). Similarly, 82 PTAR employees and contractors completed POP training, with 45 receiving new competency tests/certifications and 37 receiving extensions; and 23 PTAR employees and contractors received POM training, with 13 receiving new competency tests/certifications and 10 receiving extensions. In addition, 3 employees are in the process of testing the POU competency and 2 employees are in the process of receiving an extension of the POU certification. [404-2]

All men and women employees receive regular performance and career development evaluations. This evaluation process applies to positions at the managerial and higher levels and general staff and non-staff. [404-3]

EMPLOYEE TRAINING IN 2021 [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*	-	-	-	-	-	-	-	-	-
Technical Skills	24	606	25	50	1,021	20	74	1,627	22
Health, Safety and the Environment	198	3,584	18	629	12,303	20	827	15,887	19
Training to Obtain Licenses to Operate Vehicles and Equipment	21	1,212	58	82	4,149	51	103	5,361	52
Self-Development	43	356	8	82	719	9	125	1,075	9

Note:

*Language training during 2021 offline and online was canceled due to the COVID-19 pandemic The training only includes PTAR Employees

The Code of Ethics and Business Conduct ^[205-2]

The Code of Ethics and Business Conduct ('KEPU') of PTAR emphasises the high standards of business conduct expected of all employees, officers and directors. KEPU was developed as part of the Company's ongoing efforts to ensure compliance with Company policies and regulations, as well as applicable laws and regulations and to act responsibly and with integrity in all aspects of working at Martabe Gold Mine, both internally and externally, including with suppliers and the broader community.

All employees, officers and directors of PTAR receive induction on KEPU and must sign a written agreement pledging compliance with the Company's Code of Ethics before beginning employment with the Company. The document is legally binding and employees may be disciplined if evidence of a breach is discovered. Additionally, the Company provides a Conflict of Interest form for management submission. If an employee is suspected of violating the code, a report can be made to the director. ^[205-2]

DELIVERY AND TRAINING OF ANTI-CORRUPTION POLICIES AND PROCEDURES

Description		2021	2020	2019
The Signing of the PTAR Code of Ethics and Business Conduct				
Senior Management	Male	22	20	21
	Female	12	9	9
	Total	34	29	30
Staff	Male	346	325	317
	Female	127	121	113
	Total	473	446	430
Non-Staff	Male	308	297	287
	Female	103	98	93
	Total	411	395	380
All Employee	Male	676	642	625
	Female	242	228	215
	Total	918	870	840

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.

Whistleblowing System (WBS) Implementation ^[102-17]

An appropriate system/mechanism involving all employees are required to maintain and supervise the implementation of sound corporate governance. This is accomplished through the Whistleblowing System (WBS), a mechanism through which the Company responds to alleged violations, fraud reports that jeopardise the Company, other matters pertaining to

the KEPU, Company policies, tailings facility integrity and/or applicable laws and regulations.

The Violation Report Special Team (TKPP) will evaluate each report received to determine the appropriate course of action. PTAR is committed to advancing the Company's management by applying Good Corporate Governance principles, include accountability, responsibility, independence, fairness and reasonableness.



Roslina Siregar, Industrial Hygiene Supervisor of the OHS Department, checks the Heat Stress Monitor tool used to measure the climate in the work area. Heat stress is one of the causes of work accidents, injuries and stress, which can reduce productivity.

07

OCCUPATIONAL HEALTH & SAFETY



The Company's Occupational Health and Safety (OHS) risk level varies from time to time, with the risk of COVID-19 transmission having an impact on work activities, the use of increasingly massive equipment and increasingly extensive and complex operations all contributing to the overall risk level. The human aspect, according to the Company, remains the most important, starting with leadership and example, work standards, compliance and individual awareness and concern for colleagues and themselves, which are all required to maintain the highest OHS standards.

The health and safety of our employees are of the utmost importance. PTAR continuously strives to improve its health and safety performance in the Martabe Gold Mine to achieve our goal of zero accidents and incidents in all areas of operations.

General Management Approach ^[103-1]

A mining operation is a dynamic and complex work environment that presents numerous hazards. In these circumstances, reducing the risk of occupational injuries require a systematic and disciplined approach involving the efforts of all employees. Great results are possible by focusing on the key outcomes outlined in the PTAR Occupational Health and Safety Policy and combining them with committed leadership and strong safety culture. Our policy focuses on the following:

- Identifying, assessing and managing all health and safety risks associated with Company operations and those of site contractors.
- Making available the resources, equipment and training necessary for employees to work safely.
- Integrating health and safety outcomes as a priority into all planning processes, from feasibility to mine closure.

The Company utilises an integrated Health, Safety and Environmental (HSE) Management System to achieve these objectives. This system is comprised of industry-leading practices, international standards and Indonesian regulatory requirements that apply to safety management systems for mining operations, are referred as SMKP Minerba. It consists of documents, records, databases and custom software, easily accessible via the Company's intranet. Therefore, all contracts or limited purchase orders with contractors are written about aspects of the Company's SMKP. Hence, contractors must also comply with these regulations. ^{[103-3] [403-1] [403-8]}

The HSE Management System's key operational controls are a collection of Codes of Practice. Each defines mandatory requirements for risk management in a specific area or for risk management in general. Occupational health and safety management codes of practice include the following: ^[103-2]

- Audits and Inspections
- Emergency Management
- General Workplace Safety
- HSE Accountabilities
- HSE Compliance
- Incident Management
- Industrial Hygiene Monitoring and Measurement
- Monitoring and Management of Employee Health
- 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
- Management of HSE Training Needs

In addition to the PTAR Codes of Practice, which establish requirements for the entire company, each PTAR Department maintains various standard operating procedures for departmental activities. These specify the safety requirements that apply to the particular activity.



Major Workplace Hazards [403-2] [403-9]

The term 'major hazard' is frequently used to refer to workplace hazards that, if not properly managed, can easily result in serious injuries and fatal accidents. PTAR utilises INX Incontrol software for reporting workplace hazards, which is accessible anonymously to all employees. Incident reports received by INX control are investigated and followed up by the project manager who is in charge of the OHS.

The process begins with classifying incidents, their subsequent follow-up and corrective action. Each employee has the right to refuse employment if they believe there is a risk of a work-related accident or illness. Employees also have the right to terminate their employment by notifying INX control. PTAR has a procedure in place for any employee who wishes to perform a job while taking into account Take 5.

PTAR has systematically identified 19 main hazards, namely:

- Contact with electricity
- Falling objects
- Filling tires
- Hazardous materials
- 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

Operational Safety and Occupational Health Controls [403-3]

The risk of workplace accidents is mitigated at the Martabe Gold Mine through various programmes and standard operating procedures that address workplace conditions, safe work practices, worker competency and worker behaviour. The Company has implemented an occupational health programme at the Martabe Gold Mine that addresses the risks of noise, vapour, dust and metal exposure. Monthly exposure monitoring is used to develop engineering, procedural and Personal Protective Equipment (PPE) controls.

Employee pregnancies and breastfeeding, for example, may increase the risk of workplace safety and health impacts on both the mother and infant. As such, the Company has implemented a special programme at the Martabe Gold Mine to manage these risks through temporary restrictions on work location and activities for pregnant and breastfeeding employees based on a health risk assessment conducted by OHS staff and a medical doctor.

Emergency Response ^[403-9]

An emergency response capability is a crucial control for mitigating the consequences of an incident. At the Martabe Gold Mine, Company employs a full-time Emergency Response Team (ERT) comprised of emergency response personnel and three radio station operators. A fire truck, a rescue truck, a rescue vehicle, an ambulance and rescue equipment comprise the response equipment.

The ERT is trained to respond to a variety of emergencies, including the following:



- Fires
- Helicopter crashes
- Chemical spills
- Medical evaluations
- Vehicle accidents
- Mass casualty incidents
- Search and rescue
- Water and mud rescue

Emergency medical resources include a well-equipped clinic staffed by a doctor and paramedics. Medical evacuations to hospitals are possible via ambulance or helicopter, 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 safeguard workers against serious hazards that are the leading cause of fatal accidents in the mining industry.	The Martabe Gold Mine Golden Rules are simple rules governing safe work practices that are directly under the worker's control. Before beginning work at the Martabe Gold Mine, all employees are trained in the Golden Rules. The rules are mandatory and any employee who knowingly violates a Golden Rule may receive a final written warning or be fired. ^[403-5]
Take 5	Designed to assist a worker in identifying the hazards inherent in a task and the necessary controls to complete the task safely.	At the Martabe Gold Mine, Take 5 is the simplest safety procedure. It consists of a simple checklist that each employee should complete prior to beginning work. A Take 5 takes less than five minutes to complete, as the name implies.
Job Safety and Environmental Analysis (JSEA)	Designed to assist work teams in identifying and planning for the controls necessary to complete a job safely.	A team-based approach to work planning entails breaking down a job into activities, identifying the hazards associated with each activity and implementing the necessary safety controls. Each team member must sign the completed JSEA to demonstrate their understanding of the hazards and necessary controls.

Occupational Health and Safety

Name	Objective	Detail
Permit to Work (PTW) System	Designed to protect workers engaged in servicing, repairing, or modifying equipment, particularly in complex and hazardous industrial environments.	A permit to work is an agreement between a work team and the supervisor of an operational area that details the controls that will be implemented to protect the team from uncontrolled energy releases (e.g., electricity, liquids, or gas under pressure). Equipment isolation is a key control method that utilises a lock to prevent equipment from being started, energised, or pressurised unexpectedly.
ASA Programme	Designed to address unsafe workplace behaviour and to promote "visible" safety leadership.	Various workplace accidents are attributable in part to unsafe behaviour. This can include failing to follow procedures, taking 'shortcuts', ignoring risk, or working carelessly. At the Martabe Gold Mine, the Active Safety Agreement (ASA) programme addresses unsafe behaviour. The ASA is a technique used to motivate employees to consider the potential consequences of their actions and the importance of working safely regularly, based on a conversation initiated by a management team member.
Critical Control Programme	Designed to ensure that the safety controls on major hazards are reliable and effective.	Critical safety control is any safeguard against workplace hazards necessary to prevent serious accidents (common examples include seat belts in vehicles and pressure vessel safety relief valves). The PTAR Critical Controls programme aims to raise worker awareness of the critical safety controls that apply to their line of work and improve the reliability of those controls through routine inspections and the reporting and management of ineffective or missing controls.

Incident Management

At the Martabe Gold Mine, all significant safety incidents must be reported and investigated within 24 hours. This includes the following:

- 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 reduce the likelihood of recurrence, it is critical to ascertain the root causes of workplace accidents and 'near misses' and to implement corrective actions that address these root causes. However, the causes of the workplace, incidents are frequently complicated and 'hidden.' To address this need, a standardised approach to incident investigation is used at the Martabe Gold Mine, based on the well-known ICAM methodology. The management of incidents is aided by implementing a server-based incident management system that enables automatic incident reporting, the conduct of incident investigations and the tracking of corrective actions.

OHS Management

The PTAR Environment, Health and Safety Department has an OHS section that is responsible for supporting all other departments with functions such as:

- 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 for all PTAR employees, including annual medical examinations
- Risk assessment facilitation
- Safety awareness programme

Each Head of the Department is a member of the Committee for the Development of Occupational Safety and Health (P2K3). The Head of the Department directly leads every meeting which is routinely held once a month for all staff regarding the OHS system at PTAR and the discussions that have been determined at the HSE Forum.

Three additional organisational bodies are involved in the implementation of OHS management: ^[403-4]

1. Department HSE Committees (P2K3) led by Department Heads, tasked with the responsibility of reviewing and coordinating departmental HSE management efforts.
2. A site-level Safety Steering Committee led by the Director of Operations, that is responsible for the ongoing review of the Company's safety management performance, continuous improvement of the OHS management system, special programmes and safety campaigns and the statutory responsibilities of the Chief Mine Officer (KTT) and oversight of investigations into high-risk incidents and near-misses.
3. The Martabe HSE Forum, which brings together PTAR and site contractor management to discuss safety incidents, raise concerns, share knowledge, provide feedback on OHS programmes and training and keep each other informed regarding revisions to operational controls such as the Codes of Practice.

HSE Committee and Forum Representatives in 2021 ^[403-1]

Description	Total	Overall Employees of PTAR	Percentage
KTT Safety Steering Committee	925	925	100
Departmental Safety Committee	784	925	85
HSE Forum	925	925	100

OHS Performance in 2021

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

In 2021, we achieved a Safety KPI Dashboard score of 97%. This demonstrated a high level of compliance with critical requirements for reducing the risk of incidents, including the following:

- 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

Furthermore, the Safety KPI Dashboard tracks the amount of time without a lost-time injury. By the end of 2021, the site had accumulated 1 total lost time injury, a satisfactory result by industry standards. The Lost-Time Injury Frequency Rate (LTIFR), the ratio of lost-time injuries per million manhours in the mining industry, is a critical safety performance indicator. The Martabe Gold Mine recorded 0.12 LTIFR in 2021. [\[403-9\]](#)

2021 Safety Effort Snapshot - Martabe Gold Mine

Safety Awareness & Communication	Active Safety Agreements (ASA) Completed	920
	Departmental Safety Committee Meetings	142
	Hazard Reporting Recognition Awards	12
	Safety Alerts & Health Advisories	17
	Safety Poster Topics	12
	Monthly Martabe HSE Forum Meetings	12
	Safety & Health Competitions	10
Safety Competencies	Hours Attendance HSE Training Course	15,887
Monitoring & Assurance	Formal Vehicle & Equipment Inspections	542
	HSE Workplace Inspections	124
	Hazards and non-conformances reported	62
	Workplace Industrial Hygiene Surveys	67
Incident Management	Accidents and Near-misses Investigated	49
	Corrective Actions Completed	234
HSE Management Systems	HSE Codes of Practice	42
	Standard Operating Procedures	686
	SMKP Minerba Compliance Audit Score	80.64%

Rate and Number of Occupational Accidents

No	Category	2021	2020*	2019
PTAR Operational Activity				
1	Occupational Accident	1	0	1
	Major	1	0	1
	Minor	0	0	0
	Fatal	0	0	0
2	Injury Rate (IR)	0.40	0	0.43
3	Lost Day Rate (LDR)	0.00	0	0
4	Absentee Rate (AR)	104.98	78.31	107.17
Partner Companies Operational Activity				
1	Occupational Accident	3	1	2
	Major	3	1	2
	Minor	0	0	0
	Fatal	0	0	0
2	Injury Rate (IR)	0.53	0.22	0.38
3	Lost Day Rate (LDR)	3.17	0	0
4	Absentee Rate (AR)	227.47	33.02	41.52

Note :

This table is the reporting standard provided by the Ministry of Energy and Mineral Resources

*Restatement of the 2020 Sustainability Report

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

Description	2021	2020	2019	2018	2017
Total lost time injury (LTI)	1	0	0	0	1
LTIFR (per one million man-hours)	0.12	0	0	0	0.15

KPI Scores to Measure Accidents and Safety Management Performance Scores

No	KPI	Measure	Target	2021	2020	2019
KPI scores to measure accidents and safety management performance scores				97%	96%	97%
1	LTIs	# of LTIs	Target, 0 = 100%	99%	100%	100%
2	MTIs	# of MTIs	Recorded	13	11*	18
3	FAIs	# of FAIs	Recorded	9	13*	32
4	High Risk Incidents	# of High-Risk Safety Incidents	Recorded	14	16	23
5	Hazards Reported	# Hazards Reported	Recorded	58	53	130
6	Incident Investigations	# Overdue Safety Incident Investigations (Average Performance of Departments for the Month)	Target, 0 = 100%	99%	93%	98%
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%	99%	97%
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%	93%
10	Industrial Waste Inspection	# of Industrial Waste Inspection Findings	Target 100%	96%	96%	Recorded
11	Safety Training	% Mandatory Safety Competencies completed	Target 90%	98%	96%	96%
12	ASAs	% Total ASAs conducted against the target (YTD completed)	Target 100%	100%	99%	100%
13	CCCLs	% Total CCCLs completed against a target (YTD completed)	Target 100%	100%	91%	96%

Note:
*Restatement of the 2020 Sustainability Report



Data update on the Occupational Safety Statistics board. In 2021, PTAR recorded a score of 97%, which indicated that the Martabe Gold Mine's compliance with the Occupational Health and Safety (OHS) system is excellent.

Provision of Health Facilities [403-3] [403-6] [403-10]

Each employee's ability to perform well requires maintaining a healthy physical condition. To that end, the PTAR work environment is equipped with health facilities and clinics to which all employees and contractors have access. Moreover, as part of an early intervention effort, each workplace is equipped with a first aid kit in the event of minor accidents.

Each year, all employees must undergo a Periodic Medical Check-Up (MCU). The Company facilitates all MCU activities through collaboration with medical facilities, specifically Prodia. During the reporting period, 841 workers underwent MCU. The MCU for employees consist of the following:

- Physical examination
- Electrocardiography (ECG) for those under 40 years old
- Treadmill test for above 40 years old
- Audiometry
- Chest X-ray
- Biochemistry analysis (liver function, renal function, lipid panel, diabetic status using HBA1C test)
- Urine laboratory examination

Furthermore, PTAR offers health insurance coverage for eyeglasses, dental care and mental health (psychologists and psychiatrists). Special medical examinations are also conducted on workers in certain circumstances, such as high-risk jobs and include the following additional examinations:

- Exposure of medical and ERT team members to blood or body fluids: HBsAg and Anti-HBs laboratory examinations;
- Exposure to food ingredients for food handlers (cooks): Anti HAV IgM lab examination and stool analysis; and
- Hazards associated with heavy metal exposure for gold room employees: Heavy metal analysis of urine and blood samples.

With these safeguards in place, we are pleased to report that no employees were diagnosed with an occupational disease in 2021.

PTAR improved the wellness program by collaborating with Naluri, a health assistance provider through a digital platform. The wellness program consists of the Employee Assistance Program and Chronic Disease Management Program through delivering a structured, multi-disciplinary, behavioural and psychological coaching that helps people cope with chronic physical and mental health risks.

Adapting to the COVID-19 Pandemic

PTAR's efforts to protect employees and all stakeholders are also manifested in the form of contributions to the handling of COVID-19 in the company's operational activities. To maintain the level of service to stakeholders, PTAR launched the COVID-19 preparedness program last year which contains a series of transmission prevention protocols, management flow if contracted by COVID, as well as a series of campaigns to prevent the transmission of COVID-19. This year, the total costs incurred by PTAR for handling the COVID-19 pandemic reached USD5,562,224.

The members of the PTAR Crisis Management Team (CMT) consist not only of HSE but also from cross-function divisions and continues to provide overall coordination of measures designed to protect employees from infection while maintaining normal operations to the greatest extent possible. PTAR's independent health expert team consists of International SOS and PT Prodia Widyahusada Tbk and our joint efforts with the local government's COVID-19 task force.

CMT is responsible for ensuring that risk management associated with the potential transmission of COVID-19 is carried out effectively through the implementation of an emergency, crisis and business disruption response system, to control the risks to be as low as possible, while maintaining the continuity of the company's operations. The performance of handling COVID-19 is evaluated by the Board of Directors on a regularly. The implementation was evaluated through an audit.

In 2021, the risk associated with the COVID-19 pandemic continued to impact our operations. It required all workplaces to continue to implement awareness, which includes promotion, preventive, curative and rehabilitative health efforts aimed at employees, families, teachers and fostered students, as well as the communities near the Company's operational areas. The COVID-19 Task Force, which was formed in 2020, continued to perform its functions and was supported by the COVID-19 response teams. The management of the COVID-19 risk in the workplace is based on the risk level of each business line and compliance with health regulations.

For the majority of 2021, controls aimed at mitigating the risk of COVID-19 transmission within the Martabe Gold Mine were in place, including the following:

- Prompt COVID-19 vaccination program implementation
- Competent medical personnel and responsive medical treatment for workers
- 3T, or testing, tracking and treating confirmed COVID-19-positive employees to reduce the incidence of COVID-19 cases. Implementing 3T is extremely beneficial for identifying symptomatic and COVID-19-positive employees as soon as possible.
- Health promotion programmes aimed to increase the awareness of COVID-19 and mitigating its effects
- Donations to Sipirok Hospital to combat COVID-19

In 2021, the Company administered vaccinations to almost all of PTAR's workforce, successfully mitigating the impact of the COVID-19 and maintained normal operations at the Martabe Gold Mine. 928 employees and 2,085 contractors were vaccinated with Dose 1, while 921 employees and 2,069 contractors were vaccinated with Dose 2. As a result, 98.9% of employees were vaccinated with Dose 1 and 97.8% were vaccinated with Dose 2.

Furthermore, the vaccination programme was expanded to include all family members of PTAR employees and contractors, with 704 family members of PTAR employees and 1,041 family members of PTAR contractors receiving Dose 1 vaccination. Meanwhile, 567 family members of employees and 839 family members of contractors received Dose 2 vaccinations.



Irman Hasibuan and Rizky Tami, Trainee Operators of the Processing Department are preparing to mix sodium chloride (NaCl) which will be used for the elution process at the Recyn Plant into the tank.

Appendix I: GRI Standard Content Index [102-55]

GENERAL STANDARD DISCLOSURES		
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Appendix II: Glossary

GENERAL TERMS

All-in Sustaining Cost (AISC)

A standardized way to measure the cost of gold production introduced by the World Gold Council in 2013. It includes direct mining and processing costs (cash costs) plus mining lifecycle costs related to sustaining production from exploration to closure.

Biodiversity

The variety of plants and animals within an eco-system, 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 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:
 $LTIFR = \frac{LTIs \times 1,000,000}{\text{total hours worked}}$

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 production rate.

Oxidation

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

Plant Nursery A facility where trees and plants are propagated and grown to a 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 which 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.

Tailing 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 reported in its sustainability report.

General Disclosures

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

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



Independent Assurance Statement The 2021 Sustainability Report of PT Agincourt Resources

Number	: 015/000-174/VII/2022/SR-Asia/Indonesia
Assurance Type	: Type 1 and Type 2 for the specific topics of Gender Diversity; Occupational Health and Safety; and Environmental Compliance
Assurance Level	: Moderate
Reporting Standards	: GRI Standard 2020 Consolidated and GRI-G4 MM (MMSS)

Dear stakeholders,

PT Agincourt Resources (“the Company” or the “Reporting Organization”) has published its **2021 Sustainability Report** (“the Report”), and **Social Responsibility Asia** (“SR Asia”) has been granted to carry out an assurance work of the Report for the reporting period of **January 1st to December 31st, 2021**. The Company is a limited liability company operating in the exploration, processing, and mining of minerals, especially gold and silver. The company headquarters is in Jakarta, and the main operating site is on Sumatra Island, Indonesia. This is the Independent Assurance Statement (“the Statement”) that presents SR Asia’s conclusions and recommendations resulting from the assessment.

Intended User and Purpose

In this Statement, we disclose our opinions, findings, and recommendations to the stakeholders regarding the Report content, especially the Company’s sustainability commitments, governance, strategies, and achievements during the reporting period. SR Asia carried out the assurance work following particular scope, mechanism, and procedures as agreed by the Management¹. Due to some limitations, except for the areas covered in the scope of assurance work, this Statement or the Report is not intended to be used exclusively as a basis for interpreting the sustainability or the whole performance of the Company.

Responsibilities

The Non-Disclosure Agreement and the Engagement Agreement documents define the responsibilities of both SR Asia and the Company. The presentation of data, figures, and information in the Report content is the sole responsibility of the Company. On the other hand, SR Asia as agreed by the Management did NOT carry out an auditing work but assessed the Report content. SR Asia is also responsible for generating conclusions and recommendations as well as coming up with the Statement. As an AA1000 licensed assurance provider and except the law requires us to disclose it, we only submit the results of assurance to the Management. SR Asia does NOT accept or assume to undertake any responsibilities for any other purposes or to any other persons or organizations. Thus, any dependence that a third party has placed on the Statement or the Report is entirely at its own risk.

¹ The Management refers to the management of the Company



Independence, Impartiality, and Competency

SR Asia ensures the members of the Assurance Team have NO relationship with the Company that can affect their abilities to provide an independent and impartial statement. To ensure independence and freedom from bias and conflict of interest, SR Asia has put in place a particular assurance protocol and ethical code of conduct. The Assurance Team consists of experts with experience in writing and reviewing sustainability reports based on GRI Standards, and the AA1000 AccountAbility principles and standards. The experts are also familiar with the reporting regulation in the Country (POJK 51/POJK/03/2017) to which the Reporting Organization must comply, as well as reporting standards such as GRI Consolidated 2020, GRI Universal Standard 2021, GRI-G4, SASB, and others.

Type and Level of Assurance Service

1. **Type 1 assurance was applied** to the Report content, and **Type 2 assurance** was specifically applied on the topics Gender Diversity; Occupational Health and Safety; and Environmental Compliance concerning the AA1000 Assurance Standard v3 and AA1000APS (2018) AccountAbility Principles.
2. 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, not to very low, but not zero.**

Scope and Limitation of Assurance Service

1. Data and information in the Report for the period of January 1st to December 31st, 2021.
2. Sustainability-specific data and information related to the nine material aspects that have been identified as “material” by the Reporting Organization: **economic performance; environmental compliance; rehabilitation and mine closure; occupational health and safety; and gender diversity.**
3. Under Type 2 assurance mechanism and procedures, assessment of data and information including the mechanisms, processes, and control system was conducted on the Gender Diversity; Occupational Health and Safety; and Environmental Compliance topics as disclosed in the Report content.
4. Adherence to the following reporting standard, The Consolidated set of the Sustainability Reporting Standards (GRI Standards) 2020 issued by the Global Reporting Initiative and its GRI-G4 Metal and Mining Sector Disclosure (“GRI-G4 MM”).
5. Evaluation of publicly disclosed information, system, and process of the Company to ensure adherence of the Report content to the reporting principles.
6. SR Asia does NOT cover financial data, information, and figures in the Report content in the scope of assurance work. We assume that the Company, independent parties, or other parties associated with the Company, have verified and/or audited any data and information related to financial statement.

Exclusion

1. Topics, data, and information outside the reporting period, or in the public domain not covered in the reporting period, other than those mentioned under the defining materiality section and discussion on defining Report content.
2. Stakeholders’ engagement that might be taken by the Company in developing the Report.
3. Financial data and information other than those specified in the Report content.
4. Any presumptions or forward-looking statements, including future plans, expectations, opinions, beliefs, and advertisements declared in the Report content.
5. Assessment of regulations, indicators, standards, guidelines, and principles other than those indicated in the Statement.



Methodology

1. SR Asia assigned a number of experts to engage as the Assurance Team members in Indonesia.
2. The Assurance Team carried out the pre-engagement protocol to verify the risks of engagement and to ensure there were no influencing factors that can lessen the independence and impartiality of the Assurance Team.
3. In a kick-off meeting with the Company, the Assurance Team explained the approach and methodology, scope of analysis, time plan, and various essential aspects of the assurance work.
4. The Assurance Team conducted a preliminary analysis of the Report draft submitted by the Company.
5. Through online meetings, the Assurance Team shared the results of the initial analysis with the Management and verified the disclosures in the Report content against the regulation, standards, principles, and indicators of AA1000AS v3, AA1000AP (2018), GRI Standards, and MMSS.
6. The Assurance Team verified evidence documents and traced data and information in the Report back to the sources.
7. The Assurance Team prepared the Statement and it was reviewed as well as approved by the SR Asia Director before the submission to the Company.
8. The Assurance Team prepared a Management Letter detailing all aspects seen, recorded, and observed during the assurance work to the Management of the Company for further improvement of sustainability processes.

Adherence to AA1000AP (2018) and GRI Standards

Inclusivity – The presentation of the stakeholders and its stakeholder engagement practices by the Company in the Report content is inclusive. The Company also already has a written commitment to be accountable for the impacts of its business decisions and operations. Stakeholder engagement is well in place, managed by various functions and units with different methods and approaches.

Materiality – The nine material topics presented and discussed in the Report are significantly relevant to the sustainability context of the Company. The Company has fairly identified material topics from various resources covering the economic, social, and environmental aspects. However, As the Company operates in exploration and processing mining and metals, is also expected to consider biodiversity as a material topic in the next report. The Company is also expected to carry out materiality testing as the basis and evidence for defining the content of future sustainability reports.

Responsiveness – As indicated in the Report content, the Company has fairly developed and communicated responses to stakeholders in a continuous manner. The Company has responded in a way addressing the needs, concerns, and expectations of stakeholders, such as having a whistleblowing system and a grievance mechanism for the local community in place to respond to grievances.

Impact – To some extent, the presentation of both actual and potential impacts in quantitative data and qualitative information in the Report content is adequate. The Company also has provided the necessary competencies and resources to understand, measure, evaluate, and manage the impacts of its business decisions and operations.



In “Accordance” with Comprehensive Option – As the assurance work was taken, we believe the Report content indicates its adherence to the **comprehensive option** of GRI Standards based on the assurance work and findings. The disclosure of the omission statement, as applicable, is adequate. However, the data presentation of some general disclosure needs to be enhanced, we also suggest the Company use the “disclose or explain” principle when addressing criteria. The specific GRI indicators of the construction and metal and mining services sector's (MMSS) requirements are also fairly addressed and presented.

GRI Standards Principles – the Principles for Defining Report Content (stakeholder inclusiveness, sustainability context, materiality, and completeness) and the Principles for Defining Report Quality (balance, comparability, accuracy, clarity, and reliability) are in place in the Report, except timeliness principle. During the assurance work, the Management provided sufficient support for the assurance process by submitting evidence documents as requested by the Assurance Team.

Type 2 Assurance – The results of Type 2 assurance indicate that the Company has well-implemented mechanisms, processes, and control systems related to Gender Diversity; Occupational Health and Safety; and Environmental Compliance topics. We have concluded that, in general, the Company has policies, manuals, procedures, as well as control and management systems in place to manage those aspects. For gender diversity topics, the Company’s policy that manages diversity is a benchmark for other mining companies in Indonesia. The Company has also a policy that manages several points, including a gender pay gap analysis every year. However, the Company has not yet externally validated its policy. Under the occupational health and safety and environmental compliance topics, the Company has HSE Management System that follows the international best practices, it is an umbrella for environmental and OHS policy, manuals, procedures, and code of practice.

Recommendation

1. To externally validate its gender diversity management practices by following the best standards and practices.
2. To conduct and record the results of materiality testing as the evidence and basis for identifying report content in the next sustainability reporting.
3. To perform stakeholder engagement following an international standard such as AA1000 standards and principles.
4. To schedule the preparation and disclosure of the sustainability report to coincide with the financial report and annual report to demonstrate commitment to stakeholders.
5. To establish sustainability data management system to improve data collection and reliability.



The assurance provider,
 Jakarta, 08th of July 2022



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Feedback Form

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Stakeholder Group to which you belong:

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

The 2021 PT Agincourt Resources 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=most important up to 4 = Least 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

.....
.....

Please return this feedback form back to:

PT Agincourt Resources [102-53]

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