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SUSTAINABILITY REPORT

INVESTING IN THE FUTURE

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Acronyms and Abbreviations

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Acronyms and Abbreviations

IMHP IPA IPP IR ISO

JARBUKO JOB KKKS

КРК

LKS LPG LSP LTI LTIR MEB MEI MEPI MEPN MGS MMboep MPE MPI MSAP MTI Musremba MW NGO NOx 0&G 0&M OBVITNA ocs ODR OGP OHS OHSAS OJK P&A

P2K3

PAUD

PERKA

2P	Proved and Probable
ABC	Anti-Bribery and Corruption
ABMS	Anti-Bribery Management System
ADB	Asian Development Bank
AMDAL	Environmental and Social Impact Assessment (Analisis Mengenai Dampak Lingkungan)
AMNT	PT Amman Mineral Nusa Tenggara
ASM	Amine Solvent Management
BJI	PT Bio Jatropha Indonesia
BOC	Board of Commissioners
BOD	Board of Directors
BOE	Barrel of Oil Equivalent
BPMA	Aceh Oil and Gas Management Body (Badan Pengelola Migas Aceh)
BSR	Business for Social Responsibility
CDM	Career Development Monitoring
CLA	Collective Labour Agreement
CO ₂ e	Carbon dioxide equivalent
COC	Code of Conduct
Col	Conflict of Interest
CRDA	Tunisian Regional Commissariat for Agricultural Development (Commissariat Regional au Developpement Agricole)
CSR	Corporate Social Responsibility
DEB	Dalle Definition Energy Batam
E&P	Exploration and Production
EC	East Cameron
ECC	Ethics and Compliance Committee
EHSS	Environmental, Health, Safety, and Security
EPE	PT Energi Prima Elektrika
ESAP	Employee Share Award Plan
ESG	Environmental, Social, and Governance
ESIA	Environmental and Social Impact Assessment
EY	Ernst & Young
FKPK	District Leadership Coordination Forum (Forum Koordinasi Pimpinan Kecamatan)
G&G Policy	Gifts & Gratuity Policy
GCG	Good Corporate Governance
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
Jabodetabek	Greater Jakarta Metropolitan Area (Jakarta, Bogor, Depok, Tangerang, Bekasi)
НО	Head Office
HAP	Hazardous Air Pollutants
HR	Human Resources
HRD	Human Resources Department
HSE	Health, Safety, and Environment
HSEMS	Health, Safety, and Environment Management System
ICU	Intensive Care Unit
IFC	International Finance Corporation
ILO	International Labour Organization

	Integrated Medco Health Program
	Indonesian Petroleum Association
	Independent Power Producer
	Injury Rate
	International Organization for Standardization
OR	Organic Rubber Cultivation Network (Jaringan Budidaya Karet Organik)
	Joint Operating Body
	Cooperation Contract Contractor (Kontraktor Kontrak Kerja Sama)
	Corruption Eradication Commission (Komisi Pemberantasan Korupsi)
	Bipartite Committee (Lembaga Kerjasama Bipartit)
	Liquified Petroleum Gas
	Professional Certification Agency (Lembaga Sertifikasi Profesi)
	Lost Time Injury
	Lost Time Incident Rate
	PT Mitra Energi Batam
	PT Medco Energi Internasional Tbk
	PT Medco E&P Indonesia
	PT Medco E&P Natuna
	PT Medco Geothermal Sarulla
pd	Million Barrels of Oil Equivalent Per Day
	PT Multidaya Prima Elektrindo
	PT Medco Power Indonesia
	Management Share Award Plan
	Medical Treatment Injury
ang	Development Planning Discussions (Musyawarah Perencanaan Pembangunan)
	Megawatt
	Non-government Organization
	Nitrogen oxides
	Oil and Gas
	Operation and Maintenance
AS	National Vital Object (Objek Vital Nasional)
	Outer Continental Shelf
	Occupational Disease Rate
	Oil and Gas Producer
	Occupational Health and Safety
6	Occupational Health and Safety Assessment Series
	Financial Services Authority (Otoritas Jasa Keuangan)
	Plug and Abandon
	Occupational Health and Safety Implementation Committee (Panitia Pelaksana Keselamatan dan Kesehatan Kerja)
	Early Childhood Education and Development (Pendidikan Anak Usia Dini)
Ρ	Police Chief Regulation (Peraturan Kepala Polisi Republik Indonesia)
	Collective Labour Agreement (Perjanjian Kerja Bersama)

PM	Particulate Matter
POP	Persistent Organic Pollutants
PPO	Operational Support Program (Program Pendukung Operasi)
PPP	Public Private Partnership
PROPER	Program for Pollution Control, Evaluation, and Rating (Program Penilaian Peringkat Kinerja Perusahaan)
PPT Migas	Center for Petroleum and Natural Gas Development (Pusat Pengembangan Tenaga Perminyakan dan Gas Bumi)
PT	Limited Liability Company (Perseroan Terbatas)
PHE	PT Pertamina Hulu Energi
PUSRI	PT Pupuk Sriwidjaja Palembang
Q	Quarter
Rp	Indonesian Rupiah
RWI	Restricted Work Injury
SARA	Ethnicity, Religion, Race, and Inter- group Relations (Suku, Agama, Ras, Antargolongan)
SASB	Sustainability Accounting Standards Board
SCM	Supply Chain Management
SDG	Sustainable Development Goals
SDN	Public Primary School (Sekolah Dasar Negeri)
SKK Migas	Special Task Force for Upstream Oil and Gas Business Activities (Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan
	Gas Bumi)
SMA	
SMA SME	Gas Bumi)
	Gas Bumi) Salary Market Adjustment
SME	Gas Bumi) Salary Market Adjustment Small and Medium Enterprise
SME SMP	Gas Bumi) Salary Market Adjustment Small and Medium Enterprise Security Management Plan
SME SMP SMS	Gas Bumi) Salary Market Adjustment Small and Medium Enterprise Security Management Plan Social Management System
SME SMP SMS SOA	Gas Bumi) Salary Market Adjustment Small and Medium Enterprise Security Management Plan Social Management System Statement of Adherence
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Chairman's Welcome



As our company grows and prospers, we help Indonesia to grow and prosper as well. For the country to sustain economic growth and development, businesses are expected to contribute through tax revenues and job creation. Good governance and transparency ensures the stewardship of our environment and natural resources to ensure long term sustainable benefits for local communities.

These expectations align with MedcoEnergi's own goals for contributing to Indonesia's development, and we have already made significant progress. Since we were established, our workforce has grown from 50 employees to tens of thousands. Our company's consolidated revenues have reached USD926 Million in 2017 and we contribute over Rp 2.4 trillion in taxes annually.

As we have grown in size, we have made dedicated efforts to maintain our nimbleness and flexibility. Today we are a large, complex company, yet we make decisions prudently but quickly. This is a valuable strength, as we are constantly challenged to adapt to—and even anticipate—the rapid changes in our evolving business environment while maintaining focus on our long-term goals and aspirations. For example, the need for energy resources to sustain economic growth has never been greater, whether in Indonesia or other countries. The majority of energy we produce is currently generated from non-renewable resources, but we are keenly aware of the importance of increasing our exposure to renewable sources.

Society's expectation for businesses to be more environmentally friendly, with good governance and ethical business practices, is embedded in MedcoEnergi's Core Values and Good Corporate Governance Principles. MedcoEnergi will continue to invest in all aspects of our business, whether oil and gas, mining, or power generation-it is a commercial and competitive imperative that we use the latest and most efficient technology. It is also critical for us to improve negative public perceptions of the energy industry by introducing them to a cleaner, more environmentally friendly industry. If we are successful, then the next generation will invest their future with us, and they will be the ones who will lead and bring our industry forward. Attracting the best talent and investing in our workforce will ensure the success of our company and industry.

All of these elements are critical components of our overall business strategy, and we have taken concrete actions to review and revamp our sustainability policy and practices throughout our entire organization. We are committed to operating in an ethical, sustainable manner with full transparency and integrity, and to investing in our three sustainability pillars: Leadership of and by Our Employees, Environmental and Social Development, and Sustainable Livelihoods and Community Development.

As we transform our organization, we are excited by the opportunities and outcomes that this will create for our company, our industry, and our country. We welcome you to join us on our journey to Invest in the Future.

Muhammad Lutfi President Commissioner

Board Letter



Indonesia is a large country with vast natural resources and growing demand for energy. While our country is rich in resources, some areas are still experiencing poverty, limited access to education, and insufficient infrastructure. Even as the country prioritizes development of natural resources to help meet the needs of the Indonesian people, these plans and programs must balance the goals of development with proper management of environmental impacts.

As a national company, we seek to contribute to developing Indonesia's resources responsibly and in a sustainable manner that supports the realization of the country's development goals. MedcoEnergi has built a record as a strong operator, with a proven ability to successfully develop large complex projects such as Donggi Senoro and Block A in Aceh, in remote and relatively difficult areas. The recent acquisition and integration of world class assets and teams such as the Natuna offshore oil and gas asset and the Sumbawa mining asset marks another success for MedcoEnergi. We are also creating and transferring knowledge and technical skills to our partners and local communities to help shift the country's economy from resource exploitation to resource transformation, closing the gap between Indonesia and more advanced economies.

The report presents an overview highlights of MedcoEnergi's and sustainability efforts between 2014-2017, as well as our sustainability commitments and objectives moving forward, as we continue to invest the future. Our sustainability in goals and progress are enabled by a growing level of awareness of governments and communities about climate change, pollution, and the need for environmental protection, as well as increasing awareness of the responsibilities of companies to develop the workforce with commitments to open communication, high ethical standards, and diversity and inclusion-all of which we see as positive developments.

We will continue working alongside the governments and communities where we operate, as we pursue our goal to contribute to the development of communities while maintaining full respect for human rights and protecting the environment. We aspire to give back to the country and local communities through revenue generation, local employment, and other investments that help communities to become sustainable and self-reliant, in line with the UN Sustainable Development Goals.

As we expand our operations, we aim to create greater value for shareholders

and to enhance our ability to understand and learn from others. We make a continuous effort to have different teams and business units share and learn from each other's successes and failures. In this respect, our portfolio of diverse assets has continued to enrich our knowledge and capacity to manage larger and more complex activities.

We will continue to prioritize the many opportunities which exist in Indonesia, and will consider further expansion outside of Indonesia where these efforts can be proven to add long-term value for the company and our shareholders. We are transforming ourselves into a more diversified and sustainable energy company with a focus on oil and gas exploration and production, power generation, and the mining of copper, which is an important enabler of the electrification and de-carbonization of the domestic and global economy. This focus puts us on a path to further contribute to Indonesia's economic and energy future.

Hilmi Panigoro President Director





About MedcoEnergi

Energy and Natural Resources Company Focused on Indonesia











Since our establishment in 1980 as one of Indonesia's first drilling contractors, PT Medco Energi Internasional Tbk (MEI) has grown and transformed into an integrated energy and natural resources company with businesses in the oil and gas, power, and mining sectors.

MedcoEnergi

Sustainability Report



Significant Player in Three Key Business Segments



Oil & Gas

Oil and gas exploration and production (E&P) continues to be one of MedcoEnergi's core businesses, and the Company increased oil and gas production by 31% in 2017. The Company has a daily production of 87 thousand barrels of oil equivalent per day with a total capacity of over 100 thousand barrels of oil equivalent per day (Mboepd) and 2P (Proved and Probable) reserves of 315 million barrels of oil equivalent in 2017. MedcoEnergi manages exploration, development, and production activities directly or jointly with strategic partners.

Power

As of December 2017, PT Medco Power Indonesia (MPI) owned and operated 526MW of gross installed capacity under Independent Power Producer (IPP) arrangements, and also operated a 2,150MW third-party power plant. In October 2017, the Company increased its effective interest in MPI from 49.00% to 88.62%, with the remaining shares held by the International Finance Corporation (IFC). This acquisition has strengthened MedcoEnergi's position in the growing Indonesian power sector and will enable the Company to create synergies between our core businesses in oil and gas, power, and mining.

MPI is developing the Riau Combined-Cycle Power Plant (275 MW) and exploration drilling to prove the resource size for the Ijen Geothermal Plant (110MW).



Mining

MedcoEnergi acquired PT Amman Mineral Nusa Tenggara (AMNT) in 2016, with ore extraction activities at the Batu Hijau mine in Sumbawa. In August 2017, AMNT officially became the largest shareholder in Macmahon Holdings Limited, with 44.3% ownership. Macmahon was appointed the main contractor for the Batu Hijau mine, and has several other mine operating sites in Indonesia and overseas. The Batu Hijau mine site includes processing facilities, a 137.5 MW coal-fired and a 50 MW diesel power plant, a deepwater port with ferry terminal, and air services and a town site for housing. MedcoEnergi is also developing an on-site smelter to support regional growth.

Our Commitment

We are committed to complying with all applicable laws and regulations, respecting human rights in alignment with the UN Guiding Principles on Business and Human Rights (UNGPs) and the Voluntary Principles on Security and Human Rights (VPSHR), also aligning our governance practices with best industry practices and relevant international standards.

Our Objectives

Anti-corruption:

We prevent corporate corruption by ensuring adequate procedures and formalizing our Anti-Bribery Management System (ABMS), involving our vendors in our efforts, and engaging our employees on our corporate anti-bribery and corruption (ABC) policy.

Human rights assessment:

We work to understand human rights and integrate human rights into existing policies. We have an evaluation framework in place to ensure that all of our operations globally uphold human rights and avoid major risks.

Public policy:

We uphold our policy of making no political contributions. We create a good regulatory environment with industry leadership and transparency, and we will be a part of the energy transition in Indonesia.

Socio-economic compliance:

We operate in compliance with all policies, permits, regulations, and laws. We learn and engage with local governments and communities.



Engineers conduct daily routine monitoring at our field operations. We aim to ensure that each of our work-sites implement proper health and safety policies.

MedcoEnergi



Sustainability Strategy

Our strategy is to build a leading company across our three key business segments, combining a solid platform of producing assets and excellent growth prospects. We aim to deliver long-term value and optimize returns to our investors, lenders, and other stakeholders through selective investments and continuous improvements in our operational and financial performance, enabled by a strong foundation of social, economic, and environmental sustainability.

Sustainability Review

In 2017 we commissioned BSR (Business for Social Responsibility) to undertake a comprehensive review of our existing environmental and social sustainability management policies and procedures. As part of this process, BSR interviewed more than 30 management personnel across different functions and levels in MedcoEnergi's Oil and Gas, Power, and Mining business units and reviewed over 270 policies, manuals, procedures, and reports, with the aim of identifying areas for improvement related to the management of environmental, social, and governance issues.

Findings from BSR's review included the confirmation of MedcoEnergi's strengths, which include robust commitments to ethical and professional conduct, continuous improvement, and trust and transparency throughout the organization. MedcoEnergi also has a highly competent professional workforce equipped with solid skills, and benefits from having developed strong local relationships and knowledge.

Areas for improvement include gaining a better understanding of the international standards and expectations which MedcoEnergi is committed to, and accordingly the need for better standardization and integration of environmental and social management tools and practices across the organization, such as grievance mechanisms and Stakeholder Engagement Plans.

A materiality assessment was performed to identify priority issues of most relevance for MedcoEnergi and our stakeholders (see page 10 for more information). We used findings from the materiality assessment to revise our Sustainability Policy, including the three priority pillars of investment. We developed a Sustainability Roadmap for each of these three pillars, with clear aspirations and commitments, short and medium to long-term action plans, targets, and Key Performance Indicators for the entire organization.

Highlights of these various elements have been included in this Sustainability Report, and will continue to be monitored and reported in subsequent Sustainability Reports.

MedcoEnergi International Sustainability Policy

MedcoEnergi must generate benefits for our stakeholders in a sustainable manner. This means maintaining technical excellence and operational efficiency, and conducting our affairs transparently and with integrity so that we maintain our social license to operate. These elements are enshrined in our core Corporate Values and Good Corporate Governance Principles which we uphold vigorously.

Our business operations and interactions have the potential to cause significant environment and social impacts. We must have robust risk identification and management policies and procedures in place to ensure good stewardship. We are committed to operating in an ethical, sustainable manner, protecting the health and safety of our employees, safeguarding the environment, and listening and acting in response to the needs of our stakeholders wherever we operate. This includes local communities, business partners and our supply chain, and regulatory authorities, and from each of these we expect the same high standards.



We intend to generate sustainable benefits for our stakeholders / community wherever we operate. Since 2011, we have trained more than 1,100 women to cultivate and sell medicinal plants.

MedcoEnergi





We will achieve our vision by investing in three priority pillars:

• Leadership of and by Our Employees:

Our people are our most valuable asset. They are the keystone of our operations and our future success. Therefore we must recruit diverse talent from all backgrounds who possess the right skillsets and ethical values. We are committed to maintaining a healthy, safe workplace built upon a culture of mutual respect. To be successful we will develop the capacity of all of our employees while recognizing and rewarding individual performance and expecting personal accountability. All levels of our management are expected to set clear directions towards our expectations.

• Environmental and Social Development:

As a responsible corporate citizen we are committed to comply with all applicable laws and regulations and aligning our health, safety and environmental management with industry best practice and relevant international standards. We regularly set and monitor our goals and performance to achieve zero injuries, illnesses, environmental incidents, and the reduction of waste and emissions. We seek to continually strengthen our operational excellence through enhancing our safety culture, stakeholder engagement, environmental stewardship, and the ongoing adoption and development of best practices. We are committed to complying with all applicable laws and regulations, to respecting human rights in line with the UN Guiding Principles for Business and Human Rights and the Voluntary Principles on Security and Human Rights, and to learning from and applying industry best practice and relevant international standards.

• Sustainable Livelihoods and Community Development:

MedcoEnergi endeavors to be a leading company on social practices and responsibility wherever we operate. We engage regularly, openly and honestly with stakeholders to share, hear and understand each party's views and concerns. We respond by making community investment decisions in a strategic, fair and transparent manner as we seek to empower and support the creation of self-reliant communities aligned with the UN Sustainable Development Goals.



Our sustainability strategy supports the achievement of the UN Sustainable Development Goals.



Sustainability and Materiality

Increasing due diligence requirements and public awareness related to environmental and social issues mean that MedcoEnergi must adapt to significant external expectations, whether from regulatory bodies, policymakers, or communities. We are expected to address these issues throughout our operations and value chain.

Materiality Assessment Process

Companies use a materiality assessment to determine and prioritize critical environmental and social issues. The assessment entails a robust evaluation of various sustainability issues based on their potential impact on corporate performance (including criteria such as corporate reputation and financial performance) as well as their potential impact on environmental and social sustainability, which is gauged through an analysis of perspectives and insights from the company's key external stakeholders.

In conjunction with BSR (Business for Social Responsibility), MedcoEnergi completed a materiality assessment in January 2018 to identify which sustainability issues should be prioritized in terms of our activities and our reporting on policies and performance.

As part of this process, MedcoEnergi and BSR compiled a comprehensive set of environmental, social, and governance (ESG) issues potentially relevant to our operations. This list of issues was developed in reference to the Global Reporting Initiative (GRI) sustainability reporting standards, the Sustainability Accounting Standards Board (SASB), the UN Sustainable Development Goals (SDGs), and BSR's experience and insights on sustainability issues in the energy and extractives sectors.

BSR then interviewed stakeholders across MedcoEnergi's key functions and business areas to identify the most material issues based on potential impact on business performance. Stakeholders were asked to highlight which issues they believe present critical risks or potential opportunities for MedcoEnergi to generate meaningful impacts.

BSR also interviewed external stakeholders to gain insights on sustainability issues critical for MedcoEnergi and the broader energy and extractives industries in Indonesia. Interviewees included representatives from government agencies, business partners, financial institutions, and civil society organizations.

Analysis of stakeholder insights revealed significant commonalities on priority issues for MedcoEnergi, including business ethics, integrity and transparency, diversity and inclusion, talent recruitment and retention, and local community engagement, among others.

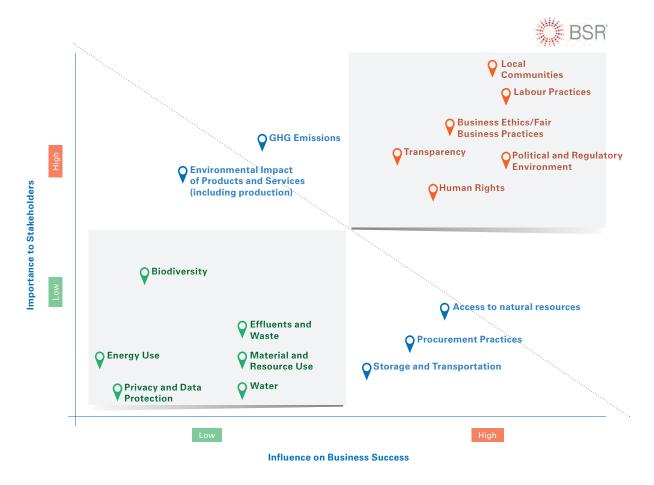


BSR interviewed MedcoEnergi's key stakeholders internally to indentify material issues they believe present critical risks or potential oppprtunities for MedcoEnergi to generate meaningful impacts.





Materiality Assessment Results



Through our materiality process, we identified the following highest priority issues for the Company and our stakeholders:

- 1. Local communities
- 2. Labour practices
- 3. Business ethics and fair business practices
- 4. Political and regulatory environment
- 5. Transparency
- 6. Human rights

These issues provide the framework for this year's Sustainability Report.



Corporate Governance

Effective and ethical corporate governance is an essential foundation for sustainable business practices, and a requirement for fostering a culture of transparency and compliance. MedcoEnergi's corporate governance approach establishes our Corporate Values and Good Corporate Governance Principles, and includes specific commitments and activities related to anti-corruption, human rights, and stakeholder engagement.



Transparency is imperative to enable and demonstrate MedcoEnergi's ethical business practices and good corporate governance, especially in a dynamic political and regulatory environment. As MedcoEnergi grows, we are building a more systematic approach across the organization with consistent and transparent management policies and procedures. All of these efforts support the realization of SDG 16 (Targets 16.3, 16.5, 16.6, and 16.7).

Our approach is built on our Corporate Values:



Corporate Values

Professional

- All employees must conduct themselves in a professional manner, by:
- Being competent in their area of expertise
- Having a "champion spirit"
- Always seeking self-improvement Having professional capabilities and knowing their own limits



Ethical

All employees must conduct themselves in a ethical manner by, among others:

- Conducting business fairly with high moral integrity.
- Applying the highest ethical standards at all times.
- Understanding and following the Company's ethics and Good Corporate Governance policies.



Open

- All employees must make efforts to promote transparency by, among others:
- Encouraging informality and openness in communication at all levels
- Building an environment of trust among employees and management
- Being open-minded in thought, behavior and work



Innovative

All employees must cultivate a spirit of innovation by, among others:

- Building a culture of trailblazers
- Continuously searching for innovative solutions to achieve better, safer, and cost-effective
 outcomes
- Having intellectual and emotional maturity



Good Corporate Governance Principles

MedcoEnergi implements a Good Corporate Governance (GCG) ethical management system across all subsidiaries and business units, supported by our GCG Principles and Code of Conduct.

MedcoEnergi's Good Corporate Governance Principles

- 1. **Transparency**: Providing material and relevant information in ways that are easy for stakeholders to access and understand.
- 2. Accountability: : Managed in accordance with the interests of the company, shareholders, and stakeholders.
- **3. Responsibility**: Compliance with all relevant laws and regulations, and responsible performance with regards to community and environment.
- 4. Independence: Managed in an independent manner, avoiding intervention by other parties.
- 5. Fairness: Managed in accordance with the principles of fairness and equality.

The Company implements the principles of Good Corporate Governance (GCG) pursuant to the Company Law No. 40/2007, the Capital Market Law No. 8/1995, the Company's Articles of Association, the regulation of the Indonesian Capital Markets and the Financial Services Authority, regulations of the Indonesia Stock Exchange, the principles set forth by the Organization for Economic Cooperation and Development, the Indonesian GCG Guidelines and other pertinent regulations.

Every individual at MedcoEnergi must understand and adhere to the GCG Guidelines and Code of Conduct to avoid inappropriate or unethical behavior. In the event of any discrepancy with local norms, laws, and regulations, the higher standard is applied. The GCG Guidelines and CoC Manual undergo regular evaluation and revision to incorporate future developments and company requirements, so that they continue to provide relevant and appropriate guidance on ethics.

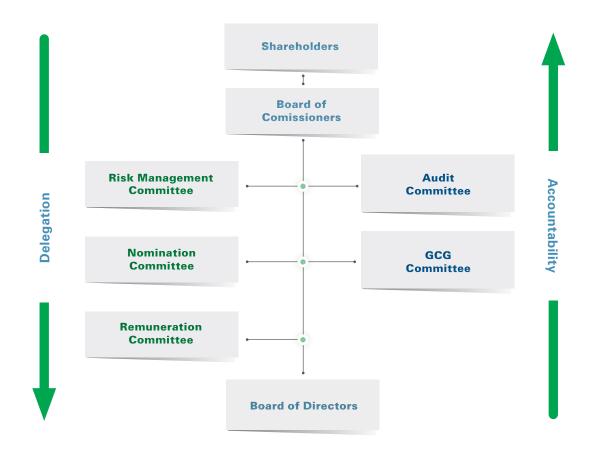


Employees engaged in GCG training providing them with an understanding of the GCG Guidelines and Code of Conduct.

MedcoEnergi



Corporate Governance Framework



To ensure effective implementation of the GCG Guidelines and Code of Ethics, MedcoEnergi has defined the following roles and responsibilities:

Board of Commissioners (BOC)

Supervises the Board of Directors (BOD), ensure the implementation of Good Corporate Governance, risk management, and internal control. The BOC chairs the General Meeting of Shareholders, makes recommendations about remuneration for members of the BOC and BOD, and monitors execution of internal and external audits.

The Board of Commissioners is assisted by the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Good Corporate Governance Committee.

Board of Directors (BOD)

Responsible for managing MedcoEnergi pursuant to the interests and objectives of shareholders. The BOD guides and manages MedcoEnergi in accordance with the Company's strategies and business objectives, formulates and implements business strategy and an annual Work Program and Budget, and implements a risk management process.



Ethics and Compliance

As a national company, maintaining high standards for ethics and compliance issues is essential for MedcoEnergi. Our reputation is critical to secure access to natural resources, access to financing, and social license to operate, which will assure our continued ability to grow in Indonesia and globally.

Our goal is to operate in compliance with all policies, permits, regulations, and laws, and to engage with local governments. MedcoEnergi has a strong reputation as a publicly listed company with a solid track record in corporate governance. MedcoEnergi is currently active in the Indonesian Petroleum Association whereby its representative is serving as the chairman of the Ethics & Compliance Committee, and we are working to foster a culture of integrity within the oil and gas industry including adoption of effective Anti-Bribery Management Systems. We are actively involved in the Anti-Corruption Working Group and we provide technical assistance to others in the industry.

Socioeconomic Compliance

MedcoEnergi tracks and reports all penalties of material impact, as transparency is critical for showing how we manage our relationships with vendors, government agencies, and local communities.

During 2014-2017, there were no material penalties or sanctions imposed on any of the Company's business units for regulatory violations or compliance issues.



In 2017, activities carried out by the Company to support compliance included:

- Participation of MedcoEnergi in the Government of Indonesia's Tax Amnesty program to ensure corporate compliance on tax liabilities.
- Awareness-raising campaign for local communities and partners on Ethics and Compliance.

There are internal and external channels available to allow employees and external stakeholders to raise ethical concerns in a confidential manner. We employ two third-party organizations to operate whistleblower mechanisms to allow employees and external stakeholders to confidentially raise ethical or compliance concerns directly with the Board of Directors.

Corporate Hotlines

- Deloitte Direct Website: https://lapor-medcoenergi.tipoffs.info/
- Deloitte Email: lapor-medcoenergi@tipoffs.com.sg

E&P Hotlines

- Email: lapor-medcoepia@medcoenergi.com
- Consultation: ethics&compliance@medcoenergi.com
- Phone/SMS: 08118 383 919 (office hours)

Medco E&P Natuna Hotlines

- Email: mepnethicshotline@medcoenergi.com
- Phone: 021 8082 4222 (office hours)

MedcoEnergi Sustainability Report

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Commitment to Eradicate Corruption

Indonesia's Anti-Corruption Law No. 31 Year 1999 and Law No. 20 Year 2001 include a legal requirement to eradicate bribery and corruption in any form, and the Supreme Court Regulation No. 13 Year 2016 setting out the procedures for handling criminal offences committed by corporations.

In the 2017 Transparency International Corruption Perception Index, Indonesia ranked 96th out of 180 countries. MedcoEnergi's business operations require frequent interactions with many key government and non-government officials, which increases the risk of bribery and corruption. The Good Corporate Governance Guidelines and Code of Conduct describe our commitment to demonstrate our stance against corruption in any form in our business operations. MedcoEnergi strictly abides by Indonesia's anti-corruption laws and similar legislation in the other countries in which we operate.

MedcoEnergi requires that its employees and business partners, including joint venture partners, agents, distributors, representative offices, contractors, and suppliers, comply with anti-corruption regulations and policies. Any individual in MedcoEnergi found to have provided or accepted bribes or engaged in other acts of corruption is subjected to disciplinary action.

The Company has implemented a number of anti-corruption initiatives, both internally and externally.

Internal Initiatives

MedcoEnergi regularly conducts internal communication and education activities on business, ethics, and anti-corruption. Additional internal initiatives in 2017 include:

- Establishing specific guidelines on gifts and entertainment and conflict of interest. Company-wide socialization of the GCG guidelines has been conducted which requires all gifts and entertainment to be reported as part of the Anti-Bribery Management System.
- Following the Natuna Block B acquisition in late 2016, an introduction to applicable policies and procedures was communicated to all Natuna Block B employees and contractors.

External Initiatives:

- During 2016, external compliance initiatives included a Contractor Compliance Survey, Contractor Anti-Bribery and Corruption (ABC) Audits, and a Contractor Compliance Maturity Assessment Program.
- The Contractor Compliance Assistance Program, in collaboration with other international PSCs supports contractors to develop and enhance their anti-bribery and corruption programs.
- MedcoEnergi, through the IPA Ethics & Compliance Committee, is part of the anti-corruption advisory committee for the oil and gas sector that was set up by the Corruption Eradication Commission (Komisi Pemberantasan Korupsi, KPK).

Internal and External Audits

MedcoEnergi uses internal auditing at the corporate and subsidiary level to evaluate and improve the effectiveness of our risk management, control, and governance processes.

MedcoEnergi currently completes 20 vendor audits per year, and this number will expand over the next three years to cover all bribery risks related to procurement at Corporate, MEPN, and MPI.



Human Rights

We are committed to respecting human rights and we adhere to the Voluntary Principles on Security and Human Rights and Indonesian government standards. We see the protection of human rights as a core component of our relationship with local communities.

Indonesian Law No. 39/1999 concerning Human Rights states that human rights are basic rights bestowed by God on human beings, are universal and eternal in nature, and for this reason must be protected, respected and upheld, and may not be disregarded, diminished or appropriated by anyone whosoever.

Human Rights at Block A

The International Finance Corporation (IFC) completed a human rights report and review for the PT Medco E&P Malaka Block A project in 2017. Human rights was also included as an element in the Environmental and Social Impact Assessment (ESIA) of the project. The potential impacts identified included incremental security issues related to workforce recruitment, security issues related to workforce demobilization (during the construction phase), security issues related to project closure (upon completion of the operation phase), and potential for human rights violations. Although the region has a history of conflict, the assessment found that practices have changed and human rights principles are being implemented progressively.

PT Medco Power Indonesia and Human Rights

MPI has applied IFC Performance Standards since 2012 and undergone annual audits. The most recent IFC audit in 2017 reported no issues related to human rights violations.

Public Policy

MedcoEnergi has a strict policy, included in our GCG Guidelines and CoC, that we do not support any political party, and make no contributions or donations in any form to any political party or affiliated organization in any location where we operate. Nevertheless, we fully respect the freedom of every individual working in MedcoEnergi to participate in political processes and support a choice of parties or candidates without any influence whatsoever. Individuals actively participating in political activities, including participating as members in a political party or campaigning for an election, must do so in accordance with company regulations and policies. Internal communications regarding donations and contributions are issued to all employees, in particular before elections take place. Employees who make donations to a political candidate or political party in their personal capacity must declare it using the Conflict of Interest form.

MedcoEnergi also strictly adheres to a principle of non-discrimination in the design and implementation of community development programs, including operational support programs (Program Pendukung Operasi, PPO) approved by SKK Migas. All of our programs are free from discrimination on the basis of ideology, political party, ethnicity, religion, or race (Suku, Agama, Ras, Antar golongan).



Stakeholder Engagement

MedcoEnergi proactively communicates with stakeholders to understand their expectations, priorities, and concerns and to convey information about our activities and programs. These interactions occur through various community relations activities, government and non-government organization (NGO) relationships, community development, media gatherings, bipartite forums, supply chain communication forums, shareholder meetings, and other business communication forums. Stakeholders have the opportunity to convey their comments and feedback on programs undertaken by MedcoEnergi in connection with our business development, community development, social welfare improvement, and environmental conservation. Maintaining transparency and openness in our relations contributes to our business viability and support from communities.

Memberships in Industrial Associations and Other Organizations

MedcoEnergi actively participates in several associations to strengthen communication with stakeholders and to address technical, socioeconomic, and environmental challenges we face in our operations. Medco Power Indonesia, one of our subsidiaries, was instrumental in forming the Indonesia Business Council for Sustainable Development.

MedcoEnergi and its subsidiary entities are registered members of the following associations:

- 1. Indonesian Renewable Energy Society (Advisory Board)
- 2. Indonesian Petroleum Association (President of IPA)
- 3. Indonesian Business Council for Sustainable Development (Steering Committee)
- 4. Auditors Forum of SKKMIGAS-KKKS (Steering Committee)
- 5. Public Relations Forum of SKKMIGAS-KKKS
- 6. Human Resources (HR) Forum
- 7. National Committee of Sustainability Reporting, Energy Sector (Chairman 1)



Senior management engaged with employees through regular meetings in the field to convey information about our activities and programs. We proactively communicate with stakeholders to ascertain their expectations, priorities, and concerns.

Managing Stakeholders

MedcoEnergi's main stakeholder groups include our shareholders; our employees; our contractors, suppliers and business partners; the government and regulators; banks and investors; rating agencies, the public; consumers and the media.

Shareholders:

One of the tenets of the GCG Guidelines is to protect the interest of shareholders. We have regular communications in the form of a General Meeting of Shareholders where we present the Company's annual results and adopt strategic resolutions, including the appointment and termination of Commissioners and Directors and material decisions regarding investments and divestments if any.

The Investor Relation group has regular engagement with existing and future investors.

Employees:

MedcoEnergi engages employees through regular meetings with the Worker's Union. These meetings seek to find a common understanding for employee aspirations and the ability of MedcoEnergi to meet those aspirations. Communication forums are another effective way that we strive to resolve all matters pertaining to employee relations and employment issues.

Contractors, Suppliers and Business Partners:

MedcoEnergi uses the principles of the GCG Guidelines along with the Core Values to guide all of our engagements with contractors, suppliers, and business partners. The Code of Ethics is communicated as a common guideline. To support the local economy in areas where we operate, MedcoEnergi engages local suppliers as vendors for goods and services and forges strong relationships that are mutually beneficial. To support local partnerships, we communicate our procurement policies and rules to local suppliers to increase their participation in bids, and we prioritize small- to medium-sized suppliers for procurements of up to USD1 million.





Our Vendor Performance Management System and e-Procurement function as a clear, transparent, and accountable procurement process and bidding system.

Government and Regulators:

We engage with the government and regulators in various ways, including:

- Consultation and cooperation with government agencies to strengthen policies and activities related to Corporate Social Responsibility, Environment, Security, and Ethics.
- Consultation and cooperation with the government with respect to mitigating adverse impacts on environmental, social, and health issues
- Consultation with the government on issues related to employment, workforce recruitment, and termination
- Cooperation with the government to manage labour migration influx
- Cooperation to bolster the capacity of local people
- Cooperation in the development and empowerment of local economies

Banks and Investors:

We engage with banks that adhere to the Equator Principles ("EP Lenders") to fund our projects, such as in Senoro, Block A, and Sarulla. The EP Lenders require us to follow the Equator Principles, including establishing an environmental and social (E&S) management plan and management system for activities and operations. Also, we periodically provide lenders with an up-todate E&S monitoring report. As for capital market investors, currently most of our bondholders require that the companies they invest in provide data on Environment, Social, and Governance (ESG) indicators. We also assist our investors by completing ESG questionnaires.

Public:

MedcoEnergi believes that sustainable business growth can only be achieved by integrating the needs of communities into our key business activities. The communities to which MedcoEnergi belongs expect to grow alongside us. One way that we align our interests is through a community empowerment program that accelerates sustainable development in and around the communities where we operate. The aim of these programs is to nurture local potential, increase productivity, and improve community welfare, using a participatory multi-stakeholder engagement model. Our Environmental and Social Impact Assessment includes social mapping and engaging local elders, regional government, NGOs, and academics to identify community needs and plan social development programs.



Site visit by investors and banks to one of our field operations. Our banks adhere to the equator principles ("EP Lenders") in funding our projects nd operations.

MedcoEnergi is also represented in the CSR Forum, which serves as a liaison between companies, the regional government, communities, and NGOs for any empowerment program. We also engage with communities, academics, experts, and NGOs for monitoring and program evaluation to obtain feedback on how to improve our programs.

Consumers:

MedcoEnergi supports consumers with our production both directly and indirectly. We contribute to government objectives of increasing the use of natural gas as a viable source of energy for Indonesia by enhancing our operational activities in gas fields, which goes to generate electricity in South Sumatra. We also contribute to food security by providing gas to the fertilizer sector, such as to state-owned PT PUSRI which produces urea fertilizers for farmers throughout South Sumatra. We also participate in the Gas Fuel program for the area of Jabodetabek and the City Gas Program in Palembang and Tarakan.

Media:

MedcoEnergi organizes media events and press conferences as a way to maintain trust and ties with the media and disseminate information on our performance to stakeholders.



Investing in Our Future

The following action plan is designed to enable us to meet our Commitments and Objectives and continue to strengthen our corporate governance and ethical business practices. We will measure, monitor and report on our progress and performance against these plans in future sustainability reports.

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Leadership by and of Our Employees

Our Approach

Our people are our most valuable asset—they are the keystone of our operations and our future success. We recruit diverse talent from all backgrounds who possess the right skillsets and ethical values. We are committed to maintaining a healthy and safe working environment built upon a culture of mutual respect. We develop the capacity of all of our employees recognizing and rewarding individual performance and expecting personal accountability at all levels. This effort is supported by a robust human capital management system.

Our Objectives

Diversity:

We are committed to provide equal opportunities for employment regardless their backgrounds. All employees are recruited, provided with career advancement and remuneration on the basis of job requirements, individual performance and competence.

Inclusion:

We have a policy to hire and develop indigenous and local people.

Strategic Activities

The Company has a robust Human Capital strategy for how we will attract, develop, retain and motivate the best talent needed to meet the Company's goals.

In 2017, we implemented activities in six key areas that align with the Company's business priorities.

1. Build Block A's organizational capacity and capability:

MedcoEnergi aims to complete development of the Block A project in 2018. We supported Block A's readiness for its first gas delivery in Q1 2018 and subsequent full operations by hiring 22 new staff members, designing and executing a demobilization plan, and conducting a Technician Development Program.

2. Strengthen "functional excellence" for the E&P organization:

MedcoEnergi centralized all technical support for assets into the E&P Technical Support organization. The Company also strengthened site-level external relations capabilities to improve our engagement with local stakeholders, and elevated the Sustainability Development organization from the project level to overseeing the overall E&P business.



Our employees represents a diverse talent pool, drawn from a wide range of backgrounds who possess the right skill-setsand ethical values.

MedcoEnergi

- 3. Enhance ability to retain and motivate key talent:
 - MedcoEnergi improved the Company's competitiveness in the market by putting in place an Employee Share Award Plan (ESAP) and Management Share Award Plan (MSAP) in Q3 2017. We also implemented a Salary Market Adjustment (SMA) to minimize gaps for specific positions. In addition, the Company put in place a development program to improve its leaders' coaching capability and re-activated the Worker-Management bipartite forum (Lembaga Kerja Sama) to foster effective communication with employees.
- 4. Strengthen our talent pipeline to ensure sustainability: MedcoEnergi designed and implemented several talent development programs. We developed succession planning to meet critical gaps in key subsidiary Director, Vice President and Senior Manager positions, and utilized accelerated development programs to enhance our organizational strength in Finance and Operations. We also worked with academic institutions and local authorities to develop future talent for the Power business, as demand for talent is increasing due to the rapid growth of the power industry.

Human Capital Management

5. Reinforce MedcoEnergi organizational values:

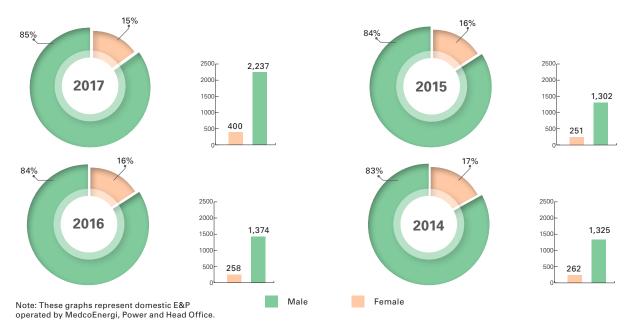
The Company's values (professional, ethical, open and innovative) are the behaviors that employees are expected to demonstrate in their daily activities. Induction programs are provided for staff at newly acquired assets to ensure these values are embedded in the organization. The Company also undertook a Culture Value Assessment through a series of Focus Group Discussions with managers and staff to identify gaps between current and desired culture and to determine initiatives to close the gaps.

6. Drive E&P organization integration:

Following the 2016 acquisition of South Natuna Sea Block B, the Company established a task force to align Human Capital policies and processes such as performance management, collective labour agreements, remuneration and promotion, and developed an organization integration framework to further the integration process in 2018.

Recruitment

Gender diversity is an area where we would like to improve, especially at the senior manager level. In 2017, 85% of our employees were male.



MedcoEnergi Employee Composition

MedcoEnergi Sustainability Report Providing a Safe and Healthy Workplace Appendix



Female employees are typically in office positions and support functions, with a limited number of female workers located in the field as technical engineers or non-technical workers. We also seek to improve the representation of women in MedcoEnergi's governance bodies, where they currently make up 6%. Additional statistics are available in appendix of this report.



Hiring local and indigenous employees is a priority for MedcoEnergi, as part of our engagement with local communities. At our field sites, we work to balance local employment and development priorities with recruitment of non-local talent to fill critical, skilled positions. See in appendix for more information.

These efforts will support the realization of SDG 5 (Targets 5.1 and 5.5) and SDG 8 (Targets 8.2, 8.5, 8.6, and 8.8).

Development

We are committed to providing clear career advancement opportunities for our employees, based on principles of equality and objectivity. The Company strives to create an environment that encourages our employees to broaden their knowledge. We have policies and procedures that facilitate learning opportunities and personal development in terms of training, general knowledge and leadership, and management programs.

We provide three types of training and development programs for employees:

1. Accelerated Development

Includes Finance & Accounting Apprentice Program, Supervisor Development and Block A Technician Development.

2. Leadership Competence

Three levels of leadership training develop our people to lead at the individual, team, and business level.

3. Technical Competence

Competency assessments in petroleum engineering, drilling engineering, surface facilities engineering, and geoscience are used to create individual development plans, with independent study, training, coaching, and domestic and international assignments.

In 2017, the Company invested USD1,745,000 to enable 1,836 employees to complete 2,292 training courses with a total duration of 57,280 training hours, or an average of 31.2 training hours per employee.

Retention

MedcoEnergi provides competitive remuneration to our employees based on individual employee performance and level of responsibility. This includes salary and allowances, performance inentives, and benefits in the form of leave, medical and education assistance, pension programs, and life insurance.



Hiring local and indigenous emplyees is a priority for MedcoEnergi, as a core element of our engagement with local communities.

MedcoEnergi

Sustainability Report

Industrial Relations

MedcoEnergi strives to engage employees in the effort to achieve the Company's goals by meeting regularly with the Workers' Union. These meetings seek to find a common understanding for employee aspirations and the ability of the Company to meet those aspirations, with agreements formally included in Collective Labour Agreements (CLAs). The CLAs provide workers with guidance on their rights under national labour and employment law and their rights related to hours of work, wages, overtime, compensation and benefits. Current CLAs include:

PT Medco Energi Internasional Tbk Collective Labour Agreement (Perjanjian Kerja Bersama) 2016-2018

 Developed based on negotiations between PT Medco Energi Internasional Tbk and the workers' union of the Company

PT Medco E&P Indonesia Collective Labour Agreement (Perjanjian Kerja Bersama) 2016-2018

- Developed based on negotiations between MEPI and the workers' unions of the Soka, Rimau, Tarakan, Lematang Assets and the Jakarta office
- PT Medco E&P Natuna Collective Labour Agreement (Perjanjian Kerja Bersama) 2017-2018
 - Developed based on negotiations between MEPN and the workers' union of Block B

PT Amman Mineral Nusa Tenggara Collective Labour Agreement (Perjanjian Kerja Bersama) 2017-2018

• Developed based on negotiations between AMNT and the workers' union of AMNT

Performance Highlights

In recognition of MedcoEnergi's excellence in human capital development, the Company received the following awards in 2017:

No	Date	Name of Award	Awarded by
1	September 2017	Career Development Monitoring (CDM) Award 2017 for PT Medco E&P Indonesia - HRD	SKK Migas
2	December 2017	Top HR Team 2017 for PT Medco E&P Indonesia - HRD	HRD Magazine
3	December 2017	LSP PPT Migas Award for PT Medco E&P Indonesia - HRD	Professional Certification Agency (LSP) PPT Migas



Investing in Our Future

The following action plan is designed to enable us to meet our Commitments and Objectives and continue to empower our employees and improve their overall well-being. We will measure, monitor and report on our progress and performance against these plans in future sustainability reports.

	Short Term Actions	Medium-Long Term Actions
Diversity:	Establish MedcoEnergi policy related to diversity and anti-discrimination in compliance with ILO Conventions and log laws	
		 Revise MedcoEnergi's Human Resources manual/ guidelines to clarify the company's standards and expectations on diversity and anti-discrimination Set diversity-related targets to ensure successful implementation of the policies
Employment	Establish MedcoEnergi policy related to the hiring of indigenous and local community members	
	Maintain retention of high-potential MedcoEnergi employees, as indicated by overall retention rate and high-potential employee retention rate	



We engage with employees to achieve the Company's goals by meeting regularly with the Workers' Union.

A Leader in Environmental Management

Our Approach / Performance

Our Commitment

As a responsible corporate citizen, we are committed to complying with all applicable laws and regulations and aligning our environmental management with industry best practice and relevant international standards. We regularly set and monitor our goals and performance to achieve zero environmental incidents and the reduction of waste and emissions. We seek to continually strengthen our operational excellence through enhancing our safety culture, stakeholder engagement, and environmental stewardship, through the ongoing adoption and development of best practices.

Our Objectives

We implement our environmental protection approach in line with the following objectives:

Environmental compliance:

MedcoEnergi will implement policies and practices that keep us in full compliance with all environmental laws and regulations, as well as other relevant industry standards and requirements such as those of the International Finance Corporation (IFC) and the Asian Development Bank (ADB).

Emissions:

In order to manage and reduce our emissions, we will collect and report rigorous data from all business units have proper data on direct emissions from owned or controlled sources (Scope 1).

MedcoEnergi is committed to managing its operations safely, effectively, and efficiently. Our goal is to be a leader and a pioneer in environmental management and ensure that our production is done in an environmentally friendly manner. We want our strong environmental performance to be part of our contribution to the sustainable development of Indonesia.

MedcoEnergi continues to help meet Indonesia's energy demand while taking steps to reduce our energy use, develop renewable energy sources and reduce the carbon footprint of existing and planned operations. Improving our own energy footprint is part of MedcoEnergi's strategy for addressing climate change challenges and opportunities. Our environmental management systems enable us to minimize our emissions and maintain ambient air quality, and support ecosystem and community health in the areas surrounding our operations. The Company is committed to comply with all relevant legal and regulatory requirements wherever we operate. We carefully track any changes in requirements from the government and international lenders to ensure that our environmental management is aligned with the highest standards.

The efforts described in this chapter support the realization of SDG 6 (Targets 6.3, 6.4, 6.6, and 6.b), SDG 7 (Targets 7.1, 7.2, 7.3, 7.a, and 7.b), SDG 12 (Targets 12.2, 12.4, 12.5, and 12.6), SDG 13 (Target 13.2). and SDG 15 (Target 15.5).







Management Systems

MedcoEnergi ensures that all of our assets implement the Health, Safety, and Environment Management System (HSEMS), which was developed in reference to ISO 14001 and OHSAS 18001 and covers a range of operations, risk, and crisis management. (More details on MedcoEnergi's HSEMS are included in Chapter 4). The Company has adopted ISO 14001 for our oil and gas assets and our Power assets are also certified ISO 14001:2015 (Medco Power Indonesia, TJBPS, ELB, MEB) Several subsidiaries certified such as Rimau, South Sumatera, Block B, Lematang, and Tarakan.

Environmental Compliance

MedcoEnergi continues to improve our environmental compliance efforts by conducting monthly internal inspections that involve related government agencies. The Environmental Hotline and On-Call Duty Program are available 24 hours a day to respond to environmental incidents. All incidents are recorded for management and resolution.

During 2014-2017, there were zero incidents of non-compliance with environmental laws or regulations that resulted in monetary fines, non-monetary sanctions, or cases brought through dispute resolution mechanisms across all business units.

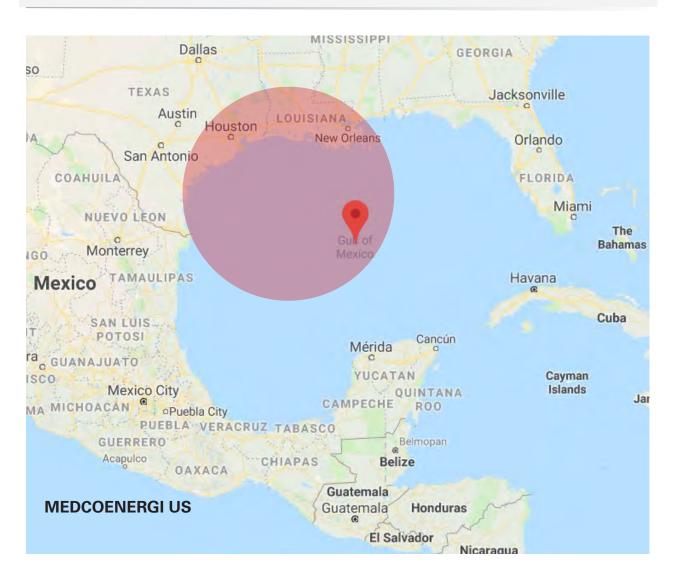


Our environmental team monitors and measures plants in conjunction with a reforestation program. Our goal is to be a leader in environmental management and ensure that our production is environmentally responsible.

MedcoEnergi



Case Study: MedcoEnergi US Responsible Management of Inactive Wells MedcoEnergi's approach to successful environmental management and full regulatory compliance is illustrated by our responsible management of inactive wells in the Gulf of Mexico, in accordance with US federal regulations.



MedcoEnergi US has held the Main Pass Blocks 64 & 65 (MP 64/65) and East Cameron Blocks 317 & 318 (EC 317/318) Lease Agreements since 2004. Both locations are on the US Federal Outer Continental Shelf (OCS) in the Gulf of Mexico. In accordance with US federal regulations, operators in the US Federal OCS must plug and abandon any wells that are no longer economically viable, and decommission any structures placed on the sea floor. The regulation requires operators to dismantle and dispose of infrastructure responsibly, to keep inactive wells and structures from littering the Gulf of Mexico. MedcoEnergi US has owned and operated, and plugged and abandoned or permanently decommissioned various other assets in the Gulf of Mexico in the past 10 years. This includes zonal isolations and temporary abandonments of MP 64 wells that were idle for several years but still have future utility or economic viability. Zonal isolations of two wells at MP 65 will be completed in September 2018. Natural gas production from EC 318 ceased in 2011 and all wells were permanently plugged and abandoned in the summer of 2013. Enhancing Livelihoods, Enabling Communities



The US authorities approved a permanent Plug & Abandon (P&A) program for the EC 317 and 318 fields, which was safely completed on time in June 2018. The platform removal phase is currently ongoing and is expected to be completed by the end of Q3 2018. In 2017, MedcoEnergi US plugged and abandoned two wells, subsea equipment, and associated pipelines for EC 316.

Managing waste from the decommissioning process was an important element of safe and responsible disposal. The first stage of the process was cleaning out all production process vessels on both EC platforms. That process generated a minimal amount of wash fluid for disposal. The pipelines were also flushed and filled with seawater, and some of that flushing fluid was collected and sent for disposal. During the EC 317 well plug and abandonments, all fluid circulated from the wellbores was sampled for oil and grease content and a sheen test was performed on each well before the fluid was determined to be sufficiently clean for discharge. All piping recovered from the wells was also checked for naturally occurring radioactive material, to ensure that it was safe for scrapping.

The 2012 plugging and abandonment and permanent decommissioning of Brazos 437 and 451 and Mustang Island 758 (also in the Gulf of Mexico offshore of southeast Texas) was performed under an approved Plug & Abandon program requiring special attention and monitoring to protect an endangered species of sea turtles in the area. The program was performed safely and with no known incident of harm to the endangered sea turtles.



East Cameron 318 four-pile platform

The decommissioning process is underway at the East Cameron 318 four-pile platform.

Emissions Reduction and Efficiency

MedcoEnergi has a set of green action plans to address climate change challenges. Our efforts include reducing our fuel consumption, conversion of energy use from conventional fuel to gas, and development of renewable energy sources, with the goal of reducing the amount of CO₂ generated from our business operations.

Oil & Gas	2014	2015	2016	2017
Direct (Scope 1) GHG emissions: $CO_{2'} CH_{4'} N_2O$ (Metric tons of CO_2 equivalent)	321,396.33 °	285,908.14 °	297,159.16 ^b	1,170,529.05ª
GHG emissions intensity (ton CO ₂ e/1000 TOE HC product)	127.31 °	131.47 °	99.27 ^b	205.21 ª
SO _x (ton/year)	6.89 °	6.78 °	6.73 °	16.89 ^d
NO _x (ton/year)	4,139.75 °	3,980.86 °	3,150.67 °	13,770.76 ^d
PM (ton/year)	289.38 °	287.67 °	247.05 °	340.31 ^d
VOC (ton/year)	1.178.82 °	1,113.16 °	1,323.11 °	2.054.91 ^d

a Consolidated data (International : Oman & Tunisia; Domestic : Rimau, SSB, Lematang, Tarakan, Natuna)

b Consolidated data (International : Oman & Tunisia; Domestic : Rimau, SSB, Lematang, Tarakan)

c Domestic data : Rimau, SSB, Lematang, Tarakan

d Domestic data: Rimau, SSB, Lematang, Tarakan, Natuna

One means of reducing our emissions involves implementing project initiatives to reduce gas flaring and to sequester carbon through revegetation. Our Rimau project has had no gas flaring since 2007, and our Natuna site reduced emissions by around 76.7 tons of CO_2 e through flaring reduction programs. At our Tarakan project, we absorbed 98.3 tons of CO_2 e through revegetation and also implemented flare gas recovery.

The implementation of energy efficiency and emissions reduction programs has gradually reduced the total emissions from two of our E&P domestic blocks (Rimau and SSB) by 10.78%, from 287,789.42 tons CO_2e in 2014 down to 256,752.15 tons CO_2e in 2017. Our efforts to reduce GHG emissions are interlinked with initiatives to reduce the air emissions of our operational activities, through reduction of gas flaring and use of more eco-friendly technology.

At our Amman site, coal and fuel combustion for electrical power generation used for mining operations and facilities creates emissions of SO_2 , NO_x , and particulate matter. Fugitive emissions of coal and fly ash dust can be generated during storage and handling, and emissions are generated from other stationary and mobile sources, such as pumps that circulate the mine water and hauling trucks in the mine pit area.

On September 2017, we published a statement of commitment for our Amman site to implement projects that reduce greenhouse gas emissions and improve energy efficiency. Environmental protection actions taken at the site include: using coal with low sulfur and ash content, controlling particulate emissions with filters, and using water sprays to minimize dust during transport and handling.

Water and Effluent

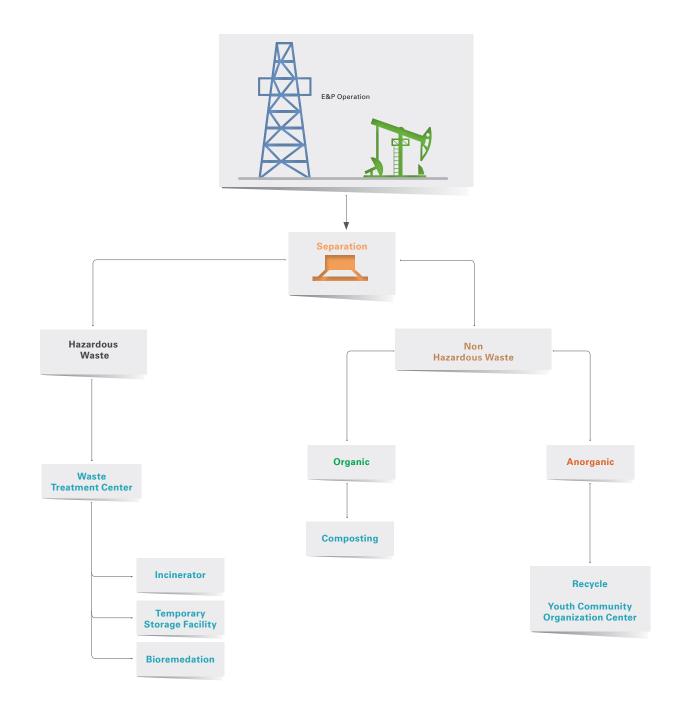
MedcoEnergi actively participates in water conservation, as a priority of our environmental management programs. Since 2014, MedcoEnergi's operations have been able to reduce freshwater usage by more than 60 million m³ through recycled water injection. Our water conservation measures have reduced the water intensity, or use of water per output unit, by 40% per barrel of oil equivalent (BOE) for our E&P operations. To further reduce freshwater consumption, we constructed a water containment facility at our operating site to collect wastewater and rainwater for treatment and use in watering plants. Domestic wastewater from our offices and camps is treated and recycled for use as hydrant water.



Waste and Waste Management

MedcoEnergi minimizes waste generation through the consistent implementation of waste reduction and recycling programs. In 2017, MedcoEnergi operations generated 526 tons of hazardous waste and 182 tons of non-hazardous waste.

Waste Management Chart



MedcoEnergi Sustainability Report

Management of Hazardous Waste

MedcoEnergi focuses on the reduction and prevention of hazardous waste generation, as well as appropriate storage and disposal of such waste. Spill prevention is managed through routine maintenance and inspections of machines and pipelines. Hazardous waste is kept in certified temporary storage facilities before being sent to a certified third party for treatment and disposal.

One example of MedcoEnergi's successful waste reduction initiatives is the implementation of Amine Solvent Management (ASM) at the Lematang Asset since 2013. With careful management, the usage time for the solvent was extended, minimizing the consumption of fresh amine and reducing the amount of liquid chemical hazardous waste by up to 66%.

Another successful example is MEPN's mercury removal system, which is utilized to absorb naturally-occurring mercury in gas sold into Singapore and Malaysia. The system uses catalysts that remove up to 99.99% of mercury, and the spent catalysts are then sent to approved treatment facilities in Japan due to the lack of mercury treatment facilities in Indonesia. Improvement efforts are ongoing to optimize the system and reduce waste.

Non-Hazardous Waste Management

For non-hazardous waste, MedcoEnergi's management efforts target organic waste, plastic waste and paper waste, with an approach of reduction, reuse, and recycling. We encourage employees to use reusable water bottles and utensils, work with electronic rather than paper documents, and print double-sided. MedcoEnergi composts household organic waste for use as organic fertilizer for the cultivation of rice, medicinal herbs, and vegetables. Most of the organic waste from MedcoEnergi's assets is turned into compost through integrated environmental conservation programs in local communities.

At Rimau, MedcoEnergi has a composting facility that uses both conventional and modern composting methods, and finished compost is used in reforestation activities. The Rimau Asset also cooperates with Bank Sampah (Waste Bank) in South Sumatra and the youth community center of Lais Village in Musi Banyasin Regency (KATALIS) to recycle inorganic waste (such as plastics) into resins and souvenirs. This activity, along with waste reduction campaigns, was able to reduce inorganic waste by approximately 41% at the Rimau Asset.

Biodiversity

MedcoEnergi has biodiversity protection policies and programs as part of our commitment to maintaining the highest environmental standards.

One biodiversity program involves planting a forest for the preservation of 21 endangered native plants on 7.2 hectares of company land. The plants are also a food source for wildlife, so birds and animals such as monkeys, squirrels, long-tailed macaques, weasels, squirrels, and deer are expected to utilize the preserve. Reforestation also improves ecosystem functions in the surrounding landscape, for example by preventing soil erosion and improving water quality in the nearby tributary.

MedcoEnergi supports conservation programs in cooperation with regional governments such as mangrove conservation, protection of the Proboscis Monkey in Tarakan, and the rehabilitation of Rambang Dangku National Park in cooperation with the Environmental Conservation Board of South Sumatra.

Environmental preservation is also conducted by MedcoEnergi's affiliated company, PT Donggi Senoro LNG, which supports conservation of the endangered Maleo, a bird species endemic to Sulawesi, in cooperation with the Natural Resources Conservation Body of Central Sulawesi (BKSDA, Balai Konservasi Sumber Daya Alam). This cooperation includes establishment of an 8,000m2 ex-situ conservation area and breeding program. Maleo conservation activities have also been implemented by Joint Operation Body (JOB) – Pertamina Medco E&P Tomori Sulawesi since 2014.



Environmental Performance

Indonesia's Evaluation Program for Corporate Efforts in Environmental Management (PROPER) is a nationallevel public environmental evaluation initiative which rates companies based on their pollution prevention and environmental management practices using a five-tier color system (Gold, Green, Blue, Red, Black).

Black:

Indicates noncompliance with legal standards due to intentional acts and/or corporate negligence which results in outcomes that violate existing laws and regulations, and also results in environmental pollution or damage.

Red:

Indicates poor performance, whereby environmental management efforts result in outcomes which do not fulfill requirements stipulated in the legislation.

Blue:

Indicates compliance with legal standards, whereby environmental management activities and efforts result in outcomes which fulfill requirements stipulated in the legislation.

Green:

Indicates performance which goes beyond compliance, whereby proactive environmental efforts result in outcomes which are better than pollution control requirements. Efforts may include waste minimization efforts and the use of clean production technology, or activities that result in performance which exceeds what is required by regulations, e.g. through the implementation of an environmental management system, efficient utilization of resources, and good community empowerment efforts.

Gold:

Indicates excellent Corporate Social Responsibility (CSR) e.g. in the form of operational activities that demonstrate environmental excellence, ethical business practices, and social responsibility on a consistent basis.

We participate in the Government of Indonesia's annual PROPER Award evaluation and use the results to compare our performance to others in the industry and also identify areas for further improvement.

In 2017 our Rimau Asset received the Gold PROPER rating, while three other E&P assets received the Green PROPER rating, and other assets received the Blue PROPER rating. MedcoEnergi is the first oil and gas company in Indonesia to receive the Gold PROPER rating, and the Rimau Asset has maintained this rating for seven consecutive years (2011-2017) through robust environmental performance such as maintaining zero wastewater surface discharge since 1998 and zero gas flaring since 2007.

MPI has received several awards which demonstrate strong environmental performance. From 2014-2017, TJBPS received the Green PROPER rating from the Ministry of Environment and Forestry. In November 2017, Mitra Energi Batam was given the Best Power Plant Company Award (10-100 MW) by the National Energy Council in recognition of the best electricity services and best practice in power plant operations in Indonesia. Sarulla Operations Ltd. received the Best Newcomer Power Plant Company award in recognition of its use of advanced technology to maximize efficiency and minimize environmental impact in the electricity sector.



The Government of Indonesia has presented the "Gold PROPER Award", the country's highest environmental honor, to MedcoEnergi for 7 consecutive years.



Our Amman site received a Green PROPER rating and the Aditama Award from the Ministry of Energy and Natural Resources

Year	Award
2014	PROPER Gold – Rimau Block
	PROPER Green – South Sumatra, Lematang
	PROPER Green – TJBPS Jepara
2015	PROPER Gold – Rimau Block
	PROPER Green – TJBPS Jepara
	PROPER Green– South Sumatra, Lematang, Tarakan
2016	PROPER Gold– Rimau Block
	PROPER Green– South Sumatra, Lematang, Tarakan
	PROPER Green – TJBPS Jepara
2017	PROPER Gold– Rimau Block
	PROPER Green – South Sumatra, Lematang, Tarakan
	PROPER Green – TJBPS Jepara

Investing in Our Future

The following action plan will enable us to meet our Objectives for emissions reduction and environmental compliance, strengthening our environmental performance across all of our operations.

We will measure, monitor, and report on our progress and performance against these plans in future sustainability reports.

	Short Term Actions	Medium-Long Term Actions
Environmental Compliance	All new major projects comply with international standards, where relevant	Development and implementation of an Environmental Management System by all assets
		Obtain ISO 14001.2015 certification for Block A Aceh (in addition to Rimau and Natuna)
		Conduct baseline analysis and determine opportunities for improvement to further lower GHG intensity
		Conduct baseline analysis and determine opportunities for improvement to further lower energy intensity
		Conduct baseline analysis and determine opportunities for improvement to further lower the water consumption and waste generation (hazardous and non-hazardous)
		Within 4 years, all new assets obtain Green PROPER rating
Emissions	Calculate Scope 1 emissions for all assets	Disclose for all assets: • Energy consumption • Water consumption • Waste and hazardous waste generated • Waste utilization and recovery • Low pressure gas utilization



Providing a Safe and Healthy Workplace

Our Approach

Our Commitment

As a responsible corporate citizen we are committed to complying with all applicable laws and regulations and aligning our health and safety management with industry best practice and relevant international standards. We regularly set and monitor our goals and performance to achieve zero injuries and the reduction of illnesses. We seek to continually strengthen our operational excellence through enhancing our safety culture, stakeholder engagement, and the ongoing adoption and development of best practices.

Our Objectives

We implement our health and safety approach in line with the following objectives:

Occupational Health and Safety:

MedcoEnergi will maintain a safe and healthy working environment, demonstrated by having zero fatalities, maintaining lower than industry average rates for Lost Time and TRIR (Total Recordable Incident Rate), and by completing occupational health hazard assessments for all assets.



MedcoEnergi maintains a safe and healthy working environment through diligent training (e.g. a fire drill) and by completing occupational health hazard assessments for all assets.

MedcoEnergi

Sustainability Report

Having safe and reliable operations, where each employee and contractor leaves the worksite each day safe and in good health, is our aim at MedcoEnergi.



We strive to maintain the highest standards, as part of our workplace culture and as an essential requirement for long-term business sustainability. Our health and safety management approach aligns with government regulations and international lender requirements. MedcoEnergi adheres to all prevailing laws and regulations related to Health, Safety, and Environment (HSE), as well as to various international standards and practices, and integrates the HSE management system into daily activities. MedcoEnergi provides advocacy and appropriate training on HSE matters to employees and contractors in order to mitigate the risks of accidents that could endanger employees, contractors, and the communities surrounding our operations.

Our efforts in this area support the realization of SDG 3 (Targets 3.4, 3.6, 3.8, and 3.9) and SDG 8 (Target 8.8).

Health, Safety, and Environment Management System

MedcoEnergi implements a Health, Safety, and Environment Management System (HSEMS) as a systematic approach to identify, assess, control, and monitor the operational risks to the business, employees, contractors, stakeholders, and environment. Every asset and business unit is required to plan, coordinate, and monitor the implementation of Health, Safety and Environment (HSE) programs throughout their operations.

We developed the HSEMS in reference to international standards for management systems: ISO 14001 (Environmental Management Systems) and OHSAS 18001 (Occupational Health and Safety Assessment Series).



HSE performance is monitored and reviewed by management on a monthly basis to ensure effective implementation of HSE programs at all areas of operations and identify recommendations for further improvement.

Safety Leadership and Workforce Engagement

As part of our commitment to instilling a strong HSE culture throughout the company, MedcoEnergi's management team regularly undertakes an HSE Tour at each operating asset and conducts an HSE Conversation with the site workforce on HSE expectations and guidance, addressing any at-risk behaviors or conditions and reinforcing positive safety behaviors.

MedcoEnergi also protects the right of workers to be fully informed about hazards in their workplace by ensuring that all workers have received the necessary information and training to enable them to perform their work in a safe and environmentally responsible manner. Workers have the right to refuse unsafe work without fear of reprisal, and have the ability to participate fully in the establishment and implementation of occupational health and safety policies, procedures, investigations, and risk assessments.



Enhancing Livelihoods, Enabling Communities



In 2017, MedcoEnergi introduced a Safety Badge and Safety Card program to encourage workers to openly communicate with each other about at-risk behaviors or conditions, and intervene if needed.

The number of Safety Card submissions, which occurs when an employee stops an unsafe act that may have led to a potential accident, has continued to improve over the years, and in 2017 there was a significant increase, with more than 220,000 cards submitted.

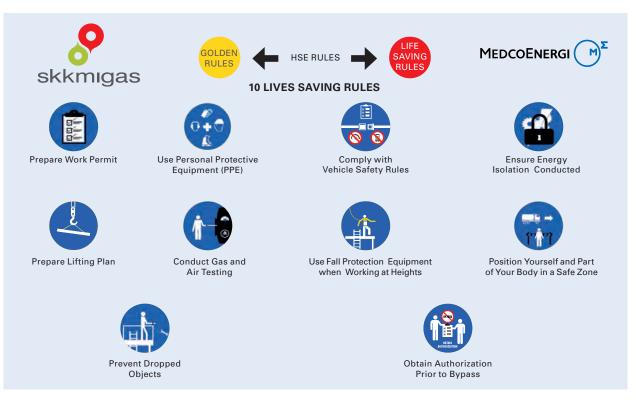


In 2017, the Company also revamped its 10 Life Saving Rules and launched a campaign across the operating assets and business units to enforce compliance related to high-risk activities.



Defensive driving instruction for company's driver. We seek to continually strengthen our operational excellence through enhancing our safety culture, stakeholder engagement, and the ongoing adoption and development of best practices.

MedcoEnergi Sustainability Report



Contractor Safety Management

As contractors make up the majority of MedcoEnergi's total workforce, managing contractor safety is critical to our overall HSE performance. We have a Contractor HSE Management framework and process and monitor contractor performance to ensure that work is conducted safely

Process Safety

MedcoEnergi takes a comprehensive approach to managing process safety for the prevention of any uncontrolled release of hydrocarbons and hazardous substances from primary containment. We identify and eliminate or mitigate process safety risks with procedures that serve as preventive safeguards. We have a variety of safeguards in place, such as alarms and pressure relief systems, and we monitor these safeguards through testing, inspections, and internal and external audits.

Health and Safety at Work

MedcoEnergi monitors the quality of the working environment, which includes the measurement of noise level, light intensity, vibration, air flows in the workplace, and prevalence of bacteria and dust, as well as the presence of gas pollutants such as CO, CO_2 , SO_2 , and NO_2 . This monitoring is designed to ensure that working conditions meet the highest safety standards within the oil and gas industry, and protect employee health while at work and into retirement.

Where health hazards are detected that may pose a personal risk to workers, MedcoEnergi undertakes an intensified individual monitoring program, which includes personal noise monitoring and bio-monitoring and periodic health check-ups. This intensified monitoring

will determine whether or not a person has been exposed to health hazards that exceed the allowable limit as per regulation or industry standards.

To ensure that our employees are in good health and sound physical condition, MedcoEnergi implements a Fit to Work program. This involves regular medical checks to monitor employee health and a general medical test for field workers about to be deployed on site.

Since 2014, MedcoEnergi has also implemented the Integrated Medco Health Program (IMHP), which encourages workers at the Jakarta office and their families to improve their health by taking up regular sports. Scores are given to participants of the program for every sport session and other exercise activities.



Occupational Health & Safety

Oil & Gas

Performance in the areas of Health, Safety and Environment is monitored throughout the year and improvements are evident from the declining Lost Time Incident Rate (LTIR), Total Recordable Incident Rate (TRIR), the decreasing number of traffic accidents, and the reduction of Tier-1 and Tier-2 Process Safety Events, as well as a decrease in the number of events and volume of spills.

Incident Rate – Oil and Gas Operation (Domestic and International) per 1,000,000 work hours									
	2014	2015	2016	2017					
Fatality case	0	0	0	0					
Lost Time Incident Rate ^{1,2}	0.21	0.31	0.16	0.18					
Total Recordable Incident Rate ²	0.99	1.08	1.26	0.70					
Occupational Disease Rate ² 0 0 0 0									
Percentage of injury that happened to contractors	100%	100%	100%	100%					

1) Lost Time Incident including Fatality, Permanent Disabilities and LTI

2) Workforce includes employees and contractors.

Incidents include both injuries and illnesses.

Following a reduction in the number of spills in 2016, the number of spills in 2017 was at a similar level, but the volume decreased substantially (88%). Asset integrity programs, spill prevention teams, and monitoring activities all contributed to this performance improvement. Process safety incidents were also reduced from 2016 (see Table below), due to enhanced process safety awareness and competency.

Process Safety Event Rate (per 1,000,000 work hours)

Incident Rate - Oil and Gas										
	2017									
Tier 1	0	0.10	0							
Lost Time Incident Rate ¹	0.14	0.16	0.13							
Tier 2	1.35	0.89	0.77							
Total Recordable Incident Rate ¹	0.44	0.44	0.39							

We will continue to strengthen our risk management systems and upgrade our workplace conditions, and we will continue working to extend the robust health and safety practices from our Oil and Gas business unit to the other parts of our businesses, to our Joint Venture partners, and to our contractors and subcontractors.



A technician is inspecting hazardous waste. MedcoEnergi takes a comprehensive approach to managing process safety for the prevention of any uncontrolled release of hydrocarbons and hazardous substances from primary containment.

MedcoEnergi

Sustainability Report

Power

MPI places a strong emphasis on HSE in all project activities and operations. "Everybody is a leader in HSE" represents our commitment to safety at work, and embodies our belief that safety is every employee's responsibility. Medco Power Indonesia and each of its subsidiaries have a health and safety working group which comprises of both management and workers. At MPI level, the working group is a P2K3 (Panitia Pelaksana Keselamatan Kesehatan Kerja) and at each subsidiaries, the working group is an HSE Working Group. Each month the group conducts meetings and inspections around HSE performance. Furthermore, MPI subsidiaries (Tanjung Jati B Power Services, Mitra Energi Batam, Energi Prima Elektrika, and Multidaya Prima Elektrindo) have successfully achieved SMK3 Certification, as issued by the Ministry of Manpower in accordance with Government Regulation No. 50 Year 2012 on Health and Safety Management Systems (SMK3). All MPI workers and workplaces fall under this management, including contractors and sub-contractors on site.

We see a link between health and safety in the workplace and social performance, and we are committed to meeting international requirements, such as those set out in the IFC Performance Standards, World Bank Group – EHS General Guidelines, Thermal Power Plants Guidelines, EHS Guidelines for Geothermal Power Generation, and other relevant international good practices. MPI has succeeded in obtaining Integrated Management System certification consisting of ISO 9001, ISO 14001, and OHSAS 18001, which strengthens our commitment to continuous improvement.

Incident Rate – Power - MPI per 1,000,000 work hours				
	2014	2015	2016	2017
Fatality Case	2	0	0	1
Lost Time Incident Rate ^{1,2}	0.50	0	0	0.35
Total Recordable Incident Rate ²	0.50	0	0	0.35
Occupational Disease Rate ²	0	0	0	0
Percentage of injury that happened to contractors	100%	100%	100%	100%

1) Lost Time Incident including Fatality, Permanent Disabilities and LTI

2) Workforce includes employees and contractors. Incidents include both injuries and illnesses.

Incidents and Investigations

While MedcoEnergi's overall incident rate is declining, safety incidents and near-misses do occur. We deeply regret that two subcontractor personnel were fatally injured in an incident at our mini-hydroelectric site in 2017. We thoroughly investigate each incident to determine contributing factors, then enhance our work practices and facilities accordingly to help prevent future occurrences. We have processes in place to review all incidents, even those that did not result in injuries. By applying this process, we continuously work toward our goal of Everyone Goes Home Safely, Each and Every Day.

Mining

	2014	2015	2016	2017			
Total Recordable Incident Rate ¹		Not applicable (not under MedcoEnergi					
Lost Time Incident Rate ¹	mar	0.06					

1) Workforce includes employees and contractors. Incidents include both injuries and illnesses.

In 2017 AMNT's Total Recordable Incident Rate was 0.52 and its Lost Time Incident Rate was 0.06.



PPE is mandatory for all employees in field operations. Our commitment to safety at work is embodied in our belief that everybody is a leader in HSE.



Product Responsibility

MedcoEnergi does not produce retail products that are directly consumed by the general public. The products of MedcoEnergi, such as crude oil, natural gas and electricity, are industrial products that are used by various industries.

As a result, product responsibility for MedcoEnergi is largely determined and limited to the covenants or product specifications that are stipulated in the sale-and-purchase contracts between MedcoEnergi and its customers. MedcoEnergi has always met all of its obligations as stated in these agreements.

Investing in Our Future

The following action plan will enable us to meet our Objectives for improving the health and safety of our workplaces and protecting our workers by reducing injuries and lost time, strengthening our Health and Safety performance across all of our operations.

We will measure, monitor and report on our progress and performance against these plans in future sustainability reports.

	Short Term Actions	Medium-Long Term Actions					
	Complete occupational health hazard assessments for all assets	Develop and implement OHS management plans for all assets					
	Achieve and maintain Zero Fatalities across all assets						
Occupational Health and Safety	Achieve and maintain average Lost Time which is lower than the average performance benchmark for each equivalent industry in Indonesia						
	Achieve and maintain average TRIR which is lower than t industry in Indonesia	he average performance benchmark for each equivalent					



A doctor implementing the Fit to Work program. MedcoEnergi conducts regular medical checks to ensure that our employees are in good health and sound physical condition, as well as a general medical test for field workers about to be deployed on site.

MedcoEnergi

Sustainability Report

Enhancing Livelihoods, Enabling Communities

Our Approach

MedcoEnergi believes that sustainable business growth can only be achieved by integrating the needs of communities into our business activities. The communities to which MedcoEnergi belongs expect to grow alongside us, in line with the business growth of the Company. We invest in community livelihoods and the environment to ensure that we are actively supporting and contributing to the positive development of local communities.

Our Commitment

MedcoEnergi endeavors to be a leading company on social practices and responsibility wherever we operate. We engage regularly, openly, and honestly with stakeholders to share, hear, and understand each party's views and concerns. We make community investment decisions in a strategic, fair, and transparent manner as we seek to empower and support self-reliant communities in alignment with the UN Sustainable Development Goals. We are committed to complying with all applicable laws and regulations, to respecting human rights in line with the UN Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights, and to learning from and applying industry best practice and relevant international standards.

Our Objectives

We implement our community development approach in line with the following objectives:

Local communities:

As part of our operations, we engage with communities and provide positive benefits. All assets will have stakeholder engagement plans and grievance mechanisms to help ensure that we understand community needs and that communities understand our constraints.

Social and economic impacts:

We assess and prioritize each community's needs, including infrastructure, in order to support community development in a sustainable and self-sufficient way.

Security practices:

We provide a secure working environment through security risk assessments of all assets and compliance with security management regulations issued by the Indonesian National Police. We leverage knowledge of all employees and contractors regarding security risks, and we ensure that all Memorandum of Understanding with public security forces include a human rights clause.

Stakeholder engagement:

We engage key stakeholders in government organizations, non-government organizations and mass media to develop good partnerships.





Stakeholder Engagement

MedcoEnergi engages regularly, openly, and honestly with stakeholders to understand each party's expectations, views, and concerns. Clear and appropriate communication with local communities regarding potential risks and impacts of MedcoEnergi's operations is essential to ensure that trust is maintained and operations are not unduly affected. Demonstrating the value and community benefits of MedcoEnergi's contributions to employment and social and economic infrastructure is also an important aspect of building stakeholder relationships.

Various MedcoEnergi assets have prepared and implemented Stakeholder Engagement Plans to manage ongoing engagement with local communities and other relevant stakeholders.

PT Medco E&P Indonesia Block A's Stakeholder Engagement Plan

provides guidance on the relevant Indonesian legal and regulatory framework and international standards such as IFC Performance Standards. It also contains a historical record of consultations conducted by the Company, stakeholder mapping and engagement strategy, and monitoring and review.

PT Medco E&P Indonesia Blocks in Lematang, Rimau, South Sumatra, and Tarakan

conduct stakeholder mapping and engagement as the basis for program planning and implementation of hundreds of intensive community engagement efforts in 40 villages and 7 administrative villages (kelurahan) through 11 programs. Monitoring is conducted to review and evaluate the engagements.

PT Medco E&P Natuna has Developed an Integrated Plan for 2017

with an overall strategy, programs, deliverables, and resources to ensure that the Company meets its objectives for Government Relations, Stakeholder Communication, CSR, and Security. This is supported by a detailed Stakeholder Database, Stakeholder Relationship Analysis, and Stakeholder Engagement Plan.

PT Medco Power Indonesia Complies with IFC Performance Standards and ESIA Commitments

for each subsidiary as a basis to build common understanding and relationships with stakeholders. Our stakeholder engagement improved after a 2017 Environment, Health, Safety, and Security (EHSS) audit by an IFC consultant. This led to the development of a Stakeholder Engagement Procedure at the corporate level which will be fully implemented by all subsidiaries in 2018, in line with national regulations and IFC requirements. Subsidiaries are allowed to develop their own Stakeholder Engagement Plan as needed by referring to this Procedure.



School children around MedcoEnergi's mobile library. The 'Mobile Library Program' in Tarakan was initiated in 2012 with a collection of 6,000 books. In the ensuing years, it has been visited by more than 10,000 children from 123 schools.

Needs Assessment and Participatory Processes

Understanding and engaging directly with local communities is an essential component of designing our community programs, to ensure that activities are planned in line with the capacity, resources, and needs of the Company and the communities.

Working Together with Local University and NGO Partners,

Working together with local university and NGO partners, Medco E&P companies conducts social mapping to identify expectations and needs expressed by local communities. Needs assessment surveys and social mapping activities are conducted in a participatory manner, to ensure the Company draws from local wisdom and understands local communities' needs and vision for their future. This information is analyzed and applied in the design of social investment programs and initiatives, including programs which focus on vulnerable groups in less developed villages. Medco E&P respects the community's right to determine their future and facilitates community design of road maps, especially for sustainable agriculture.

PT Medco Power Indonesia relies on the previous process conducted during the Environmental and Social Impact Assessment (AMDAL/UKL-UPL) which used a participatory approach to capture community needs during project preparation, implementation and operation. By optimizing the role of local forums such as FKPK (District Leadership Coordination Forum, Forum Koordinasi Pimpinan Kecamatan) and local events such as Musrenbang (Musyawarah Perencanaan Pembangunan) at the village and sub-district level, we develop programs in line with community needs.



Our CSR program also supports employees who volunteer to assist in classrooms in community schools where we operate.



Community Development

MedcoEnergi programs aim to nurture local potential, increase productivity, and improve welfare through the principles of sustainable development, in alignment with the UN Sustainable Development Goals.

MedcoEnergi invests in infrastructure that improves access to healthcare, clean water, transportation, and social services. We invested a total of approximately USD1.4 million in 2017 in infrastructure projects which included the extension of a jetty on Laut Island (Natuna), extension of the Pusakajaya Village access road, community sanitation, road and facility renovations, and construction of an open garden and playground. In 2015, we also invested more than USD6.3 million to develop a regional general hospital in Aceh Timur. These efforts support the realization of SDG 3 (Target 3.8), SDG 6 (Targets 6.1 and 6.B), and SDG 9 (Target 9.1).

MedcoEnergi also seeks to develop sustainable livelihoods in the communities in way which improves their quality of life and also preserves local ecosystems. In 2017 we invested approximately USD500 thousand in livelihood projects such as aquaculture and organic rubber and mushroom cultivation, and honey production. We also provided approximately USD825 thousand in charitable contributions to improve the quality of local health and education services, provide emergency disaster relief, and support people with disabilities. These efforts support the realization of SDG 1 (Target 1.4), SDG 2 (Targets 2.3 and 2.A), SDG 4 (Targets 4.1, 4.2, 4.3, 4.4, 4.B), SDG 8 (Target 8.3), SDG 10 (Target 10.2), and SDG 11 (Targets 11.2, 11.7).





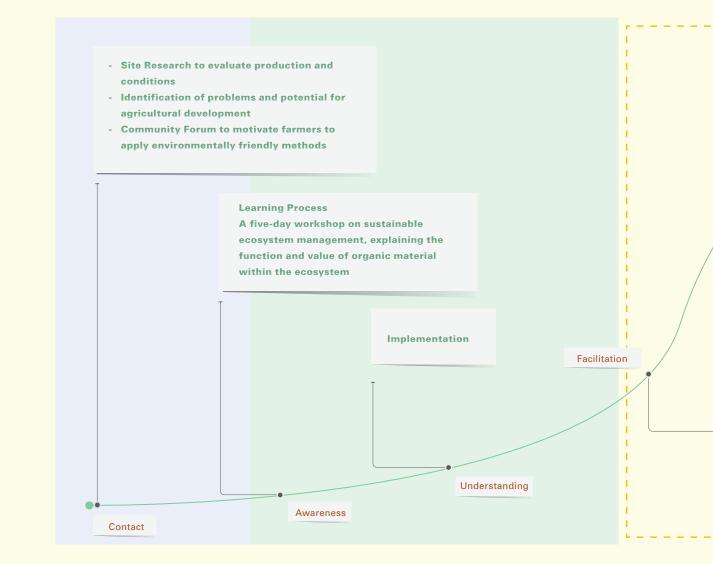
Our total contribution in 2017 was more than USD2.7 million across all types of project investments and donations.

Program	2014 (USD)	2015 (USD)	2016 (USD)	2017 (USD)
Infrastructure	838,992	6,379,986	249,876	1,391,457
Sustainable livelihoods and community development	618,057	315,535	194,330	499,927
Miscellaneous/Other programs	201,336	438,872	706,186	825,087
TOTAL	1,658,385	7,134,393	1,150,392	2,716,471

Helping Communities to Grow: S-Curve of Technology Adoption

MedcoEnergi utilizes the S-Curve concept of technology adoption in developing and carrying out community development and sustainable livelihood activities. The S-Curve concept identifies the different phases a community goes through in the process of adopting new technology. Stakeholder engagement occurs at several points throughout this process, with additional technical support provided by Aliksa Foundation.

S-Curve Adoption Technology



2011

2012

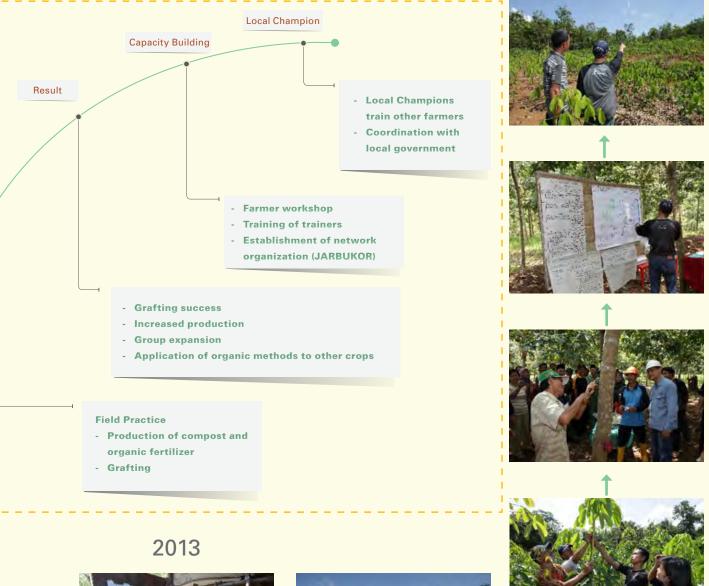


We have integrated S-Curve concept principles within our community engagement and development process, as illustrated in the infographic above. This process has enabled MedcoEnergi to build strong social ties with our local communities through activities which are underpinned by mutual understanding and cooperation.









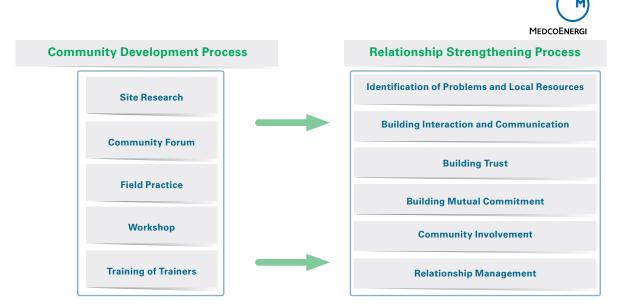






Implementation of Community Programs

Building communication, relationships, and partnerships through empowerment



PT Medco E&P Indonesia

For the Rimau Asset, in 2017 MEPI contributed to projects related to community sanitation, renovation of a facility for social and religious activities, road renovation, and construction of an open garden and playground. We also invested in social programs which included support for organic rubber and mushroom cultivation, medicinal herb gardens and honey production, and expansion of electricity services in five villages in Musi Rawas.

At South Sumatra Block, MEPI invested in road renovation, construction materials (cement, rebar, sand, coral), sports equipment, technology, and an ambulance. The company also provides support for agricultural programs. This included the establishment of IPPAL (Ikatan Petani Pecinta Alam Lestari), with more than 1,000 members from 12 villages working in sustainable agriculture, which received a Lembaga Sertifikasi Organik (LSO) Certification for organic rice.

At Lematang, MEPI contributed to mosque renovation, sports facility rehabilitation, and road improvements in Bangun Sari, Gemawang and Sidomulyo. We also helped to increase farmer income through programs to improve capacity in organic farming.

For Tarakan, we provided support in 2017 for an oil and gas museum, local schools, sanitation equipment, and renovation of public facilities and public toilets. We also supported training on hydroponics, which enabled two community groups to begin hydroponic vegetable cultivation and the production of organic vegetable ice cream, generating additional income.

PT Medco E&P Natuna

Community engagement programs in Natuna in 2017 included contributions for infrastructure and for fisheries livelihoods. We extended a jetty on Laut Island so that fishermen can moor their boats, and developed a drainage system in Payakmaran village to improve public health by reducing the risk of malaria and dengue fever.

We continued to support a grouper aquaculture project by funding the expansion of a hatchery for Anambas fishermen that will supply 4,000 fish per year, and also continued our support to SMEs in Kampung Bilis and Kampung Birisi to produce dried anchovy and improve packaging, and provide technical and legal assistance.

PT Medco Power Indonesia

Between 2014 and 2017, MPI has spent in total approximately USD114 thousand for charity, infrastructure, religion, health and education in its operation's area (see page 65).



Case Study: Emergency Disaster Relief for Palu

MedcoEnergi provided emergency disaster relief in response to the devastating earthquake and tsunami in Sulawesi on 28 September 2018. A joint disaster response team consisting of personnel from MedcoEnergi, Donggi Senoro, JOB Tomori, and Amman was dispatched to provide aid in the form of:

- 6 medical doctors and 10 nurses and 7 disaster response personnel within 36 hours,
- 2. medical support for 4,000 victims in the most severely affected areas of Palu, Sigi, and Donggala;
- distribution and logistics support, shelter, food, clean water, and access to sanitation;
- 4. rescue and evacuation of victims, employees, and their family members trapped in the disaster area.

MedcoEnergi also provided generators and sent 250 technicians to repair electricity generation, transmission and distribution infrastructure that was damaged, and contributed and transported fuel and LPG to the disaster area. In addition, MedcoEnergi employees contributed Rp 600million (USD40,000) in personal donations.



MedcoEnergi participated in disaster relief efforts for Palu, Sigi, Donggala, Sulawesi.

Case Study: Supporting Community Health in Aceh

In 2015, MedcoEnergi completed construction of the Aceh Timur Regional General Hospital as part of our community development program for the Block A gas field in East Aceh. The 8,000 m² hospital has inpatient facilities, emergency services, blood bank, dialysis, ICU, surgery, radiology, and postnatal care, and can accommodate more than 120 hospitalized patients. The total investment from MedcoEnergi was USD 5.1 million.



We built the Zubir Mahmud Hospital in 2015 as part of our community development program for the Block A gas field in East Aceh.

MedcoEnergi

Sustainability Report

Understanding Our Impact

Not only does MedcoEnergi ensure that we mitigate any negative social impacts which may arise from our operations, we also want to generate positive social impacts for local communities. We have created job opportunities and increased local income. We have also developed and enhanced civil society awareness, so that development can occur not only through government intervention but also through local grassroots initiatives. Communities participate as active agents of development rather than passive recipients. We cooperate with academics, expert consultants, and NGOs in our monitoring and evaluation efforts, to monitor our performance and to obtain expert advice and insight on how we can continuously improve our programs.

PT Medco E&P Indonesia:

All assets complete routine social mapping and social impact assessments, including calculations of Social Return on Investment. The results of environmental and social impact assessments are publicly shared through stakeholder gatherings and lectures. All grievances received from the local community have been handled through our claim procedures.

PT Medco E&P Natuna:

In 2017, the Company set up a web-based Stakeholder Engagement Record system to record local community complaints and evaluate any issues and concerns. The Company carried out routine engagement with external stakeholders, by formal discussion and stakeholder meetings conducted in 2017. Formal discussions were held in August 2017, and stakeholder meetings organized in November and December 2017 were attended by 25 to 40 key stakeholders. The Company also routinely approaches NGOs and youth organizations to discuss and respond to negative opinions observed on social media.

PT Medco Power Indonesia:

During 2014-2017, 100% of our operations completed social and environmental impact assessments, as required by national regulations, and following the international standards of the IFC and ADB. All projects and operations practice public disclosure in line with national regulations and international standards.

Two out of ten subsidiaries have stakeholder engagement plans in place. Local community grievances have been handled by each subsidiary, with formal community grievance procedures to be established at the subsidiary and corporate level in early 2018.



We help to develop sustainable livelihoods within our communities to improve the quality of life and also preserve local ecosystems. In 2017 we invested USD499,000 in projects involving aquaculture, organic rubber and mushroom cultivation and honey production (see above).



Security

As mentioned in Chapter 1, we are committed to respecting human rights and we adhere to the Voluntary Principles on Security and Human Rights and Indonesian government standards. Our security personnel are trained on how to deal with sensitive issues such as illegal tapping of pipelines in an appropriate way, aligning with international standards and best practice.

MEPI Security Management

Third-party security providers are required to train their personnel on various competencies, which include: Basic and Advanced Security Training, Inspection Procedures, and Case Investigation. Training on Emergency Response Plan, Demonstration Handling, and Explosives Handling is conducted in collaboration with MEPI.

Security at PT Medco E&P Indonesia Block A

In addition to the implementation of security management for Block A as an OBVITNAS (National Vital Object) in compliance with Police Chief Regulation (PERKAP) No. 8 Year 2009, the Company has developed a Security Management Plan (SMP) to manage community-related security incidents. The SMP includes elements such as consultation and disclosure of information on procedures to prevent and manage security incidents in a manner which respects human rights; inclusion of specific training on human rights and security management in the workforce induction curriculum, particularly for security officers; and maintenance of a grievance mechanism which is accessible for all local community members to report any concerns they may have related to security arrangements.

PT Medco Power Indonesia Security Management

MPI subsidiaries have developed a Security Management Plan which contains guidance on efforts the company is taking to ensure compliance with its human rights commitments. The management plan also regulates the relationship between MPI security and other thirdparty contractors and affiliated companies, as well as each party's respective role and responsibilities. In 2018, we plans to continue implementing an internal training program on human rights for security personnel.



Our security personnel are trained on how to deal with sensitive issues in an appropriate way, aligning with international standards and best practice.

Performance Highlights

MedcoEnergi has received the following awards in recognition of our efforts and impacts in this area:

Year	Award	From
2014	PROPER Gold – Rimau Block	Ministry of Environment & Forestry
2014	PROPER Green – South Sumatra, Lematang, TJBPS Jepara	Winnstry of Environment & Forestry
	PROPER Gold – Rimau Block	
2015	PROPER Green – South Sumatra, Lematang, Tarakan, TJBPS Jepara	Ministry of Environment & Forestry
	PROPER Gold – Rimau Block	
2016	PROPER Green – South Sumatra, Lematang, Tarakan, TJBPS Jepara	Ministry of Environment & Forestry
	Sriwijaya CSR Award 2016 from the Governor of South Sumatra – Second Prize	South Sumatra Provincial Government
	PROPER Gold – Rimau Block	
2017	PROPER Green – South Sumatra, Lematang, Tarakan, TJBPS Jepara	Ministry of Environment & Forestry
	Sriwijaya CSR Award 2017 from the Governor of South Sumatra – Second Prize	South Sumatra Provincial Government



Our security personnel are required to possess competencies and skills provided through various training. They include Training on Basic and Advance Security, Inspection Procedures and Case Investigation, Emergency Response Plan (photo above), Demonstration Handling and Explosives Handling.



Investing in Our Future

The following action plan is designed to enable us to meet our Commitments and Objectives and continue to strengthen our relationships with local communities and other key stakeholders. We will measure, monitor and report on our progress and performance against these plans in future sustainability reports.

	Short Term Actions	Medium-Long Term Actions
	Develop grievance mechanisms manual and supporting business processes	Socialize and implement grievance mechanisms for internal and external parties, for all assets
	Develop and implement stakehol	der engagement plans for all assets
	Develop Social Manageme	nt System (SMS) for all assets
	Complete standardization of community satisfaction survey methodology	 Implement community satisfaction survey and establish baseline score and determine target score Achieve target community satisfaction score
Local Communities	Conduct community needs mapping and determine community development pillar and strategy	 Develop strategic partnerships with government organizations and non- government organizations to expand the impact of existing programs and to enable synergy of community development programs in priority pillar(s) across all business units Develop and leverage Public Private Partnerships (PPPs) with external organizations to expand impact
	Enhance Medco's existing employee volunteer program and expand program to all business units to strengthen the company's relationship with local communities	 Implement broader employee volunteer pilot program Review employee volunteer pilot program results and expand program to other assets
Infrastructure	Monitor budget and number of people affected by the development and maintenance of project infrastructure	
Security	Review security provider company compliance vs. PERKAP 24/ 2007 re security management system for all assets	 Complete security risk/ threat assessment for all assets Establish and implement security policy, risk management plans and training in reference to the Voluntary Principles on Security & Human Rights (VPSHR) for all assets
Key Stakeholder Engagement		ions, non-government organizations and mass media ood partnerships

Chapter 6 Appendix

About this Report

Reporting Period, Scope, and Boundaries

Published in December 2018, this report covers MedcoEnergi's sustainability performance from January 1, 2014 to December 31, 2017. It includes the following MedcoEnergi businesses and operations, which were included in the calculations for all data and information disclosed unless otherwise stated in each disclosure item:

	2014	2015	2016	2017
Oil & Gas	 United States Tunisia Oman Block A South and Central Sumatra Rimau Lematang Tarakan Jakarta Head Office Bawean 	 United States Tunisia Oman Block A South Sumatra Block Rimau Lematang Tarakan Jakarta Head Office Bawean 	 United States Tunisia Oman Block A South Sumatra Block Rimau Lematang Tarakan Jakarta Head Office 	 United States Tunisia Oman Block A South Sumatra Block Rimau Natuna Block B Lematang Tarakan Jakarta Head Office
Power	 Mitra Energi Batam Energi Listrik Batam Medco Geothermal Sarulla Tanjung Jati Barat Pembangkitan Pusaka Parahiangan Medco Power Indonesia Multidaya Prima Elektrindo Energi Prima Elektrindo Singa Bio Jathropa Indonesia Medco Hidro Indonesia Sangsaka Hidro Barat Medco Cahaya Geothermal 	 Mitra Energi Batam Dalle Energi Batam Energi Listrik Batam Medco Geothermal Sarulla Tanjung Jati Barat Pembangkitan Pusaka Parahiangan Medco Power Indonesia Multidaya Prima Elektrindo Energi Prima Elektrindo Singa Bio Jathropa Indonesia Medco Hidro Indonesia Sangsaka Hidro Barat Medco Cahaya Geothermal 	 Mitra Energi Batam Dalle Energi Batam Energi Listrik Batam Medco Geothermal Sarulla Tanjung Jati Barat Pembangkitan Pusaka Parahiangan Medco Power Indonesia Multidaya Prima Elektrindo Energi Prima Elektrindo Singa Bio Jathropa Indonesia Medco Hidro Indonesia Sangsaka Hidro Barat Medco Cahaya Geothermal 	 Mitra Energi Batam Dalle Energi Batam Energi Listrik Batam Medco Geothermal Sarulla Tanjung Jati Barat Pembangkitan Pusaka Parahiangan Medco Power Indonesia Multidaya Prima Elektrindo Energi Prima Elektrindo Singa Bio Jathropa Indonesia Sangsaka Hidro Barat Medco Cahaya Geothermal Medco Ratch Power Riau

We believe external assessments enhance our sustainability reporting, and we have engaged KAP Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Limited) to perform limited assurance on selected information disclosed in this report. Please refer to the section "Independent Limited Assurance Statement" on page 70 of this report for details.

The last Sustainability Report was published in December 2014. Changes in the list of material topics and topic boundaries in this report is based on the materiality assessment conducted by MedcoEnergi (Please refer to page 10-11).

Please contact corporate.secretary@medcoenergi.com for queries related to the report.

Reporting Framework

To guide the selection of report content and improve report quality, we use the Global Reporting Initiative (GRI) Sustainability Reporting Standards. We also use definitions as set out in the GRI Standards for the Performance Data on page 55-67 of this report, unless otherwise stated in each disclosure item.

The GRI Content Index for this report can be found on page 68 of this report.



Performance Data

Chapter 1 - About MedcoEnergi

GRI	GRI	Disclosure	Individual Diselecture Income	20)14	20	15	20)16	20	017
Standard Number	Standard Title	Title	Individual Disclosure Items	#	%	#	%	#	%	#	%
GRI 205-1	Anti- corruption	Operations assessed for risks related to corruption	a. Total number and percentage of operations assessed for risks related to corruption (based on Fraud Risk Assessment workshops that has been conducted in Indonesia for Oil & Gas operations).	0	0%	3	43%	5	83%	6	86%
			 b. Significant risks related to corruption identified through the risk assessment. 	Co	orporate c re	rime liabi Iationshi				rd party	

GRI Standard	GRI Standard	Disclosure Title	Individual Disclosure Items	Tupo of optitu	20	014	20	15	20)16	20	17		
Number	Title	Disclosure fille	individual Disclosure items	Type of entity	#	%	#	%	#	%	#	%		
GRI 205-2			a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to in Indonesia (based on email communication to governance body members).	Corporate	17	100%	26	100%	16	100%	15	100%		
			b. Total number and percentage	Oil & Gas	1,062	100%	1,019	100%	1,017	100%	1,834	100%		
			of employees that the organization's anti-corruption policies and procedures have been communicated to in Indonesia (based on email communication to employees regarding anti-corruption policies and procedures).	Power	525	100%	534	100%	615	100%	803	100%		
			c. Total number and percentage of business partners that the organization's anti-corruption	Oil & Gas			lor Days,		d COC So	e delivere ocializatio urvey.				
		policies and procedures have been communicated to in Indonesia, broken down by type of business partner.	Power			This ha	as not bee	en condu	ucted yet					
			d. Total number and percentage of governance body members that have received training on anti-corruption in Indonesia (based on on-line participative training/quiz and face to face intensive training).	Corporate	5	29%	2	8%	4	25%	2	13%		
			e. Total number and percentage of employees that have	Light Training (Oil & Gas)	0	0%	0	0%	1,017	100%	1,834	100%		
					received training on anti- corruption in Indonesia. • Light training: through emails sent to employees	Participative Training (Oil & Gas)	0	0%	0	0%	523	51%	909	50%
					 Participative training: through online quizzes Intensive training: through face to face 	Intensive Training (Oil & Gas)	29	3%	68	7%	128	13%	354	19%
			 training such as Fraud Risk Awareness Training, Compliance Day (Gaung Kepatuhan), Procurement Fraud Session, ELO Workshop, and GCG COC Socialization Power: Based on participation of MPI representatives during the initiation of the Governance and Anti- corruption program through the 2014 GCG COC Socialization program 	Intensive Training (Power)	8	2%	0	0%	0	0%	0	0%		



GRI	GRI Standard	Disalasura Titla	Disclosure Title Individual Disclosure Items	2014		20	15	20)16	20)17
Standard Number	Title	Disclosure fille		#	%	#	%	#	%	#	%
GRI 412-3	Human Rights Assessment	Significant investment agreements and contracts that include human rights clauses or that underwent	a.Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	No agreements or contracts include human rights clauses to date.					ite.		
		human rights screening	b.The definition used for 'significant investment agreements'.	Not Available.							

2 - Leadership by and of Our Employees

New Employee Hires

GRI Standard Number	GRI Standard Title	Disclosure Title		Individual Disclosure Items	2014	2015	2016	2017	
GRI 401-1	Employment	New employee hires and employee turnover	a. Total num during the	ber and rate of new employee hires e reporting period	80	65	177	326	
			by Age	Under 30 years old	32	37	106	206	
			group	30-50 years old	36	18	60	74	
				Over 50 years old	12	10	11	46	
			Gender	Female	12	8	20	40	
				Male	68	57	157	286	
			Region	Jakarta	25	21	23	72	
				Palembang	1	0	2	0	
				Soka	0	0	0	0	
			-		Kaji	0	0	0	0
				Lematang	2	0	0	0	
				Belanak	0	0	0	3	
						Hiu/Kerisi	0	0	0
				Lirik	0	0	0	0	
				Blok A	0	0	40	24	
				Tarakan	0	0	0	0	
				Cianjur	27	0	0	4	
				Batam	16	25	27	132	
				Jepara	9	19	33	33	
				Sarulla	0	0	52	44	
				Belida	N	ot applicat	ole	0	
				Intan	N	ot applicat	ole	0	
				Other	N	ot applicat	ole	13	

Employee Turnover

GRI Standard Number	GRI Standard Title	Disclosure Title	Individual Disclosu	ire Items	2014	2015	2016	2017
GRI 401-1	Employment	New employee hires and employee turnover	b.Total number and rate of emp during the reporting period	b.Total number and rate of employee turnover during the reporting period		121	97	82
			by Age group	by Age group Under 30 years old		24	24	9
				30-50 years old	53	54	47	41
				Over 50 years old	97	43	26	32
			Gender	Female	35	18	17	20
				Male	142	103	80	62
			Region	Jakarta	127	61	40	41
				Palembang	9	4	4	2
				Soka	17	14	1	1
				Kaji	14	6	3	2
				Lematang	4	1	2	1





GRI Standard Number	GRI Standard Title	Disclosure Title	Individual Disclosu	ure Items	2014	2015	2016	2017
GRI 401-1	Employment	New employee hires	Region	Belanak	0	0	0	1
		and employee turnover		Hiu/Kerisi	0	0	0	1
				Lirik	1	1	9	0
				Blok A	2	0	3	1
				Tarakan	1	1	0	1
				Cianjur	1	4	7	5
				Batam	1	4	6	5
				Jepara	0	25	22	15
				Sarulla	0	0	0	3
				Belida	N	ot applicab	le	1
				Intan	N	ot applicab	le	2
				Other	N	ot applicab	le	0

Benefits for Permanent Employees

GRI Standard Number	GRI Standard Title	Disclosure Title	Individual Disclosure Items	2014	2015	2016	2017
GRI 401-2	Employment	Benefits provided to full-time employees that are not provided to temporary or part- time employees	 a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part- time employees, by significant locations of operation. These include, as a minimum: life insurance; health care; health care; health care; washilty and invalidity coverage; yarental leave; retirement provision; stock ownership; vii. others. 	allowance; Positio 2. Variable pay Performance incer 3. Short term benefit Annual leave; Pare assistance; Rest & assistance 4. Long term benefit: Pension program Social security; Lif 5. Performance & ree	ntive; Employee Sha s antal leave; Medical relax; Emergency lo s defined contributior e insurance cognition ward; Service awar	are Award Plan & health assistance oan; Perks & facilitie n; Pension program	; Education es; Pilgrimage
			b. The definition used for 'significant locations of operation'.		All areas of o	operation.	

Parental Leave

GRI Standard Number	GRI Standard Title	Disclosure Title	Individual Disclosure Items		2014	2015	2016	2017
GRI 401-3	Employment	Parental	a. Total number of employees that were entitled to	Female	296	195	198	312
		leave	parental leave, by gender.	Male	838	807	818	1,479
			b. Total number of employees that took parental	Female	12	23	19	23
			leave, by gender.	Male	68	76	59	55
			c. Total number of employees that returned to work	Female	13	23	19	23
			in the reporting period after parental leave ended, by gender	Male	68	76	59	55
			d. Total number of employees that returned to	Female	13	23	19	23
			work after parental leave ended that were still employed 12 months after their return to work, by gender.	Male	68	76	59	55
			e. Return to work and retention rates of employees		100%	100%	100%	100%
			that took parental leave, by gender.	Male	100%	100%	100%	100%



Diversity and Equal Opportunity

GRI Standard Number	GRI Standard Title	Disclosure Title	Individual Disclosure Iter	ns	2014	2015	2016	2017
GRI 405-1	Diversity	Diversity of	a. Percentage of individuals within the	Female	20%	6%	6%	8%
	and Equal Opportunity	governance bodies and employees	organization's governance bodies in each of the following diversity categories: i. Gender	Male	80%	94%	94%	92%
			ii.Age group	Under 30 years old	0	0	0	0
				30-50 years old	40%	42%	43%	50%
				Over 50 years old	60%	58%	57%	50%
			iii.Other indicators of diversity where rele minority or vulnerable groups).	want (such as		Not ava	ilable	
			b.Percentage of employees per employee	Female	17%	16%	16%	15%
			category in each of the following diversity categories: i. Gender	Male	83%	84%	84%	85%
			ii. Age group	Under 30 years old	21%	17%	16%	17%
				30-50 years old	70%	74%	75%	54%
				Over 50 years old	8%	8%	9%	29%
			iii.Other indicators of diversity where relevant (such as minority or vulnerable groups).			Not ava	ilable	

3 - A Leader in Environmental Management

Direct (Scope 1) GHG Emissions

GRI Standard Number	GRI Standard Title	Disclosure Title	Individual Disclosure Ite	ms	2014	2015	2016	2017	
GRI 305-1	Emissions	Direct	a.Gross direct (Scope 1) GHG	Oil & Gas	321,396.33°	285,908.14°	297,159.16 ^b	1,170,529.05°	
		(Scope 1) GHG emissions	emissions in metric tons of CO ₂ equivalent	Power	Not available.	MPI has not yet proj	calculated emissi ects.	ons under IPP	
				Mining	(not under	Not applicable MedcoEnergi ma	nagement)	733,966 (up to June 2017)	
			b.Gases included in the	Oil & Gas		CO ₂ , N	₂ O, CH ₄		
			calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or	Power					
			alī.	Mining		Not av	ailable		
			c. Biogenic $\rm CO_2$ emissions in metric tons of $\rm CO_2$ equivalent.	Oil & Gas	Report does not include biogenic CO ₂ emissions. MedcoEner calculates and reports GHG emissions from stationary sourc and other human activities-associated emissions resulting fro fossil fuels.				
				Power					
				Mining		Not av	ailable		
			d.Base year for the calculation, if including: i. the rationale for choosing it;	applicable,		Not app	plicable		
			ii. emissions in the base year;			Not ap	plicable		
			iii.the context for any significar changes in emissions that tri recalculations of base year e	ggered		Not app	plicable		
			e.Source of the emission factors global warming potential (GWF used, or a reference to the GWI) rates	American Petro	sions factors: Inte leum Institute (AF nental Protection	PI) Compendium	2009 and United	
						rates: Second Assessn Fourth Assessm			
			f. Consolidation approach for	Oil & Gas		Operation	al control		
			emissions; whether equity share, financial control, or	Power	Not available				
			operational control.	Mining					
			g.Standards, methodologies,	Oil & Gas	Gas API Compendium 2009 and US EPA AP-42				
			assumptions, and/or calculation tools used.			Net av	ailable		
				Mining		INUL dV			







GHG Emissions Intensity

GRI Standard Number	GRI Standard Title	Disclosure Title	Individual Disclosure Items		2014	2015	2016	2017
GRI 305-4	Emissions	GHG	a. GHG emissions intensity	Oil & Gas	127.31°	131.47°	99.27 ^b	205.21ª
		emissions intensity	ratio for the organization.	Power	Not available. MPI has not yet calculated emissions und IPP projects. Not applicable (not under MedcoEnergi management) 2017)			
				Mining				
			b. Organization-specific metric	Oil & Gas	Ton CO ₂ e/1000 TOE HC product within a period of 1 year			
			(the denominator) chosen to calculate the ratio.	Power	Not applicable			
				Mining	Metric ton	per WMT CO ₂ en produc	nissions to copp tion ratio	er concentrate
			c. Types of GHG emissions incluc intensity ratio; whether direct (energy indirect (Scope 2), and/ indirect (Scope 3).	Scope 1),), Direct (Scope 1) emission sources			
			d. Gases included in the calculation CO_2 , CH_4 , N_2O , HFCs, PFCs, SF ₆					

Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions

GRI Standard Number	GRI Standard Title	Disclosure Title	Individual Disclosure	e Items	2014	2015	2016	2017																			
GRI 305-7	Emissions	Nitrogen oxides	a. Significant air emissions	, in kilograms o	r multiples, for eac	h of the following:																					
		(NOx), sulfur	i. NOx (ton/ year)	Oil & Gas	4,139.75°	3,980.86°	3,150.67°	13,770.76 ^d																			
		oxides		Power		Not av	ailable																				
		(SOx), and other significant air		Mining	(not under	Not applicable MedcoEnergi ma	nagement)	1,022 (up to June 2017)																			
		emissions	ii. SOx (ton/ year)	Oil & Gas	6.89°	6.78°	6.73°	16.89 ^d																			
				Power		Not av	ailable																				
				Mining	(not under	Not applicable MedcoEnergi ma	nagement)	656 (up to June) 2017)																			
			iii. Persistent organic po	ollutants (POP)		Not av																					
			iv. Volatile organic	Oil & Gas	1,178.82°	1,113.16°	1,323.11°	2,054.91 ^d																			
		-	-	-	compounds (VOC) –	Power	Not available																				
					-	-	-			-	-	-	-	-	-	-	-		-					Mining		Not av	ailable
																					v. Hazardous air polluta	ants (HAP)		Not av	ailable		
			vi. Particulate matter (PM, ton/ year)	Oil & Gas	289.38°	287.67°	247.05°	340.31 ^d																			
			(i wi, ton/ year)	Power		Not av	ailable																				
				Mining	(not under	Not applicable MedcoEnergi ma	nagement)	126 (up to June) 2017)																			
			vii. Other standard categ emissions identified regulations			Not av	ailable																				
			b. Source of the emission factors used.	Oil & Gas	(API) Compendi	tion with reference um 2009 and Unite gency Air Pollutan	ed States Environn	nental Protection																			
				Power		Not av	ailable																				
				Mining		Not av	ailable																				
			c. Standards, methodologie assumptions, and/or calc used.		API Compendiur	m 2009 and US EP	A AP-42																				

Consolidated data (International : Oman & Tunisia; Domestic : Rimau, SSB, Lematang, Tarakan, Natuna) Consolidated data (International : Oman & Tunisia; Domestic : Rimau, SSB, Lematang, Tarakan) Domestic data : Rimau, SSB, Lematang, Tarakan Domestic data: Rimau, SSB, Lematang, Tarakan, Natuna a b

c d

4 - Providing a Safe and Healthy Workplace

Workers Representation in Health & Safety Committees

GRI Standard Number	GRI Standard Title	Disclosure Title	Individual Disclosure Items	2014	2015	2016	2017
GRI 403-1	Occupational Health and Safety	Workers representation in formal joint management- worker health and safety committees	a. The level at which each formal joint management- worker health and safety committee typically operates within the organi- zation.	Directors, Head of As Medco E&P Natuna HSE Action Committe the organization and Medco Power Indone group which compri- group is a P2K3 (I subsidiaries, the wo conducts routine mee are implemented in a Amman Mineral Nuss • Safety Meeting and attended b Partner (BP) en • Area Safety Co Department Se representativee • Side Wide Safe General Manag Amman Mineral • Business Partn the General Manag • Safety, Social F quarterly, led b	afety and Environmen sets, Head of Divisions the authority structure sia saia and each of its su ses of both managem Panitia Pelaksana Ker rking group is an HS titings and inspections t cccordance with HSE ru a Tenggara is are conducted month by all Amman Mineral M nployees ummittee meetings are nior Manager, and atte	and Workers Union re hose existence and fun up to top managemen bsidiaries have a healt ent and workers. At M selamatan Kesehatan E Working Group. Ea o ensure that the Comp les and regulations. hly, led by an Area/ Dep Nusa Tenggara employ conducted quarterly, le ended by all Area/ Dep s are conducted quarter f Mine Technical, and a BP representatives neetings are conducted chief Manager, all BF pvironmental (SSE) Me r of Operations/ Chief M	presentative. ction are integrated in t. th and safety working IPI level, the working Kerja) and at each ch month the group any's HSE procedures partment Manager, ees and Business ed by an Area/ artment and BP arty, led by the ttended by all area quarterly, led by the d attended by the etings are conducted
			b. Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management- worker health and safety commit- tees.	(E	10 xcept for Amman Mine	0% ral Nusa Tenggara: 904	%).





Types and Rates of Injury

GRI Standard Number	GRI Standard Title	Disclosure Title	Individual Disclosure Items		2014	2015	2016	2017		
GRI 403-2	Occupational Health and Safety	Types of injury and rates of injury, occupational diseases, lost	(a) and (b). Types of injury for all workers and employees		or occupational	on includes cases illness, regardles n accident/illness	ss of the time bet	ween the		
		days, and absenteeism, and number of work-related fatalities		Definitions	This classification the injured person the day of the in whether the next	Lost Time Injury (LTI) This classification includes cases of injury or illness that of the injured person to be at least 24 hours absent from wo the day of the incident. The classification applies regardle whether the next day is a workday or a holiday. Fatalities, permanent disability and partial permanent disability case included in 1 TI				
					This classification illness that resure routine tasks, o	ork Injury (RWI) on covers cases o It in injured perso r not being able to njured person ha	on not being able o work fully withi	to perform full n one business		
						ment Injury (MT on covers cases o treatment.		esses that		
				Oil & Gas	LTI RWI MTI	RWI RWI RWI				
				Power	Fatality	-	-	Fatality		
				Mining	(not under	Not applicable MedcoEnergi ma	inagement)	Severe accident		
			Total Recordable Incident Rate	Oil & Gas	0.99	1.08	1.26	0.70		
			(TRIR) per 1,000,000 work hours for all workers and	Power	0.50	0	0	0.35		
			employees In reference to OSHA criteria: i. Minor injuries are excluded ii.Fatalities are included	Mining	(not under	Not applicable MedcoEnergi ma	inagement)	0.58		
			Occupational Disease Rate	Oil & Gas	0.00	0.00	0.00	0.00		
			(ODR) per 1,000,000 work hours for all workers and employees	Power	0.00	0.00	0.00	0.00		
				Mining	0.00	(not under	Not applicable MedcoEnergi ma	nagement)		
			Lost Time Incident Rate (LTIR) per 1,000,000 work hours for all	Oil & Gas	0.21	0.31	0.16	0.18		
			workers and employees	Power	0.50	0	0	0.35		
			In reference to OSHA criteria: i. Calendar days are used to calculate 'lost days' ii.The 'lost days' count begins the day after the incident	Mining	(not under	0.06				
			Absentee rate (AR) for all workers employees	s and	Not available					
			Work-related fatalities, for all workers and employees	Oil & Gas	0	0	0	0		
				Power	2	0	0	1		
				Mining	Not applicable 0 (not under MedcoEnergi management)					

GRI Standard Number	GRI Standard Title	Disclosure Title	Individual Disclosure Items	2014	2015	2016	2017
GRI 403-2	Occupational Health and Safety	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	c. The system of rules applied in and reporting accident statistic	Total Recordabl $= - (i)$ Occupational Dis $= - (i)$ Lost Time Incider $= - (i)$ Coil and Gas Safety statistics according to the PRIME-13-OS-0 incident rate ca Indonesian Gov Teknik Pertamb Kacelakaan Tan Occupational S, Part 1904 - Star Injuries and Illn Power Medco Power In subsidiaries ac reporting proce with the Indone Tenaga Kerja N Pemeriksaan Kenja Meli Safety and Hea Standard for Re Illness. Mining	number of recordal manhou lease Rate (ODR) prise of occupations manhou manhou ht Rate (LTIR) per 1 er of lost time cases manhou the rate (LTIR) per 1 er of lost time cases manhou s and incident are e Incident Manag 1, this system ad loulation and clauding to incider ess. hdonesia's safety cording to incider ess. hdonesia's safety cording to incider ess. hdonesia's safety cording to incider ess.	RIR) per 1,000,00 ble injuries) r ar 1,000,000 work ha al disease cases) r r x,000,000 work hour a including fatality) r collected from ea ement Document a including fatality) r collected from ea ement Document istratistics are calc t/accident investi iOPR010014), whi Regulation (Para table Cara I had Kerja) and Oc h (OSHA) 29 CFR rd ing Occupation	000,000 ours 1,000,000 rs - x 1,000,000 ach asset guideline industrial industrial is to the an Direktur an Pelaporan refers to SHA) 29 CFR Occupational ulated from igation and ch complies aturan Menteri Pelaporan dan theri Tenaga 981 tentang cupational Part 1904 -

Formal Agreements

GRI Standard Number	GRI Standard Title	Disclosure Title	Individual Disclosure Items	2014	2015	2016	2017
GRI 403-4	Occupational Health and Safety	Health and safety topics covered in formal agreements with trade unions	a and b. Whether formal agreements (either local or global) with trade unions cover health and safety. If so, the extent, to which various health and safety topics are covered by these agreements.	Medco E&P Ind Agreement at tl for 2016-2018 c • Health, safety • Personal Prot • Work related	ne local level (C overs: and environme ective Equipme	ent ent (PPE)	r Agreement)
				Medco E&P Na Clauses which with the HSE PM Labour Agreem including: • Health, safety • HSE Committ • Personal Prot • Safety insura • Healthy work	ormally addres blicy, have beer ent and Team F and environm ee ective Equipme nce coverage	n included in Co Performance Co ent ent (PPE)	llective
				Medco Power II Medco Power II have trade unic regulated in Me Regulations.	ndonesia and a ons. Various hea	Ith and safety t	opics are
				Amman Minera Yes, 2017-2018			PKB)



5 - Enhancing Livelihoods, Enabling Communities

Indirect Economic Impacts

GRI Standard Number	GRI Stan- dard Title	Disclosure Title	Individual Disclosure Items 2014 2015 2016				2017
GRI 203-1	Economic investments Impacts and services supported b.		a. Extent of development of significant infrastructure investments and services supported.	Information provided in Local Community tables belo Investments in Infrastructure, Sustainable Livelihoo and Community Development, and Other Programs			Livelihoods
			 b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. 	Information provided in Chapter 5, particularly for 201			arly for 2017.
			c. Whether these investments and services are com- mercial, in-kind, or pro bono engagements.	In-kind			
GRI 203-2	Economic Impacts indirect economic impacts impacts of the organization, including positive and negative impacts. in Chapter 5. Information on in unavailable. b. Significance of the indirect economic impacts in the context of external benchmarks and stake- Information on priority UN Sustai		n on indirect in				
			the context of external benchmarks and stake- holder priorities, such as national and international	Information on priority UN Sustainable Developm Goals is provided in Chapter 5.			

Local Communities

GRI Standard Number	GRI Standard Title	Disclosure Title	Individual Disclosure Items	2014	2015	2016	2017
GRI 413-1	Local communities	Operations with local community engagement, impact assessments, and development programs	 a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of: social impact assessments, including gender impact assessments, based on participatory processes; environmental impact assessments and ongoing monitoring; public disclosure of results of environmental and social impact assessments; tocal community development programs based on local communities' needs; stakeholder engagement plans based on stakeholder mapping; broad based local community consultation committees and processes that include vulnerable groups; works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; 	70.00% °	75.00% ^e	89,47% °	90.00% ^e

e. The operations included in the calculations are all of Medco Energi operations as disclosed on page 54, excluding Bawean, Jakarta Head Office, Medco Cahaya Geothermal, Medco Hidro Indonesia, and Medco Ratch Power Riau. Mitra Energi Batam and Dalle Energi Batam are operated under the same management which has joint local communities programs, and are regarded as one entity in the calculations.

Investments in Infrastructure (GRI 413)

PT Medco E&P Indonesia

	2014	2015	2016	2017
lock A	N/A	USD6,317,279	USD3,235	USD6,075
	N/A	 Construction of the Aceh Timur Regional General Hospital Construction of mosque facilities in Blang Nisam Village, Indra Makmu District 	 Construction of well for Darul Huda Pesantren, Lhok Dalam Village, Darul Ihsan District Construction of facilities for the Baburahman Mosque at Ladang Baro Village, Julok District Reparation and maintenance of village access roads at Indra Makmu District (Blang Nisam Village) dan Julok (Bukit Dindeng, Blang Keumahang dan Seuneubok Rambong Villages) 	 Rehabilitation of community center in Mane Rampak Village, Julok District Construction of wells for local communities at Teupin Raya Village, Julok District Construction of well for Raudhatul Amal Idi Orphanage, Idi Rayeuk Distric Construction of Madrasah Tsanawiyah Swasta Batuphat, Muara Satu District, at Lhokseumawe City
RIMAU -	USD68,574	USD25,149	USD14,704	USD39,333
nfrastructure nvestments	 Community awareness center SPORA Lais Rimau bridge reparation program Building irrigation system for agricultural expansion Local path reparation Community awareness center in Dusun Bonot, Lais Utara Village 	 Road and access rehabilitation Mosque rehabilitation participation School renovation Facilitate SPORA Lais Community Awareness Center 	 Clean water provision for community Public and social facilities participation Road and access rehabilitation Playground and sport center facilities 	 Village road and access renovation in Musi Banyuasin District (Tanjung Kerang, Rimbabat, Tanjung Agung Utara, Gajah Mati, Petaling, Lais Utara) Pesantren, Puskesdes and village office land levelling Sport field restoration Teacher room renovation Community economic facilitie improvement SPORA Lais facilities support Community sanitation facilities support Mosque construction and renovation Sport facilities renovation
SSB -	USD19,163	USD8,608	USD207,362	USD406,593
Infrastructure investments	 Fence renovation in Muara Enim, Cecar village, Pelawe village Construction of 5 mosques in Penanggiran, Lumpatan II, Pengabuan, Timur. Construction of badminton sports facilities on Marga Mulya, Kikim Timur Street renovation in Tri Mukti village, Musi Rawas 	 Local community road access rehabilitation Mosque renovation School facilities renovation Local market in Pengabuan 	 Simpang Babat - Pengabuan street rehabilitation Local market in Pengabuan Mosque renovation Karang Taruna building rehabilitation Drilling water wells Local community road access rehabilitation Sport facilities rehabilitation School, village, and police office facilities rehabilitation 	 Simpang Babat - Pengabuan street rehabilitation Mosque renovation in villages of Musi Rawas District (Lubuk Pauh, SDN Giriyoso, Kertosono, Bangun Jaya), Musi Banyuasin District (Bailangu, Danau Cala, Jirak), Lahat District (Pengabuan Timur, Tanjung Harapan), Palembang city (Bukit Lama) School renovation: School Fence (SMA PGRI - Gelumbang Village, Muarz Enim and SDN Penukal, PALI, SDN Setia Jaya, Musi Banyuasin) School Bilding (TPA Rejosari - PALI)" Ambulance unit for Musi Rawas District Bridge construction and renovation in villages of Lahat District (Babat Lama), Musi Banyuasin District Bridge xonstruction and renovation in villages of Lahat District (Babat Lama), Musi
Lematang -	N/A	USD13,162	USD19,053	USD13,851
Infrastructure investment	N/A	 Drilling clean water wells Public and social facilities renovation Mosque renovation 	 Village road rehabilitation Bridge rehabilitation Mosque renovation Drilling clean water wells 	 Village road rehabilitation Social and public facilities rehabilitation Mosque renovation Sport facilities rehabilitation
Tarakan -	USD18,689	N/A	USD5,522	USD11,990
Infrastructure investment	 Drainage rehabilitation in Kampung Empat Bridge rehabilitation in Mamburungan Mosque renovation Drilling of clean water wells Provision of facilities, infrastructure, and management of Rumah Energi 	N/A	 Bridge construction in Mamburungan Timur village Mosque renovation in Pamusian village Power pole in Juata Kerikil village 	 Oil and gas museum facility support Pesantren facilities support



PT Medco E&P Natuna

	2014	2015	2016	2017
Natuna				USD111,597
	(not u	Not Applicable nder MedcoEnergi manage	 Extended jetty at Laut Island for deep water mooring for fishermen, saving fuel and protecting from bad weather Built drainage system in Payakmaran to reduce risk of malaria and dengue fever 	

PT Medco Power Indonesia

	2014	2015	2016	2017
MPI	USD732,565	USD15,787	N/A	USD802,019
	Constructed 3km of road access and water access for Waringinsari village	Built a mosque and contributed to the renovation of other mosques	N/A	Extended road access for Pusaka- jaya village by 4 km

Sustainable Livelihoods & Community Development (GRI 413)

PT Medco E&P Indonesia

	2014	2015	2016	2017
Block A			USD3,895 - Organic farming program Vocational training for youth	USD14,542 Organic farming program
Rimau Block	 USD145,015 Herbal medicine program in Sekayu, Musi Banyuasin and Tabuan Asri, Banyuasin Paper recycling program in Lais, Musi Banyuasin Organic catfish cultivation in Babat Supat, Banyuasin 	USD66,974 - Organic rubber cultivation - Local fish farming program - Organic catfish cultivation - Herbal medicine program - Organic SRI program - Paper recycling program - Student transport support - Scholarship program	USD33,334 - Herbal medicine program - Organic SRI program - Organic catfish cultivation - Organic rubber cultivation - Tofu product processing - Student transport support	USD88,868 - Aquaculture entrepreneurship training - Mushroom cultivation program - Food making business training - Organic SRI and herbal medicine program - Organic rubber program - Organic farming program - Fisheries development program - Cattle breeding program - Scholarship program - Student transport support - Support for vulnerable groups
South Sumatra Block	USD215,818 - Rubber cultivation program	 USD165,226 Health checks and healthy living counselling Organic farming program Organic rubber cultivation Sewing training Mobile library Support for vulnerable groups Training of Trainers Utilization of home yard program Microorganism study for organic farming 	USD98,862 - Organic farming and organic rubber cultivation - Health checks and healthy living counselling - Entrepreneurship program - Support for vulnerable groups	 USD73,061 Organization for sustainable agriculture with 12 villages and more than 1000 members in IPPAL (Ikatan Petani Pecinta Alam Lestari), which received Lembaga Sertifikasi Organik (LSO) Certification for organic rice. Strengthened the capacity of TPA teachers and increased mosque activities Health checks and healthy living counselling Entrepreneurship training and business development program Support for vulnerable groups
Lematang Block	USD56,540 - Organic rubber cultivation - PAUD (Early Childhood Education) Program with teacher training, school facilities support - Public Health Education Program - Organic SRI program - Horticulture cultivation	USD26,591 - Organic rubber cultivation - School facilities support - Community awareness program through teacher training - Public health check	USD20,057 - Teacher training - Organic farming program - Organic rubber cultivation - Honeybee cultivation	USD26,653 - Organic farming program - Sewing training program - Community product promotion activities - Teacher training program - School facilities support
Tarakan Block	USD92,803 - Mobile library (Mobil Pintar) and library (Rumah Pintar) - Sports program - Teacher training - Healthy living program - Agribusiness based on organic vegetable farming - Revegetation program - Renewable energy program	USD26,071 - Strengthening agribusiness based on organic farming - Development of farmer network groups	 USD24,871 Strengthening of organic agribusiness through farmer network groups Waste management for economic development program 	USD18,846 - Strengthening of organic agribusiness through hydroponics vegetable training program



PT Medco E&P Natuna

	2014	2015	2016	2017
Natuna	(not	Not Applicable under MedcoEnergi managen	nent)	USD277,957 - 612m coastal park in Anambas. Batu Lepe Public Park - Set up 8 houses for community-based home stays in Belibak, Mampok Constructed outdoor corridor for community clinic in Ladan - Built a canopy for tailor workshop in Ladan - Expansion of grouper hatching facility, including construction materials, fish, facility operation, and market and product support - SME development in Kampung Bilis and Kampung Kerisi with production center for dried anchovy, and support for marketing, production, packaging, materials, technical and legal assistance

International E&P

	2014	2015	2016	2017
Tunisia	USD107,881	USD30,673	USD13,310	N/A
	Agriculture and breeding Administration (CRDA)	Agriculture and breeding Administration (CRDA)	Agriculture and breeding Administration (CRDA)	N/A

Other Programs (GRI 413)

PT Medco E&P Indonesia

	2014	2015	2016	2017
Block A		USD3,987	USD18,992	N/A
		 Counseling and public health checks as well as additional nutrition for infants, pregnant and lactating mothers and seniors in Blang Nisam Village, Indra Makmu District 	 Healthy Life Counseling and utilization of family medicinal plants (TOGA) Community health education for pregnant women / toddlers / seniors Agricultural plantation facilities and infrastructure Implementation of the Earthquake Disaster Relief Humanitarian Program in Pidie Jaya District Natural disaster relief 	N/A
Rimau	USD1,651 Religious activities support	USD6,551 - Operational vehicles support - Local disaster victims support	USD11,005 - Participation in religious activities - Study of fisheries business - Participation for natural disaster victims	USD5,062 Participation in religious activities
South Sumatra	USD14,081 - Healthy living for students - Green school promotion	 USD10,801 Social and cultural facilities Support for local fire disaster victims Sports programs Operational activities vehicle support 	 USD18,185 Support for local flood victims, religious activities, agricultural facilities, school facilities Data collection of farmers for agricultural programs in the watershed Mosque facilities and equipment 	USD85,344 - Sports equipment and school equipment - Mosque facilities - Sports tournaments and village competitions - Police office facilities - Agricultural equipment - Village office supplies - School activities - Equipment for PKK activities
Lematang	N/A	USD921 Participation for local disaster victims	USD2,658 Support school facilities and equipment	USD6,324 - Clean water supply for community - Fire victims support - Police office facilities support
Tarakan	USD1,353	USD3,516	USD89	USD18,750
	PROPER facilities and material matters	Participation for local flood and fire disaster victims	Community satisfaction study	 Renewable energy development Waste management program Stakeholder mapping





PT Medco Power Indonesia

	2014	2015	2016	2017
	USD35,624	USD27,441	USD28,392	USD22,806
Miscellaneous Program	Charity to support infrastructure,religion, health, and education.	Charity to support infrastructure,religion, health, and education	Charity to support infrastructure,religion, health, and education	Charity to support infrastructure,religion, health, and education

PT Medco E&P Natuna

	2016	2015	2014	2017
Natuna				USD165,264
	(not ur	Not Applicable Ider MedcoEnergi manag	ement)	 Scholarships Development of environmental management school Literacy program Revitalization of traditional dance Staple food and fishermen study and assessment for Batu Lepe Public Park

International Oil & Gas

	2014	2015	2016	2017
Tunisia	USD130,014	USD367,548	USD606,971	USD494,376
	 Assistance for people with disabilities Microproject and microcredit School competition School supplies and school bus membership Local festival support 	 Assistance for people with disabilities Microproject and microcredit Musical troupe School competition School supplies and school bus membership Local festival support Women handicraft center support Football uniforms 	 Assistance for people with disabilities School supplies and school bus membership Local festival support Women handicraft center support Football uniforms 	 Assistance for people with disabilities School supplies and school bus membership Local festival support Women handicraft center support Football uniforms
Oman	USD16,887	USD17,822	USD19,693	USD26,759
	Donations & contributions	Donations & contributions	 Assistance for needy families Camel race and festival Al Amerat Challenge Race Sponsorship Camel beauty competition Participation in Seminar Inovasi and Oil Week Indonesian Embassy celebration of Independence Day Sponsorship of Oman Down Syndrome Association, Muscat Unique Diamond Entertainment, Indonesia fashion show Support for culture activity days in Ashaleem and Al Halaniyat Honoring students in Al Jazer 	 Support for schools Camel beauty competition Assistance for needy families Contribution for ministry of interior Providing iPads for school
United States	USD1,725	USD285	USD200	USD400
	Charity & donations	Charity & donations	Charity & donations	Charity & donations

Security Practices

GRI Standard Number	GRI Standard Title	Disclosure Title	Individual Disclosure Items	2014	2015	2016	2017	
GRI 410-1	Security Practices	Security personnel trained in human rights policies or procedures	 Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security. 	around the or	Security personnel have not yet received formal training round the organization's human right policies or specific procedures and their application to security. (0%)			
			b. Whether training requirements also apply to third-party organizations providing security personnel.	Third-party organizations are not required yet to provi formal training on human rights policies and their application to security				

GRI Content Index

This report has been prepared in accordance with the GRI Standards: Core option.

The report references the GRI Standards listed in the left hand column of this GRI Content Index. Where the GRI Standard has not been used in full we have marked the disclosure "partial" and explained the reasons for omission.

GRI Standard	GRI Disclosure	Location (page #)	Level of Disclosure (Full, Partial, Not Disclosed)	Reason for Omission and Other Notes
GRI 102:	102-1 Name of the organization	4-7	Full	
General Disclosures	102-2 Activities, brands, products, and services	4-7	Full	
	102-3 Location of headquarters	4-7	Full	
	102-4 Location of operations	4-7	Full	
	102-5 Ownership and legal form	N/A	Full	Refer to Annual Report p.70-73
	102-6 Markets served	N/A	Not Disclosed	Not applicable – MedcoEnergi does not produce retail products that are directly consumed by the general public. The products of MedcoEnergi, such as crude oil, natural gas, and electricity, are industrial products that are used by various industries.
	102-7 Scale of the organization	N/A	Full	Refer to Annual Report p.70-73
	102-8 Information on employees and other workers	21-25	Full	
	102-9 Supply chain	N/A	Not Disclosed	Not applicable – Supply chain was not identified as a material issue for MedcoEnergi
	102-10 Significant changes to the organization and its supply chain	N/A	Partial	Not applicable – Supply chain was not identified as a material issue for MedcoEnergi
	102-11 Precautionary Principle or approach	N/A	Not Disclosed	Not applicable – Medco has an comprehensive enterprise risk management system in place.
	102-12 External initiatives	18-19	Full	
	102-13 Membership of associations	18	Full	
	102-14 Statement from senior decision- maker	2-3	Full	
	102-16 Values, principles, standards, and norms of behavior	8-13	Full	
	102-17 Mechanisms for advice and concerns about ethics	15-19	Full	
	102-18 Governance structure	14	Full	
	102-40 List of stakeholder groups	18-19	Full	High-level list of stakeholder groups is included
	102-41 Collective bargaining agreements	21-25	Full	
	102-42 Identifying and selecting stakeholders	10-11	Full	
	102-43 Approach to stakeholder engagement	18-19	Full	
	102-44 Key topics and concerns raised	10-11	Full	
	102-45 Entities included in the consolidated financial statements	N/A	Full	Please refer to Financial Report (in the Annual Report) p.11-18 (excluding AMNT)
GRI 102: General Disclosures	102-46 Defining report content and topic Boundaries	1 and 3	Full	See Board Letter
	102-47 List of material topics	10-11	Full	
	102-48 Restatements of information	N/A	Not disclosed	Not applicable
	102-49 Changes in reporting	54	Full	
	102-50 Reporting period	54	Full	
	102-51 Date of most recent report	54	Full	
	102-52 Reporting cycle	54	Full	
	102-53 Contact point for questions regarding the report	54	Full	



GRI Standard	GRI Disclosure	Location (page #)	Level of Disclosure (Full, Partial, Not Disclosed)	Reason for Omission and Other Notes
	102-54 Claims of reporting in accordance with the GRI Standards	54	Full	
	102-55 GRI content index	68-70	Full	
	102-56 External assurance	71	Full	Please refer to the section "Independent Limited Assurance Statement".
GRI 203: Indirect Economic	203-1 Infrastructure investments and services supported	42-50	Partial	Information unavailable for Amman Minerals Nusa Tenggara
Impacts	203-2 Significant indirect economic impacts	42-50	Partial	Information on impact assessment methods is provided in Chapter 5. Information on indirect impacts is unavailable.
GRI 205: Anti- Corruption	205-1 Operations assessed for risks related to corruption	12-16	Full	
	205-2 Communication and training about anti-corruption policies and procedures	12-16	Partial	Information is reported on a consolidated basis and not broken down by employee category or region
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	30 and 58-59	Partial	Information unavailable for Bawean (2014-2015), MPI (2014- 2017), AMNT (July – December 2017)
	305-4 GHG emissions intensity	30 and 58-59	Partial	Information unavailable for Bawean (2014-2015), MPI (2014- 2017), AMNT (July – December 2017)
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	30 and 58-59	Partial	Information unavailable for NOx, SOx, and PM for AMNT (July – December 2017) Information unavailable for Persistent organic pollutants (POP), Hazardous air pollutants (HAP), Volatile Organic Compounds (VOC) for all business units for all years (2014- 2017)
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	26-34	Full	
GRI 401: Employment	401-1 New employee hires and employee turnover	56	Partial	Information unavailable for Amman Mineral Nusa Tenggara
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	57	Full	
	401-3 Parental leave	57	Partial	Information unavailable for Amman Mineral Nusa Tenggara
GRI 403: Occupational Health and Safety	403-1 Workers representation in formal joint management–worker health and safety committees	35-41	Full	
Galety	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work- related fatalities	39-40	Partial	Information unavailable for Types of Injury, Occupational Disease Rate, Absentee Rate Information for Rates of Injury provided on a consolidated basis, not broken down by gender
	403-4 Health and safety topics covered in formal agreements with trade unions	35-41	Full	
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	21 and 58	Partial	Information unavailable for minority or other vulnerable groups
GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	51	Full	
GRI 412: Human Rights Assessment	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	56	Full	
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	42-49 and 63-67	Partial	Information unavailable for Amman Mineral Nusa Tenggara Information unavailable for indirect impacts of investments
GRI 415: Political Contributions	415-1 Political contributions	7	Full	
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	15	Full	

MedcoEnergi



Purwantono, Sungkoro & Surja

Indonesia Stock Exchange Building Tower 2, 7th Floor Jl. Jend. Sudirman Kav. 52-53 Jakarta 12190, Indonesia Tel : +62 21 5289 5000 Fax: +62 21 5289 4100 ey.com/id

Independent Limited Assurance Statement in relation to the subject matters included in the Sustainability Report of PT Medco Energi Internasional Tbk for the year 2017

Report No. RPC-8225/PSS/2018

To the Management of PT Medco Energi Internasional Tbk (the "Company")

We have carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter detailed below ("Subject Matter"), and as presented in the Sustainability Report of the Company for the year 2017 (the "Report"), has not been reported and presented fairly, in all material respects, in accordance with the criteria ("Criteria") below.

Subject Matter

The Subject Matter for our limited assurance engagement was limited to the indicators/disclosures for the year 2014, 2015, 2016 and 2017 as detailed in the Appendix 1.

The Subject Matter did not include:

- Data sets, statements, information, systems or approaches other than the selected indicators/disclosures
- Management's forward looking statements such as targets, plans and intensions
- Any comparisons made against historical data
- Any work in respect of sustainability information published elsewhere in the Company's annual report, website and other publications
- Sustainability information prior to 1 January 2014 and subsequent to 31 December 2017

Criteria

As the basis for the assurance engagement, the Company has used definitions as set out in the Global Reporting Initiative Standards for the selected Subject Matter in the Report, unless otherwise stated in each disclosure items throughout the report.

Management's responsibility

The Management of the Company is responsible for the preparation and fair presentation of the Subject Matter in accordance with the Criteria. The Company's management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.



Independent Limited Assurance Statement in relation to the subject matters included in the Sustainability Report of PT Medco Energi Internasional Tbk for the year 2017 (continued)

Report No. RPC-8225/PSS/2018 (continued)

Assurance Practitioner's responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter in accordance with the Standards on Assurance Engagement (SAE) 3000 (Assurance Engagements Other than Audits or Reviews of Historical Financial Information) established by the Indonesian Institute of Certified Public Accountants (IICPA) and the terms of reference for this engagement as agreed with the Company.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion, and, as such, do not provide all of the evidence that would be required to provide a reasonable level of assurance. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the Subject Matter, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Summary of Procedures Undertaken

Our limited assurance procedures included:

- Conducting interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period
- Comparing that the calculation criteria had been correctly applied in accordance with the methodologies outlined in the Criteria
- Undertaking analytical review procedures to support the reasonableness of the data
- Identifying and reviewing assumptions and supporting calculations
- Vouching, on a sample basis, to underlying source information to check the accuracy of the data

Use of our Limited Assurance Statement

We disclaim any assumption of responsibility for any reliance on this limited assurance statement, or on the Subject Matter to which it relates, to any persons other than the Management of the Company or for any purpose other than that for which it was prepared.



Independent Limited Assurance Statement in relation to the subject matters included in the Sustainability Report of PT Medco Energi Internasional Tbk for the year 2017 (continued)

Report No. RPC-8225/PSS/2018 (continued)

Our Independence

In conducting our assurance engagement we have met the independence requirements within the meaning of the Code of Ethics for Public Accountants established by the Indonesian Institute of Certified Public Accountants.

Conclusion

Based on the limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter set out in the Company's Sustainability Report for the year 2017, has not been reported and presented fairly, in all material respects, in accordance with the Criteria.

Purwantono, Sungkoro & Surja

L.

Deden Riyadi Public Accountant Registration No. AP0692

December 7, 2018

Appendix 1. Subject Matter for Independent Limited Assurance of PT Medco Energi Internasional Tbk Sustainability Report for the year 2017

	Indicators/disc	locuroc	Type of entity and	20:	14	20:	15	20:	16	201	17
	inuicator s/uisc	liosules	location	#	%	#	%	#	%	#	%
1.	Total number and operations assess related to corrupt 1)	ed for risks ion (GRI 205-	Oil and gas (Indonesia)	0	0%	3	43%	5	83%	6	86%
2.	Significant risks re corruption identifi risk assessment (C	ed through the	Oil and gas (Indonesia)	Corporat and conf	te crime flict of int	liability, pr terest	ocureme	nt fraud, t	hird part	y relations	ship
3.	Total number and governance body the organization's corruption policies procedures have b communicated to	members that anti- s and been	Corporate (Indonesia)	17	100%	26	100%	16	100%	15	100%
4.	Total number and employees that th	percentage of e	Oil and gas (Indonesia)	1,062	100%	1,019	100%	1,017	100%	1,834	100%
	organization's ant policies and proce been communicate 205-2)	dures have	Power (Indonesia)	525	100%	534	100%	615	100%	803	100%
5.	Total number and business partners organization's ant policies and proce been communicate 205-2)	that the i-corruption dures have	Oil and gas (Indonesia)	emails, \		o business ays, GCG a ey.					
6.	Total number and governance body have received trai corruption (GRI 20	members that ning on anti-	Corporate (Indonesia)	5	29%	2	8%	4	25%	2	13%
7.	Total number and percentage of employees that have received training on anti- corruption (GRI	Light training	Oil and gas (Indonesia)	0	0%	0	0%	1,017	100%	1,834	100%
		Participative training	Oil and gas (Indonesia)	0	0%	0	0%	523	51%	909	50%
		Intensive training	Oil and gas (Indonesia)	29	3%	68	7%	128	13%	354	19%
	205-2)	Intensive training	Power (Indonesia)	8	2%	0	0%	0	O%	0	0%
8.	Gross direct (Scop emissions in metri equivalent (GRI 30	c tons of CO ₂	Oil and gas (Indonesia, Oman, Tunisia)	321,	396.33	285,	908.14	297,	159.16	1,170,	529.05
9.	Gases included in (GRI 305-1)		Oil and gas (Indonesia, Oman, Tunisia)	CO ₂ , N ₂ C							
10.	Biogenic CO ₂ emis tons of CO ₂ equiva 1)		Oil and gas (Indonesia, Oman, Tunisia)	Report does not include biogenic CO ₂ emissions. MedcoEnergi calculates and reports GHG emissions from stationary sources and other human activities-associated emissions resulting from fossil fuels							
11.	Source of the emis and the global war (GWP) rates used, reference to the G (GRI 305-1)	ming potential or a	Oil and gas (Indonesia, Oman, Tunisia)	America	n Petrole	ons factors eum Institu ental Prote	te (API) (Compendiu	um 2009	and Unite	d
				Source of GWP rates: 2014-2015: IPCC Second Assessment Report 2016-2017: IPCC Fourth Assessment Report							
12.	Consolidation app emissions (GRI 30		Oil and gas (Indonesia, Oman, Tunisia)	Operatio	onal contr	rol	_		_		
13.	Standards, metho assumptions, and/ tools used (GRI 30	or calculation	Oil and gas (Indonesia, Oman, Tunisia)	API Compendium 2009 and US EPA AP-42							

Indicators/disclosures		Type of entity and	201	.4	20	15	20	16	2017		
			location	#	%	#	%	#	%	#	%
	GHG emissions in the organization ((GRI 305-4)	Oil and gas (Indonesia, Oman, Tunisia)		127.31		131.47		99.27		205.21
	Organization-spec denominator) cho calculate the ratio	sen to) (GRI 305-4)	Oil and gas (Indonesia, Oman, Tunisia)					hin a peric	od of 1 ye	ear	
16.	Types of GHG emi in the intensity ra		Oil and gas (Indonesia, Oman, Tunisia)	Direct (Scope 1) emission sources							
17.	Gases included in (GRI 305-4)	the calculation	Oil and gas (Indonesia, Oman, Tunisia)	CO ₂ , N ₂ O	, CH₄						
18.	Significant air emissions (GRI 305-7)	NOx (ton/year)	Oil and gas (Indonesia, Oman, Tunisia)	4,:	139.75	3,	980.86	3,	150.67	13,	770.76
		SOx (ton/year)	Oil and gas (Indonesia, Oman, Tunisia)		6.89		6.78		6.73		16.89
		VOC (ton/year)	Oil and gas (Indonesia, Oman, Tunisia)	1,:	178.82	1,	113.16	1,	323.11	2,	054.91
		PM (ton/year)	Oil and gas (Indonesia, Oman, Tunisia)		289.38		287.67		247.05		340.31
19.	Source of the emi used (GRI 305-7)	ssions factors	Oil and gas (Indonesia, Oman, Tunisia)	 ia, (API) Compendium 2009 and United States Environmental Protection Agency Air Pollutant-42 (US EPA AP-42) as API Compendium 2009 and US EPA AP-42 							
	Standards, metho assumptions, and tools used (GRI 30	/or calculation 05-7)	Oil and gas (Indonesia, Oman, Tunisia)								
21.	The level at which joint management and safety commi operates within the (GRI 403-1)	t-worker health ttee typically	Oil and gas (Indonesia), Power (Indonesia)	HSECom Board of	(Health, Director	s,	d Enviror	nment Con Id Workers			
	(6(1405 1)				on Comn rated in	nittee and		ion, whose nd the auth			
				safety wo workers. <i>Keselama</i> group is a meetings	ower Ind orking gr At MPI I atan Kes an HSE V and insp	onesia and roup which evel, the v ehatan Ke Vorking Gr pections to	compris vorking gi rja) and a roup. Eac o ensure f	its subsidi es of both roup is a F at each sub h month ti that the Cu HSE rules	manager 2K3 (<i>Par</i> osidiaries he group ompany's	ment and hitia Pelak , the work conducts s HSE proc	s <i>ana</i> .ing routine
22.	Percentage of wo work, or workplac by the organizatio represented by fo management-wor safety committee	e, is controlled on, that are rmal joint ker health and	Oil and gas (Indonesia), Power (Indonesia)),							
23.	Types of injury fo and employees (G	r all workers	Oil and gas (Indonesia, United States, Oman, and Tunisia)	LTI RWI MTI		LTI RWI MTI		LTI RWI MTI		LTI RWI MTI	
			Power (Indonesia)	Fatality		-		-		Fatality	
24.	Total Recordable (TRIR) per 1,000,		Oil and gas (Indonesia,		0.99		1.08		1.26		0.70

		Type of	2014	2015	2016	2017
	Indicators/disclosures	entity and location	# %	# %	# %	# %
	hours for all workers and employees (GRI 403-2)	United States, Oman, and Tunisia) Power (Independence)	0.50	0	0	0.35
25	Occupational disease rate (ODR)	(Indonesia) Oil and gas	0.00	0.00	0.00	0.00
25.	for all workers and employees (GRI 403-2)	(Indonesia, United States, Oman, and Tunisia)				
		Power (Indonesia)	0.00	0.00	0.00	0.00
26.	Lost Time Incident Rate (LTIR) per 1,000,000 work hours for all workers and employees (GRI 403-2)	Oil and gas (Indonesia, United States, Oman, and Tunisia)	0.21	0.31	0.16	0.18
		Power (Indonesia)	0.50	0	0	0.35
27.	Work-related fatalities for all workers and employees (GRI 403-2)	Oil and gas (Indonesia, United States, Oman, and Tunisia)	0	0	0	0
		Power (Indonesia)	2	0	0	1
28.	The system of rules applied in recording and reporting accident statistics (GRI 403-2)	Oil and gas (Indonesia, United States, Oman and Tunisia), Power (Indonesia)	Total Recordable number of recor manha Occupational Dis occupational die ma Lost Time Inciden number of lost d Oil and Gas Safety statistics the Incident Ma system adopts classification, ac Keputusan Direk Pelaporan Kecek Occupational Sa 1904 - Standard Illness. Power Medco Power subsidiaries accor procedure (A80 Indonesian Gove 3 tahun 1998 tei Kerja and Pera 01/MEN/1981 ta Kerja) and Occup	are calculated as for an calculated as for a lncident Rate (TRIF <u>dable injuries</u> <u>our</u> x 1,0 ease Rate (ODR) pe <u>sease case/manhou</u> anhour nt Rate (LTIR) per 1 <u>lay cases including</u> manhour and incident are col nagement Docume widely used indus theres to the Indon tur Teknik Pertamba akaan Tambang dat fety and Health Ad for Reporting and Indonesia's safety ording to incident/a 00/C01/SOPR0100 rnment Regulation (ntang Tata Cara Pel- turan Menteri Ten ahun 1981 tentang vational Safety and H dard for Reporting	R) per 1,000,000 w 00,000 r 1,000,000 work h $\frac{r}{x}$ 1,000,000 ,000,000 work hou fatality x 1,000,000 llected from each a nt guideline PRIMI trial incident rate lesian Government angan Migas tentan (ed 25 October 199 dministration (OSH Recording Occupat (statistics are lecident investigation (Peraturan Menteri aga Kerja dan Tr Kewajiban Melapor lealth Administration	nours = irs =) sset according to E-13-OS-01, this calculation and Regulation as in g Pendataan dan 26, and refers to A) 29 CFR Part ional Injuries and calculated from on and reporting plies with the Tenaga Kerja No. ssaan Kecelakaan ansmigrasi PER- Penyakit Akibat in (OSHA) 29 CFR
29.	Formal agreements (either local or global) with trade unions that cover health and safety (GRI 403-4)	Oil and gas (Indonesia), Power (Indonesia)	2018 covers: • Health • Person	P Indonesia e local level (Collect , safety and environ al Protective Equips elated accidents/inc	iment ment (PPE)	nt) for 2016-

Indicators/disclosures	Type of entity and	2014		201	.5	20	16	201	.7
indicators/disclosures	location	#	%	#	%	#	%	#	%
30. Percentage of operations with	Oil and gas	MedcoEnergi E&P NatunaClauses which formally address health and safety, in line with the HSEPolicy, have been included in Collective Labor Agreement and TeamPerformance Contract (TPC) including:• Health, safety and environment• HSE Committee• Personal Protective Equipment (PPE)• Safety insurance coverage• Healthy working environmentMedco Power IndonesiaMedco Power Indonesia and all its subsidiaries do not have trade unionsVarious health and safety topics are regulated in Medco PowerIndonesia's 2016-2018 Company Regulations.70.00%75.00%89.47%90.00%				unions.			
implemented local community engagement, impact assessments, and/or development programs (GRI 413-1)	(Indonesia), Power (Indonesia)								
 Significant fines and non- monetary sanctions for non- compliance with laws and/or regulations in the social and economic area (GRI 419-1) 	Oil and gas (Indonesia, United States, Oman and Tunisia), Power (Indonesia)	During 201 imposed on or complian	any of	the Comp					

Feedback Form

The Sustainability Report of MedcoEnergi provides an overview of the Company's sustainability performance. We are looking forward to receive any suggestions for improvement from stakeholders about this Sustainability Report by sending feedback form by email, fax, or mail.

Stakeholders Group

Shareholders	Employee	Partners	Government & Regulator
Bank & Investor	Community	Customer	🗌 Media
Others, please specify			

Please choose the most appropriate answer that suit with the questions below

		Yes	No
1.	This report is useful to you.		
2.	This report describes Company's performance in sustainability development.		

Please sort the following material aspects based on the level of importance according to your view for the sustainability of MedcoEnergi (score 1 = most important to 17 = least important).

Local Communities	()
Labour Practices	()
Business Ethics/Fair Business Practices	()
Political and Regulatory Environment	()
Transparency	()
Human Rights	()
GHG Emissions	()
Environmental Impact of Products and Services	()
Access to Natural Resources	()
Procurement Practices	()
Storage and Transportation	()
Biodiversity	()
Effluents and Waste	()
Material and Resource Use	()
Water	()
Privacy and Data Protection	()
Energy Use	()

Please provide suggestion/comments on this report:

Thank you for your participation. Kindly send this feedback form to the following address:

PT Medco Energi Internasional, Tbk Attn.: Corporate Secretary The Energy Building, 53rd Floor SCBD Lot 11A JI. Jend. Sudirman Jakarta 12190, Indonesia Tel. (62-21) 2995 3000 Fax. (62-21) 2995 3001 Email: corporate.secretary@medcoenergi.com